Barclays PLC
Annual Report 2024

Welcome to Barclays

Creating positive outcomes for our stakeholders

Our Purpose	**Working together for a better financial future**
Our Vision	**The UK-centred leader in global finance**
Our Strategy	**A Simpler, Better and More balanced Barclays**

Our Values

Respect
We harness the power of diversity and inclusion in our business, trust those we work with, and value everyone's contribution

Integrity
We operate with honesty, courage, transparency and fairness in all we do

Service
We act with empathy and humility, putting the people and businesses we serve at the centre of what we do

Excellence
We set high standards for what we do, championing innovation and using our energy, expertise and resources to make a positive difference

Stewardship
We prize sustainability, and are passionate about leaving things better than we found them

Customers and clients

Colleagues

Society

Investors

The Group at a glance

Our journey to a Simpler, Better, More balanced Barclays

Barclays supports individuals and small businesses through our consumer banking services, and larger businesses and institutions through our corporate and investment banking services. Barclays is diversified by business, geography and income type.

Financial headlines

£8.1bn	36.0p	10.5%
Profit before Tax (PBT)	**Earnings per share** (EPS)	**Return on tangible equity** (RoTE)

Customers and clients

36%

reduction in BPLC complaints vs 2023

Colleagues

88%

believe strongly in the goals and objectives of Barclays (2024)

Society

6.0m

people upskilled by Barclays through LifeSkills since the start of 2023

Investors

£3.0bn

total capital return to shareholders relating to 2024

In this year's report

Parts 1, 2 and 3 of Barclays PLC 2024 Annual Report together comprise Barclays PLC's annual accounts and report for the purposes of Section 423 of the Companies Act 2006.

Please note that throughout the document, graphical representation of component parts may not sum due to rounding.

Strategic report

The Barclays PLC Strategic report 2024 was approved by the Board of Directors on 12 February 2025 and signed on its behalf by the Chairman.

The Strategic report 2024 is not the Group's statutory accounts. It does not contain the full text of the Directors' report, and it does not contain sufficient information to allow as full an understanding of the results and state of affairs of the Group and of its policies and arrangements concerning Directors' remuneration as would be provided by the full Annual Report 2024.

Note:

△ 2024 data subject to independent limited assurance under ISAE (UK) 3000 and ISAE 3410. Current limited assurance scope and conclusion can be found within the ESG Resource Hub: home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/

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Chairman's introduction

"The clarity around our destination - in terms of strategy, targets and operational excellence - has energised the organisation"

Nigel Higgins
Chairman

We are demonstrating that the bank and its strategic plan can withstand volatility and the continuous pressures placed on financial institutions, while continuing to service customers and clients, communities and our shareholders.

It has been twelve months since we announced our three-year plan to make Barclays a "Simpler, Better and More balanced bank", targeting higher returns from which an improved valuation should flow. The clarity around our destination – in terms of strategy, targets and operational excellence – has energised the organisation and been reflected in an upgrade in our share price.

I am pleased to report that our current performance shows that we are making progress. Last year, we achieved a return on capital and a capital ratio in line with targets, enabling us to distribute £3.0bn to shareholders. We are, I believe, demonstrating that the bank and its strategic plan can withstand volatility and the continuous pressures placed on financial institutions, while continuing to service customers and clients, communities and our shareholders. As you read this report, you will find further detail on our recent performance.

There is, as always, more to do. However, I believe that the bank is in a better position than in the recent past to take advantage of opportunities before it and to withstand the inevitable headwinds. The management team is committed and strong. Barclays is an increasingly attractive place to work, with solid growth potential and a positive culture. We are able to contemplate moderate-sized inorganic steps, as with the acquisition of Tesco Bank. We benefit from our position on both sides of the Atlantic and a strong presence in many other countries, including India where we have around a third of our colleagues.

In our home country we welcome the government's commitment to growth and endorsement of the role which financial services can play. The inclusion of financial services as a key sector in the government's Industrial Strategy underscores its importance, both in terms of its direct contribution to the UK economy but also the vital role financial services plays in facilitating investment and growth across all sectors. Work should continue in order to translate this commitment into actionable plans across infrastructure and other areas which will contribute directly to growth (housing, transport, new energy, higher education), supported by a confident narrative and a reset in our collective and individual attitudes to risks and risk-taking. The financial services ecosystem is world class, and its participants are enthusiastic about being aboard the growth train, but do need to know more about its targeted destinations. We also need some of the brakes to be eased, for instance in unnecessary regulation, whether in financial services or the real economy.

The UK Government's focus on low-carbon growth and jobs is one of several examples where we believe we can play a direct and positive role. In 2024, we facilitated $94.4bn[Δ] of Sustainable and Transition Financing and we continue to play a differentiated role in the scaling up of innovative climate technologies.

Chairman's introduction (continued)

Facts and figures

36.0p
Earnings per share
2023:32.4p

8.4p
Dividend
2023: 8.0p

£3.0bn
Total capital return in relation to 2024
2023: £3.0bn

$162.2bnΔ
Sustainable and Transition Financing facilitated to date towards the target of $1trn by 2030

We are supporting climate tech having invested £65m of our own capital last year, and provide active backing for innovation through our network of Eagle Labs and partnerships with incubators such as Sustainable Ventures. More broadly, we continue to see strong client demand for finance and advisory services from our Energy Transition Group from both sides of the Atlantic. At the same time we recognise the complexity of addressing the climate challenge whilst also supporting a successful and growing economy with affordable energy, especially as we see increasing policy divergence. We intend to publish the Barclays Transition Plan later this year to provide more detail on our path forward and on where we can work with others around the opportunities and dependencies for progress.

Barclays generates c.40% of its revenue in US dollars. The United States is a country more willing to embrace growth and risk, reflected for instance in US dominance in the technology sectors. Our presence there is substantial and our commitment to US customers and clients longstanding. That is a real strength and differentiator amongst the non-US large bank community. For instance, the US is a great source of climate tech innovation and transition financing opportunities, although there is of course a range of responses to the energy security and climate questions. The US is also a unique and competitive market, reflected in its approach to remuneration which we need to be mindful of as we prioritise the acquisition and retention of talent across our businesses. Future-proofing our succession plans is a major reason for the proposed changes to the Directors' remuneration policy which will, with your support, provide more flexibility whilst still being rooted in the UK system and values.

And our values remain at the core of Barclays. At a community level, Barclays has continued its long-standing contribution to that work through our LifeSkills programme, which has been supporting individuals to build employability and financial skills for more than a decade. There is a clear opportunity for us to support financial capability on a broader front, with expertise and insight to improve numeracy, financial literacy and other core skills essential to grow the economy. Our support for sport is another demonstration of how we engage with communities. Barclays' partnerships with the Premier League, the Barclays Women's Super League and Lord's Cricket Ground help to generate more active involvement in sport. As do the grassroots sports programmes we support which are building skills and confidence to uplift and strengthen communities.

These community programmes are dependent on the decency and hard work of our colleagues, thousands of whom, across all continents, give up time to contribute. It is through the colleague lens that I would like to comment in this letter on the conflict in the Middle East, which throughout 2024 and beyond has been a source of unimaginable human tragedy. This has had consequences for Barclays, with unjustified claims about the bank's culpability due to its role financing the aerospace and defence sector, an activity we consider important to a free and democratic society. Nonetheless, protest groups repeatedly intimidate our staff and vandalise our branches, and our sponsorship of arts and cultural institutions has also been targeted. I welcome, where possible, opportunities for constructive dialogue, spending time with different stakeholders to hear their concerns and talk openly about our role as a bank, but we should not accept violence towards our staff and their workplaces.

Thank you

I would like to thank my Board colleagues for their contributions this last year. In July 2024, we welcomed Brian Shea to the Boards of Barclays and BX (our Group-wide service company). Brian brings deep experience in the areas of operations, technology and transformation. He assumed the role of Chair of BX in January this year, as part of our longer-term succession planning following Diane Schueneman's retirement from the Board. Diane has played an important role in overseeing the operational aspects of the Group's business through her board and committee roles, and as Chair of BX provided guidance to management through a period of significant transformation across the Group. In September 2024, Dr Mohamed El-Erian stepped down from our Board. I am extremely grateful to both Diane and Mohamed for their significant contributions to Barclays over a number of years and extend my personal thanks to them both.

On behalf the Board, I would like to thank our Barclays colleagues for their dedication and hard work this year in pursuit of our purpose and by the way they embrace the challenges I touched on in this letter. I would like to single out our branch colleagues for the courage and resilience they have shown. I look forward to discussing the bank's performance and the progress being made against our strategy at our Annual General Meeting in London in May.

Nigel Higgins
Chairman

Chief Executive's review

"Progress on our plan represents our effort to create a financially strong and operationally sound bank"

C. S. Venkatakrishnan
Group Chief Executive

We have completed the first year of a three-year plan to build a Simpler, Better, More balanced Barclays. Having achieved all of our 2024 financial targets, we are on track to reach our 2026 Group goals.

2024 has marked an inflection point for Barclays. We have completed the first year of a three-year plan to build a Simpler, Better, More balanced bank. I am gratified with our progress so far. Our simplified organisational structure, with five reporting divisions[1], enabled a better performance, allowing us to meet our financial targets for the year and improve our operational efficiency and customer service. We are seeking to rebalance the bank and grew Risk Weighted Assets (RWAs) in our higher returning UK-facing businesses by £13bn, while reducing the proportion allocated to the Investment Bank from 58% in 2023 to 56% in 2024.

I am grateful for the response of you, our investors, to our plan and our progress to date. We must continue to pursue a standard of "consistent excellence". At the same time, we must continue to earn and retain your trust.

The economic and political environment this year has generally been better than we expected. At the outset, 2024 was characterised as the year of elections. In the event, voters have spoken in our three main business locations - the UK, the US and India - and in all cases we have governments installed with a number of years left in their mandates. We have seen improved growth, controlled inflation and low unemployment in our major markets. Credit conditions have been relatively benign, for individuals and corporations, and the equity markets strong. There is no guarantee that this environment will persist, but we are building a robust institution designed to withstand volatility and serve clients and customers in all times.

The situation in the Middle East has had a direct impact on us in the UK. As our Chairman notes in his letter, Barclays has suffered a campaign of disinformation resulting in unacceptable attacks on our staff and buildings. It speaks to the courage and resilience of my colleagues that they have not just endured this violence but maintained their excellent service for our customers.

Financial performance and operational progress

Our three-year plan sets out targets for 2026 including to grow returns with a target Return on tangible Equity (RoTE) of above 12%; to distribute more capital to shareholders, returning at least £10bn between 2024 and 2026[2]; and to rebalance the bank by reducing RWAs in the Investment Bank from 58% of Group RWAs at the end of 2023 to around 50% in 2026.

Having achieved all of our 2024 financial targets, we are on track to reach our 2026 Group goals.

In 2024, our RoTE was 10.5%, in line with our target of greater than 10%. Total income was £26.8bn up 6% year on year, and we achieved our NII targets for the Group and for Barclays UK, while continuing to focus on the quality and stability of our income mix. We controlled costs well, with a cost-to-income ratio of 62%, below our target of circa 63% despite a £90m motor finance provision in the fourth quarter, and we achieved £1.0bn of gross cost savings for the year.

Notes:
1 These divisions are Barclays UK, Barclays UK Corporate Bank, Barclays Private Bank and Wealth Management, Barclays Investment Bank and Barclays US Consumer Bank.
2 This multi-year plan is subject to supervisory and Board approval, anticipated financial performance and our published CET1 ratio target range of 13-14%.

Chief Executive's review (continued)

Facts and figures

10.5%
Return on tangible equity (RoTE)
2023: 9.0%

£26.8bn
Total income
2023:£25.4bn

13.6%
Common Equity Tier 1 (CET1)
2023: 13.8%

46bps
Loan Loss Rate (RWA)
2023: 46bps

In addition, our overall credit performance was strong with a Group loan loss rate of 46 basis points for the year. We remained well capitalised. Our CET1 ratio was 13.6%, within our 13-14% range, and underpins our plan to return at least £10bn to shareholders by 2026[1], with a total payout of £3.0bn for 2024. This includes £1.2bn of dividends, increasing our dividend per share by 5%, to 8.4p per share.

We continue to focus on disciplined execution of the plan and have established a Group Transformation Office to drive delivery across our businesses. In Barclays UK, we completed the acquisition of Tesco Bank, adding £8bn of assets. Our strategic relationship with the UK's largest retailer forms part of our commitment to invest in our home market, where we have a key role to play in unlocking economic growth. Barclays UK, UK Corporate Bank and Private Bank and Wealth Management have all contributed to the Group's balance sheet expansion this year. In the Investment Bank, our share of banking fees increased by 30 basis points and we maintained our position as the highest non-US domiciled bank in global fee share rankings[2]. Our drive for productivity supported a 30 basis point improvement in Investment Bank income to average RWAs, to 5.8%. We did this while delivering a lower cost-to-income ratio. In the US Consumer Bank, we announced a new partnership with General Motors and successfully launched a new tiered savings product. Importantly, across Barclays, we are making good progress in improving customer and client experience.

At the same time, we continued to simplify the bank. We sold our Italian mortgage portfolios[3] in 2024 and announced the sale of our German consumer finance business.

Notes:
1 This multi-year plan is subject to supervisory and Board approval, anticipated financial performance and our published CET1 ratio target range of 13-14%.
2 Dealogic for the period 1 January 2024 to 31 December 2024.
3 Comprising the disposal of our performing and non-performing Italian retail mortgage portfolios.
4 Based on the closing mid-market share price on 10 February 2025.

Improving and sustaining our operational performance is crucial to the delivery of our strategy. We are two years into our Consistently Excellent culture change programme with an ambition to operate at the highest level and avoid errors across the firm. This is the essence of what it means to work at Barclays. Across the bank we are simplifying and digitising processes. We are introducing new technologies, such as generative AI, to improve how our people work and collaborate and how we engage with our customers and clients.

All this represents progress in our effort to create a financially strong and operationally sound bank.

Conclusion

Creating a Simpler, Better and More balanced Barclays is a major undertaking. Our achievements in 2024 would not have been possible without the hard work and dedication of our colleagues around the world. I am grateful to them for their continued support and proud of the culture of respect and service we have built across our organisation.

I am pleased and proud to announce a share grant worth around £500[4] each to over 90,000 employees to thank them and better align their efforts with shareholders' interests. This share award will enable all colleagues to benefit tangibly from the firm's progress. More broadly, I have long felt that there is a need to revive a culture of share ownership in the UK, and this award represents our effort in this direction.

We are one year into our three-year plan. While there is still much to do, I am pleased with what we have achieved so far and optimistic for what lies ahead.

Thank you

C. S. Venkatakrishnan
Group Chief Executive

Our Priorities

Simpler
Simpler business
Simpler organisation
Simpler operations

Better
Better returns
Better investments
Better quality income
Better customer experience and outcomes

More balanced
More balanced allocation of RWAs
More balanced geographical footprint

Our strategy

Within this section we review Barclays in the current environment, provide an overview of core strengths and capabilities of the business, and set out our strategy to drive improved performance.

Our business environment

Our business model

Our plan and targets

The world in which we operate

Barclays 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. We are cognisant of those relevant to our industry and have identified three areas we need to be aware of in the execution of our strategy. We continue to make good progress in addressing them:

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

We reflect the environment in which we operate in the development of our strategy and evolution of our operating model. Our three-year plan is designed to withstand volatility and uncertainty, and help us to continue to meet the needs of our wider stakeholders - including customers, clients, regulators and shareholders.

In 2024, we saw an increase in the external pressures placed upon us, including protest activity from activists. The scale of our business means we have a broad array of stakeholder groups to whom we respond. This can come with complex perceptions on varying topics and voices of opposition on actions we take. Our priority has been to support our colleagues and continue to deliver for our customers and clients.

We actively navigate risk and uncertainty, and are vigilant to deliver for our stakeholders as the environment evolves.

Broader considerations in our operating environment

Geopolitical

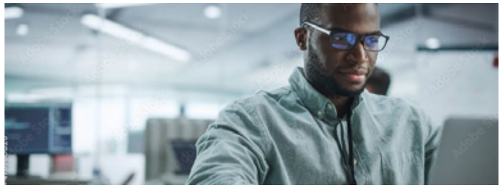
- **Conflicts in the Middle East and Ukraine**
- **Relations between the US and China**
- **New US administration**

Macroeconomic

- **Economic uncertainty: Higher interests rates for longer**
- **Disintermediation of existing markets**
- **Higher systematic risk and volatility**
- **Global population trends**

Climate

- **Energy transition and security**
- **More extreme climate cycles**



Technology

- **Generative AI and related impact from regulators and cybersecurity**
- **Customer expectations regarding digital experience**
- **Pressure on cybersecurity and identity authentication**

Regulatory

- **Basel 3 endgame and AIRB regulations in the US**
- **Customer protections including Consumer Duty**

Our business model

Working together for a better financial future

Our universal banking model enables us to create synergies across the organisation and deliver long-term value for our stakeholders.

We deploy our resources...

We draw on tangible and intangible assets to drive long-term, sustainable value creation. We invest and maintain our resources to ensure we can continue to provide maximum value to our customers and clients.

Our people, Purpose, Values and Mindset

Our people are our organisation. We deliver success through a Purpose-driven and inclusive culture.

Our brand

Our brand equity instils trust, lowers the cost of acquiring customers and clients, and helps retain them for longer.

Technology and infrastructure

Our deep technology and infrastructure capabilities drive customer experiences and support strong resilience.

Operations and governance

Our risk management, governance and controls help ensure customer and client outcomes are delivered in the right way.

...to serve a broad range of customer and client needs...

We provide a comprehensive offering through UK consumer, corporate and wealth and private banking franchises, a leading investment bank and a strong, specialist US consumer bank.

Lending

We lend to customers and clients to support their needs.

Protecting

We ensure the assets of our clients and customers are safe.

Investing and advising

We help our customers and clients invest.

Moving

We facilitate transactions and move money around the world.

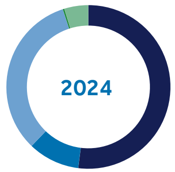
Connecting

We connect companies seeking funding.

...generate a well-diversified income stream...

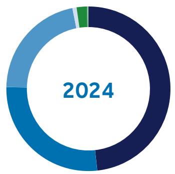
We seek stability of income to reduce volatility, better manage risks and ensure the most efficient use of our resources.

Total income by geography (£m)



United Kingdom	13,927
Europe	2,734
Americas	8,772
Africa and Middle East	82
Asia	1,273

Total income by type (£m)



Net interest income	12,936
Net fee and commission income	7,247
Trading income	5,768
Investment income	216
Gain on acquisition	556
Other income	65

...and provide positive outcomes for our stakeholders.

Our diversified model positively impacts our stakeholders and provides the resilience and consistency needed to deliver value for them.

Customers and clients

Supporting our customers and clients to achieve their goals with our products and services.

Colleagues

Providing employment to c.93,000 colleagues globally and helping them develop as professionals.

Society

Providing support to our communities, and access to social and environmental financing to address societal need.

Investors

Delivering attractive and sustainable shareholder returns on the foundation of a strong balance sheet.

Our plan and targets

Delivering our three-year plan

Announced in February 2024, we have a clear plan to improve our operational and financial performance, and improve total shareholder returns by making Barclays Simpler, Better and More balanced.

Our Priorities

Simpler
A simpler organisation with a simpler structure and operations, to reduce cost and complexity.

Better
Better returns through improved investments, higher-quality income, and better customer and client experience and outcomes.

More balanced
Allocate more capital into our higher-returning businesses, and grow in our UK home market.

Read more about our updated strategy at:
home.barclays/strategy

2024 actuals

10.5%
Statutory RoTE
c.10.6% excl. inorganic activity[1]

56%
Investment Bank RWAs

£3.0bn
Total payout

13.6%
CET1 ratio

Supporting actuals

£26.8bn
Income

£11.2bn[3]
Group NII excl. Investment Bank and Head Office

62%
Cost: income

£6.5bn[3]
Barclays UK NII

46bps[4]
Loan Loss Rate (LLR)

2026 targets

>12%
Statutory RoTE

c.50%
Investment Bank RWAs
% of Group

at least
£10.0bn[2]
Total payout 2024–2026

13–14%
CET1 ratio

Supporting targets

c.£30bn
Income

High 50s%
Cost: income

50–60bps
LLR through the cycle

Notes:
Our targets and guidance are based on management's current expectations as to the macroeconomic environment and the business and are subject to change.
1 Inorganic activity refers to certain transactions announced as part of the FY23 Investor Update designed to improve Group RoTE beyond 2024. See page 37 for further details.
2 This multi-year plan is subject to supervisory and Board approval, anticipated financial performance and our published CET1 ratio target range of 13-14%.
3 Excludes £0.1bn NII as a result of the acquisition of Tesco Bank on 1 November 2024.
4 Inclusive of the £0.2bn impact (c.4bps LLR impact) from the acquisition of Tesco Bank on 1 November 2024.

2024 divisional review

We report performance across our five operating divisions throughout the year. The following pages review each division's 2024 performance.

Group overview

A simplified structure promoting synergies

In February 2024, we announced an updated business structure. Through our five divisions, we are organised and operate in a simpler way, delivering greater accountability and transparency to our shareholders, supporting synergies across the Group, and reflecting the way we serve our customers and clients.

Barclays PLC

Barclays UK

Our ring-fenced UK retail banking division, and one of the UK's leading financial brands, trusted by over 20 million customers. Barclays UK includes our personal and business banking operations, alongside Barclaycard UK.

Barclays UK Corporate Bank

Providing the financial and advisory capabilities to power the UK's SME and mid-cap businesses. Barclays UK Corporate Bank has a relationship with over a quarter of UK corporates.

Barclays Private Bank and Wealth Management

Comprises our UK wealth offering, offering a range of financial services, including Smart Investor, our digital investing service. Our Private Bank is centred in the primary global wealth hubs, providing clients with a range of investing, banking and lending products alongside expert advice.

Barclays Investment Bank

Incorporates leading Global Markets and Investment Banking franchises operating at scale, including international corporate banking, serving multinational corporate and institutional clients globally.

Barclays US Consumer Bank

Offering co-branded, small business and private label credit cards, instalment loans, online savings accounts, and Certificates of Deposits. With c.20 million retail customers in the US, we work with some of the largest US brands on a range of partner cards.

Head Office[1]

2024 RWA allocation

Barclays UK	24%
Barclays UK Corporate Bank	7%
Barclays Private Bank and Wealth Management	2%
Barclays US Consumer Bank	7%
Head Office	5%
Barclays Investment Bank	56%

Notes:
1 Head Office provides centralised services across the Group. Head Office also contains certain businesses held for sale.

2024 divisional review

Barclays UK

Barclays UK consists of our UK Personal Banking, UK Business Banking and Barclaycard Consumer UK businesses.

Our business

- UK Personal Banking offers retail solutions to help customers with their day-to-day banking needs.
- UK Business Banking serves business clients, from high-growth start-ups to SMEs, with specialist advice.
- Barclaycard Consumer UK is a leading credit card provider, offering flexible borrowing and payment solutions.
- From 1 November 2024, Barclays UK includes the retail banking business ('Tesco Bank') acquired from Tesco Personal Finance plc – which includes credit cards, unsecured personal loans, savings and operating infrastructure.

Focus areas

- Delivering operational efficiencies to facilitate investment in growth.
- Improving customer experience and product offering, and creating opportunities to deepen relationships with our customers and clients.
- Growing lending market share.

Measuring where we are

£8.3bn **Income** 2023: £7.6bn	£3.6bn **Profit before tax** 2023: £2.9bn
£4.3bn **Operating expenses** 2023: £4.4bn	23.1% **Return on tangible equity** 2023:19.2%

Year in review

Barclays UK is one of the UK's leading financial brands, trusted by over 20 million customers. In 2024 we focused on improving our customer and client propositions and the precision in our execution. The strength of our business is reflected in our financial performance, with Barclays UK delivering a RoTE of 23.1%.

Our customers are at the heart of everything we do and in 2024 we have endeavoured to uplift the customer experience. While we have more to do, we have seen meaningful improvements. Our targeted actions have led to a 36% reduction in customer complaints, an improvement in customer satisfaction during phone call interactions, as well as increases in digital and Premier Net Promoter Scores (NPS).[1]

Optimising our footprint is important in delivering for our customers and clients. We have over 200 traditional, full-service branches across the UK which we are investing in, for example, a complete refresh of our self-service devices is underway. We are also working closely with our peers to deliver more shared banking hubs, enabling us to provide banking and cash services in areas not covered by our branch network. We have opened 103 hubs in communities across the UK, as part of a joint commitment to open at least 350 within the next five years.

Our customers and clients expect us to provide seamless, fast and reliable banking 24/7. The Barclays app has nearly five billion logins a year, and in 2024 we've made progress in service and technology improvements. We've improved the app's features - including an enhanced search function, the ability to increase daily payment limits, the ability to access cash from ATMs without a card, and enhancements to our automated digital assistant.

Note:
1 Premier NPS from © Ipsos 2024, Financial Research Survey (FRS), comparing Premier current accounts.

Amazon co-branded credit card

Barclays has launched a co-branded credit card with Amazon that lets customers earn rewards on everyday spending both with Amazon and with other retailers. The card has no annual fee and customers receive a £20 Amazon gift card upon approval.

The Amazon Barclaycard will help the bank further achieve its lending ambitions. It is the only co-branded consumer credit card that Amazon offers in the UK and is the latest in a series of successful collaborations between Amazon and Barclays – including Instalments by Barclays, a reusable credit line that lets Amazon customers in the UK spread the cost of purchases over time. The partnership also extends to the Investment Bank, which provides a range of services to Amazon.

2024 divisional review (continued)

Business Banking lending

Research from Barclays[1] revealed that business owners value convenience, speed and digital access to lending decisions, with the majority stating they prefer to use online banking to apply. In response, our Business Banking team is making funding more accessible. For example, previously, only clients with pre-assessed limits who were applying for less than £100,000 could apply online; everyone else had to contact Barclays by phone or in person. In October 2024, we redesigned our digital journey to enable existing clients to complete a product suitability assessment online before applying for lending, providing greater convenience.

Our customers want a broader proposition and we've improved our products and offerings. For example, we've added Apple TV+ to the benefits included in Blue Rewards and given Premier customers access to all Barclays Blue Rewards features.

We've supported over 100,000 homebuyers and owners with their mortgage applications in 2024. A new Mortgage Charter journey has enabled customers experiencing short-term payment difficulties to temporarily reduce their payments via the Barclays app, simplifying the experience and helping them to make informed decisions. Our subsidiary, Kensington Mortgages, launched a new Step Down mortgage where payments reduce after two years, helping customers facing financial changes. Kensington is currently the only mortgage provider in the UK to offer this. Through our Business Banking business, in 2024 we lent £2.17bn to SMEs to help them grow. We have also migrated 650,000 business clients from legacy infrastructure and pricing onto a new standard current account tariff that provides streamlined, competitive pricing for all.

In November 2024, we completed the acquisition of Tesco Bank, which includes credit cards, unsecured personal loans,savings and operating infrastructure. Barclays UK has also entered a long-term, exclusive partnership with Tesco Stores Limited for an initial period of 10 years to market and distribute credit cards, unsecured personal loans and deposits using the Tesco brand, as well as to explore other opportunities to offer financial services to Tesco customers. This builds on Barclays UK's existing strategic partnerships with other leading brands.

"In 2024, we have endeavoured to uplift the customer experience and our targeted actions have led to a 36% reduction in customer complaints."

Vim Maru
CEO of Barclays UK

Looking ahead

Over the next two years, we will remain focused on improving our products and services, as we deliver for customers and strive to provide a world-class experience. Our customers expect more from us, and we will continue to enhance and evolve our product offerings and how they experience them.

Technology and innovation bring advancements. We will focus on delivering improved capability through functional and scalable technology – simplifying by investing in digitisation, automation and data. Our digital channels – including our onboarding and application processes, and our virtual customer care support – are being regularly upgraded. We are leveraging the use of AI to simplify and improve operations; increasing efficiencies, and enhancing productivity, enabling colleagues to be there for customers and clients when they need us the most.

We have the opportunity to meet our ambitions with a stronger market position in key product lines – becoming more balanced by growing market share, particularly in unsecured and secured lending and business banking. We will leverage the Tesco Bank acquisition and partnership to maximise the opportunity.

Note:
1 Internal research based on a survey taken in November 2023 with 100 client responses.

2024 divisional review (continued)

UK Corporate Bank

UK Corporate Bank offers a range of Corporate Lending and Transaction Banking services to clients with an annual revenue of more than £6.5m through to FTSE350 companies.

Our business

- Corporate Lending: Offers a range of term, revolving, and overdraft facilities to clients across the UK, with financing solutions tailored to specific industry sectors.
- Transaction Banking: Provides cash management, trade and working capital solutions, risk management solutions and payment services internationally.

Focus areas

- Driving productivity and seamless digital delivery, simplifying and improving client experience.
- Growing broad-based income through deeper client relationships with products and solutions which address their needs.
- Growing share of lending and attracting new clients.

Measuring where we are

£1.8bn **Income** 2023: £1.8bn	£0.7bn **Profit before tax** 2023: £0.9bn
£1.0bn **Operating expenses** 2023: £0.9bn	16.0% **Return on tangible equity** 2023: 20.5%

Year in review

UK Corporate Bank has been described as the 'beating heart' of Barclays, given the role it has played in serving clients in the UK for over 330 years and its ability to join together the different aspects of the organisation to deliver for businesses and institutions. Our UK Corporate Bank delivered a RoTE of 16.0%, which – while representing a reduction against the prior year – continues to demonstrate the strong franchise and long-lasting client relationships we maintain. In 2024, we focused on laying the foundations for transformation with investment in online digitalisation, strategic hiring in line with market opportunity and deepening relationships with clients.

Against a challenging backdrop, we are pleased with the progress made. We have been proactive in our client outreach, attracting 550 new clients and issuing communications to clients affirming our support and willingness to lend, totalling more than £4.2bn. This focus enabled us to achieve total loan growth of £1bn[1] for the year, after adjusting for perimeter changes with International Corporate Banking.

Our lending plays a crucial role in clients' investment in their futures, and helps improve economic productivity and drive growth. In 2024, we launched the Business Prosperity Fund, representing £22bn of funding available from our UK Corporate and Business Banking businesses – which we will lend to new and existing clients in 2025.

Note:
1 FY24 Loan balance growth of c.£1bn excludes a c.£2bn reduction from refinements to the perimeter with International Corporate Banking within IB.
2 sng.org.uk/press-release/sng-reports-strong-position

Sovereign Network Group (SNG)

SNG is the second-largest developer among housing associations in the UK[2] and has ambitious plans to build 25,000 new homes over the next 10 years. To support SNG in achieving these ambitions, UK Corporate Bank delivered Barclays' largest short-term trade loan for a social housing client. The £50m trade loan facility provides SNG with greater flexibility in managing its capital flows and supplements its longer-term debt financing solutions.

The successful client outcome is a result of close collaboration between UK Corporate Bank coverage teams and Transaction Banking teams, and further demonstrates progress against the bank's goal to increase lending in support of clients' investment needs.

2024 divisional review (continued)

Bluestone National Park

When Bluestone National Park, a family- and employee-owned luxury holiday resort in the heart of South West Wales, sought finance to invest in expansion and become more energy self-sufficient, it turned to our UK Corporate Bank for a solution.

Barclays, alongside the Development Bank of Wales, provided Bluestone with a sustainability-linked syndicated finance facility that has enabled the continuation of a major sustainable investment programme, including the development of a solar farm.

As a longstanding client of over a decade, we've supported Bluestone's growth and expansion, understanding both their current and longer-term needs and objectives.

We are deepening relationships with our clients by developing and improving products and services to better meet their needs. In 2024, we completed the implementation of our end-to-end global trade finance solution, Trade360, in the UK. This platform provides clients with greater connectivity and visibility into their trade transactions, allowing them to optimise working capital efficiency, funding and risk mitigation. Trade360 differentiates our capabilities from our UK-focused peers, evidenced by Barclays being named Best Trade Finance Bank in the UK in 2024[1]. Using cloud-based functionality for corporate banking clients, we can offer an improved user experience through easy access and real-time integration with essential information, combined with the latest trade solutions as industry-wide digitisation continues to accelerate.

"Against a challenging backdrop, we are pleased with the progress made, having achieved total loan growth of £1bn for the year."

Matt Hammerstein
CEO of UK Corporate Bank and Head of Public Policy and Corporate Responsibility

We also enhanced our cash management client experience, reducing the average time it takes for clients to open additional accounts. We made improvements to our Virtual Account Management tool, where clients can manage large-scale virtual account operations and achieve comprehensive cash management. Additionally, we've increased the number of client interactions that can be self-served, enabling more clients to easily access the support they need.

We have enhanced our client experience through the streamlining of processes and a focus on digitisation. This includes faster client onboarding times, such as our new fast-track process for UK-domiciled clients with simple ownership structures.

These efforts are reflected through consistent improvements in our Overall Client Satisfaction (OSAT) score, an independent benchmarking score measured by Savanta, a market research company, with 62% of clients surveyed rating us 'Excellent' or 'Very Good', an increase of 6% since 2023.

Looking ahead

We remain committed to supporting the delivery of Barclays' three-year plan through a continued drive to grow lending; building deeper client relationships; and continued investment in our digital capabilities to enhance our clients' experience.

Note:
1 By Global Trade Review at Leaders in Trade awards 2024.

2024 divisional review (continued)

Private Bank and Wealth Management

Private Bank and Wealth Management (PBWM) comprises PBWM UK – serving clients across the full wealth continuum in the UK and Crown Dependencies – and PBWM International, serving high- and ultra-high net worth clients in selected international markets.

Our business

- Private Banking UK is a full-service proposition for clients with investable assets of £3m+.
- Private Banking International is a full-service proposition for clients with investable assets of £5m+ internationally[1], with a focus on clients in the Europe, Middle East and Asia wealth corridors.
- UK Affluent is for UK clients with £250k to £3m of investable assets.
- UK Digital Investing is for UK self-directed investors, with investment starting from just £1.

Focus areas

- Moving to a simplified business structure, aligned to market opportunity in the UK and internationally, as well as reinvesting cost efficiencies to support growth.
- Strengthening the proposition across the UK wealth continuum and the International Private Bank.
- Growing assets under management to increase the relative contribution of non-interest income, to deliver high-quality recurring revenue.

Note:
1 For India, the Private Bank proposition is available for clients with investable assets of £3m+.

Measuring where we are

£1.3bn **Income** 2023: £1.2bn	**£0.4bn** **Profit before tax** 2023: £0.4bn
£0.9bn **Operating expenses** 2023: £0.8bn	**28.1%** **Return on tangible equity** 2023:32.7%

Year in review

Private Bank and Wealth Management's vision is to be the investment partner for our clients, their families, and the next generation. The strength of our business is reflected in our 2024 performance, with assets under management growing 14%, and PBWM delivering a RoTE of 28.1%.

To continue to serve our customers and clients, and to deliver on the bank's strategy, we have simplified our operating model. From February 2025, PBWM will operate through two core areas: PBWM UK, focused on the full UK continuum from first time investors to ultra-high net worth individuals and family offices, and PBWM International, focused on clients in Europe, Middle East, and Asia.

Investing is a fundamental part of wealth creation and growth, and in the UK there is an opportunity to support savers to become investors. Barclays' digital investing service, Smart Investor, is embedded in the Barclays app and has over 331,000 active customers, providing them access to 8,500 different securities and funds including ready-made investments. Over the past year, we have focused on improving our digital investing proposition.

The scaling and enhancement of Smart Investor is a strategic priority for Private Bank and Wealth Management as part of Barclays' three-year plan.

In 2024 we introduced more competitive pricing and simplified customer journeys – for example, making it easier for customers to research, open, fund and trade ready-made investment funds in the Barclays app. These improvements have contributed to over 58,000 customers choosing to open a Smart Investor account in 2024 – a 141% increase compared to 2023 – and further enhancements are planned in 2025.

Smart Investor presents a growth opportunity for Private Bank and Wealth Management, in particular through synergies and cross-collaboration with Barclays UK.

Enhancing client engagement through philanthropy

In 2024 the Private Bank team continued to expand our Philanthropy Service to educate, inspire, and support our clients on their philanthropic journeys. This complimentary service, led by our team in collaboration with industry experts, helps provide clients with personalised guidance to understand the role of philanthropy, make informed decisions, and achieve impactful giving.

Our Philanthropy Service was named the UK's best private bank Philanthropy Service Offering in WealthBriefing's 2024 Wealth For Good Awards – highlighting its excellence and significant contribution to the wealth management industry.

2024 divisional review (continued)

Private Bank's Multi-Asset Sustainable Total Return Strategy

The Private Bank's Multi-Asset Sustainable Total Return Strategy (STRS) seeks to deliver competitive investment returns through a diversified portfolio of assets, while at the same time helping to address global sustainability challenges. Over the past five years, its popularity with our charity and not-for-profit clients, universities, the next generation of wealth holders and those with sustainability-focused values has led to assets within the strategy increasing at a 36% compound annual growth rate — driving our assets under management to over £1.5bn.

We are committed to being a responsible investor and voting forms part of the Private Bank's overall stewardship strategy.

Across STRS, we use a three-stage sustainability assessment process to identify suitable assets. This includes investment exclusions, analysing ESG credentials, and reviewing the positive contribution of economic activity to the UN Sustainable Development Goals.

"Our vision is to be the investment partner for our clients, their families, and the next generation. We have focused on improving the service we deliver for clients as we help them achieve their goals."

Sasha Wiggins
CEO of Private Bank and Wealth Management

Our research indicates that a number of people in the UK may benefit from financial advice but are not receiving it. To address this need, we have built the foundations of a new UK Affluent proposition to provide advice to our customers and clients at each stage of their personal financial journey. It aims to deliver scalable and accessible financial planning, which is fairly priced and transparently constructed. It will be fully integrated within the Barclays app – making it seamless for our customers to access the advice they need alongside their day-to-day banking requirements. The UK Affluent service is currently being piloted and will be launched in 2025.

We have focused on providing a best-in-class offering for our Private Bank clients. We continued to enhance our personalised service and improve the products we offer, including our ability to offer credit against investments and expanding our alternative offerings with the launch of new Private Markets solutions. We also launched a unitised fund based on our top-quartile performing[1] multi-asset class discretionary strategy. Internationally, we are developing the foundations for future growth in the Middle East and Asia.

Across our business, we have automated processes and digitised services to improve our operations. For instance, in Europe, we increased automation in our banking offering to improve operations and controls, and reduce processing times.

Looking ahead

We are focused on improving efficiencies across our business, strengthening our propositions and growing our assets under management to drive a more balanced income profile across net interest income and fees.

A continued focus is to deepen the relationships we have with our existing clients and continue to grow our assets and liabilities. We will do this by being more consistent with the way we collaborate with clients across the wider firm. For example, we have identified that there are roughly four million customers in Barclays UK today that have sufficient liquidity and/or investment appetite that could benefit from the services of PBWM. Within the UK Corporate Bank and the Investment Bank, there are also a significant number of business owners, family offices and executives of large corporations who would benefit from our Private Bank services.

Our priorities for the year ahead include further improvements to our UK Digital Investing proposition, launching our new UK Affluent proposition, and continuing to improve our proposition and digital experience in the Private Bank – both in the UK and internationally. We are also focused on progressing our plans to establish a new Private Bank booking centre in Singapore. We remain committed to improving our underlying technology infrastructure and digital client experience.

Note:
1 The Asset Risk Consultants (ARC) Balanced PCI Index provides a comparative measure of performance, using the returns of actual client portfolios where risk relative to world equities is 40%-60%. The data is taken from 138 investment managers. Data as of 30 June 2024.

2024 divisional review (continued)

Investment Bank

Investment Bank provides money managers, financial institutions, governments, supranational organisations and corporate clients with advisory, finance and risk management services.

Our business

- Barclays' Global Markets division provides institutional investors, sovereigns and corporates with a full range of execution services, ideas and risk management solutions across asset classes (Equities, Credit, Rates, FX and Securitised Products). The Research team provides institutional investors with data-driven analysis, actionable insights and access to our analysts across global sectors, markets and economies.
- Barclays' Investment Banking division partners with companies, governments and financial institutions worldwide to provide expert advice, innovative solutions and access to capital. It includes International Corporate Banking, which provides financial institutions and large corporate clients with wholesale lending and sophisticated treasury solutions – supported by deep industry knowledge and local, on-the-ground specialists.

Focus areas

- Monetising our deep client relationships while maintaining prudent risk management.
- In Global Markets, sustaining momentum in our businesses with Top 5 market share[3], growing our next focus businesses and continuing to scale more stable financing income.
- In Investment Banking, maintaining our historical strength in Debt Capital Markets (DCM) while growing share in Advisory and Equity Capital Markets (ECM) with Financial Sponsor and Corporate clients, and together with the International Corporate Bank, driving growth via coordinated coverage of our clients' Treasury functions.

Measuring where we are

£11.8bn **Income** 2023: £11.0bn	**£3.8bn** **Profit before tax** 2023: £3.2bn
£7.9bn **Operating expenses** 2023: £7.7bn	**8.5%** **Return on tangible equity** 2023: 7.0%

Year in review

Barclays has a top-tier Investment Bank with a strong global ranking. Our market share in Investment Banking has improved, and we maintained our #6 Dealogic[1] global fee share ranking (3.3% fee share) - the highest of any non-US domiciled bank. Though there is still work to do, we are making progress, and this is reflected in the 150bps increase in RoTE to 8.5%, closing in on the target to align to the Group.

With 2024 marked by episodes of both optimism and risk aversion, the Investment Bank continued to help clients navigate a complex landscape shaped by economic data, geopolitical events and policy change - delivering strategic solutions through our diversified portfolio of products and services. Through the year, we continued to grow income with a focus on more stable income streams which along with greater efficiency resulted in positive jaws for the year. Income was up 7%, with costs up 2%. The growth in income together with stronger management of RWAs, allowed us to deliver revenue over average RWAs of 5.8%, up 30bps on 2023.

In Global Markets, our synergies between sales, trading, financing, and with our partners in Investment Banking, give us the opportunity to drive a more cohesive and trusted relationship with clients and deliver a fuller suite of products and services, delivering revenue growth of 4%. We have made strong progress with improved performance in the three focus businesses in Markets, while sustaining momentum in financing within Markets.

Notes:
1 Dealogic for the period 1 January 2024 to 31 December 2024.
2 Subject to receipt of certain regulatory approvals and other customary closing conditions.
3 Top 5 market share as defined in the 20 February 2024 Investor Update. For further details, see: https://home.barclays/content/dam/home-barclays/documents/investor-relations/ResultAnnouncements/FullYear2023Results/20240220-Barclays-Investor-Update-Presentation.pdf

Frontier Communications sale to Verizon

In 2024, Barclays acted as financial adviser to Frontier Communications, a US broadband connectivity provider, in its announced sale to telecommunications company Verizon in an all-cash transaction valued at approximately $20 billion. The transaction is expected to close by the first quarter of 2026[2].

This high-profile transaction is a testament to our leadership in the telecommunications sector and reflects the deep relationships we have with clients in the US. It also demonstrates the strength of our M&A franchise and the effective collaboration of teams across the Investment Bank, highlighting the importance of our synergies.

2024 divisional review (continued)

National Grid

In June 2024, Barclays helped energy infrastructure company National Grid to raise £7bn in the largest ever utility and energy equity rights issue globally[3]. The funds raised will be used to help enable National Grid to deliver its £60bn capital programme in its critical energy networks infrastructure in the UK and US, supporting electrification and delivery of the energy transition.

The transaction is an example of how the Investment Bank supported a long-standing client by delivering in one of the division's strategic growth franchises, Equity Capital Markets.

Our acute focus on growing our share with the top 100 clients by deepening our relationships continues to progress. We grew our Top 5 rank from 49 to 56 in 2024.[1]
Our Research team continues to rank highly amongst our institutional client base, as evidenced by the results in the Extel 2024 surveys, where Barclays ranks #3 in Global Fixed Income, #5 in European Equity Research and #8 in US Equity Research.

In Investment Banking, we delivered revenue growth of 12% year on year, and improved overall global fee share by 30bps to 3.3%[2]. In 2024, we maintained our traditional strengths in DCM, consisting of Investment Grade (#6, 3.5% share[1]) and Leveraged Finance (#5, 4.7% share[1]) while making progress in rebalancing our footprint towards Advisory (#11%, 2.6% share, flat to 2023[1]), and ECM (#7, 3.1+ %, up from #11, 2.1% in 2023[1]). While corporate banking revenues were down 5%, driven by lower liquidity pool income and margin compression on deposits, we made progress in developing our international offering and improved our digital offering to meet the increasingly sophisticated needs of our clients. Additionally, we continued to integrate our activities through our combined Treasury Coverage model, unifying engagement for clients' wider Investment Bank treasury needs.

"We continued to help clients power possibilities and plan for their future with confidence – drawing on the breadth and depth of our franchises, our strategic advice, and our comprehensive financing and risk management solutions."

Cathal Deasy
Global Co-Head of Investment Banking

Looking ahead

Our goal in the Investment Bank is to continue to improve returns to deliver in line with Group RoTE in 2026 and leverage our strength in the UK to consolidate our position as a leading global investment bank.

We aim to achieve this through high single-digit compound annual growth rate (CAGR) income growth, disciplined cost management and increase in capital efficiency.

Notes:
1 Based on Barclays analysis using internal and external sources.
2 Dealogic for the period 1 January 2024 to 31 December 2024.
3 Dealogic as at 31 December 2024, based on a GBP and EUR basis.

2024 divisional review (continued)

US Consumer Bank

US Consumer Bank (USCB) is a leading co-branded credit card issuer and financial services partner in the United States.

Our business

- Barclays US Consumer Bank has more than 20 million customers and partnerships with 20 of America's leading brands across the airline, travel, retail and affinity sectors.
- We provide co-branded credit cards, small business credit cards, instalment loans, point-of-sale finance, online savings accounts and certificates of deposits.

Focus areas

- Scaling and diversifying by growing existing partnerships and winning new partners.
- Investing in digitisation to deliver operational efficiencies and enhanced customer experience.
- Improving net interest margin by optimising pricing and credit mix, while reducing funding costs.
- Selective risk transfer to optimise use of balance sheet.

Measuring where we are

£3.3bn **Income** 2023: £3.3bn	**£0.4bn** **Profit before tax** 2023: £0.2bn
£1.6bn **Operating expenses** 2023: £1.7bn	**9.1%** **Return on tangible equity** 2023: 4.1%

Year in review

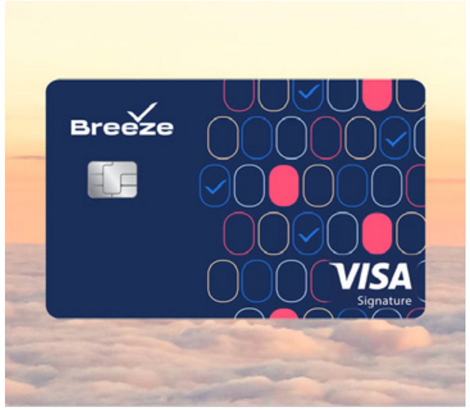
The US is the world's largest credit card market, and growing. With a c.2-3% share[1] of the total market and partnerships with 20 major brands, the USCB has a significant opportunity. In 2024, we delivered a RoTE of 9.1%, up from 4.1% in 2023, with returns improving in each quarter. The results have been impacted by the appreciation of average GBP against USD through 2024, however when normalised for FX movements, in USD terms income was up 4% and PBT was up 140% year on year.

We are focused on building lasting partnerships with leading US brands. In 2024, we launched a new co-branded card programme with Breeze Airways and extended our current partnership agreements with Hawaiian Airlines, Frontier and RCI. While we made a strategic decision not to bid to become American Airlines' sole card issuer from 2026, we were selected as the new issuing partner for the General Motors card programme, which will launch in the first half of 2025.

Our acquisition of Luxury Card, a global leader in the premium credit card market, supports our objective to optimise and diversify our broader card portfolio and bring more aspirational experiences to its cardmembers.

We have continued to expand our online retail deposits business. In 2024 we launched Barclays Tiered Savings product, which features tiered pricing and the ability to earn higher rates with higher balances while our customers' savings grow.

Note:
1 Estimated using reported end net receivables compared to US consumer credit market in the US as per federalreserve.gov/.



Breeze Airways

In 2024, USCB launched the first-ever consumer credit card for Breeze Airways – a relatively new, fast-growing premium leisure airline in the United States with a digital-first focus.

The new Breeze Easy™ Visa Signature® card offers benefits and rewards to cardholders on their everyday spending, and complements the airline's existing loyalty programme. The card is available to consumers in the US, allowing USCB to extend its reach in the US consumer lending market. Using the Barclays app, consumers can manage their accounts anytime, anywhere, link to redeem BreezePoints, and manage digital wallets demonstrating how our digital investments are creating a seamless, mobile-first experience for USCB customers.

Breeze Airways is also an Investment Bank client, and this partnership is an example of how USCB and Investment Bank are working together to demonstrate the collective value Barclays can offer to support growth.

2024 divisional review (continued)

General Motors

Barclays is joining forces with General Motors (GM),one of the world's largest automobile companies and the market leader in US automotive sales, to build loyalty and engagement with millions of GM customers.

In October 2024, USCB signed a long-term, co-branded credit card partnership agreement to become the exclusive issuer of GM's credit card programme in the US from 2025.

The partnership opens the door to market GM credit cards to millions of dedicated customers, further scaling and diversifying USCB's portfolio and reach into the retail sector, and supporting Barclays' three-year plan.

We added c.three million new customers organically in 2024 – and we strive to provide them all with a world-class experience. We have made various improvements to our customer journeys, using digitisation and automation to help us serve customers in a way that works for them – including the digitisation of letters and improved telephony with AWS Connect.

We have also integrated a formerly separate deposits mobile app into the Barclays US app so our customers can access all their accounts in one place. And with investments in Digital Day One, we realised an increase of 26% in mobile users from 2023. As part of Digital Day One, customers no longer need to wait to receive a physical card before registering for our digital environment, allowing them to have access to digital on day one.

Transaction NPS for both digital and contact centre agent servicing increased in the year, averaging +63 and +51 respectively.

"In 2024, we launched a new co-branded card programme with Breeze Airways, were selected as the new issuing partner for the General Motors card programme, and extended our current partnership agreements with Hawaiian Airlines, Frontier and RCI.

Denny Nealon
CEO of US Consumer Bank

Looking ahead

As we continue to deliver on Barclays' strategic plan, we will work closely with our card partners to drive organic growth in existing programmes, while actively pursuing new partnership opportunities with a focus in the retail segment – which will improve through-the-cycle risk-adjusted margins.

In our digital deposits business, our aim is that continued investment in our products and new co-branded marketing programmes will drive growth that will enable us to reduce funding costs. Ongoing, programmatic investments in the digitisation of our customer experience, as well as in tools and automation to assist our colleagues, will further drive improvements in overall cost efficiency. We will continue to explore risk transfer transactions as a mechanism for reducing capital consumption.

Our stakeholders

In this section we cover how we listen and respond to our stakeholders, and create sustainable value for all those we serve.

The KPIs featured throughout this section are used to monitor our performance and progress. Executive Director remuneration is also linked to KPI performance. Further detail can be found in the Remuneration report on page 186

Our stakeholders

Customers and clients

Providing an excellent customer and client experience is key to our strategy. We seek to understand our customers' and clients' expectations and aspirations, developing products and services to build their trust and support them to achieve their own ambitions.

Where to find out more:

Please visit our ESG resources hub for further information: **home.barclays/sustainability/esg-resource-hub/reporting and disclosures/**

Engaging with customers and clients

Barclays is committed to serving our customers' and clients' best interests – and improving their experience is a key priority for the bank as we strive to make Barclays better. We frequently engage with customers and clients in a variety of ways – including running regular surveys, analysing customer complaints, direct interaction and drawing on data from millions of individual transactions – building our understanding of their evolving needs and enabling us to adapt our products and services accordingly.

In Barclays UK

Through our retail bank in the UK we reach over 20 million customers – and our engagement with them helps us to continuously improve the service we provide.

Barclays UK runs on average eight panels per month for Personal, Premier and Business customers and clients, who share their views on our products and services and on their own financial health. These panels provide regular insights to bring us closer to our customers and inform the evolution of our customer journeys, and to identify new opportunities to serve them, based on emerging trends.

In 2024, we collected over 1.2 million additional pieces of customer feedback. Customers told us they wanted their experiences with Barclays to feel more personal, and showed continued demand for increased convenience and functionality from the Barclays app.

In response we have enhanced the app to ensure every new or updated customer experience feels personalised . Our digital experience is one of the reasons we have more active digital users than any other UK bank.[1]

We have made progress in addressing the volume of Barclays UK customer complaints by improving the basics and enhancing customer journeys – in 2024, we saw a 36% reduction in complaints versus 2023. However, we recognise there is still more to do to improve the overall customer experience and address and remove the root causes of complaints.

This focus is at the core of our new vision and strategy as we work towards improving our propositions and execution in order to deliver best-in-class service and ensure we have highly satisfied customers.

When issues do occur, our Complaints team works alongside customer-facing colleagues and Relationship Managers to investigate and provide timely resolution. By logging complaints and analysing the root cause, we can identify underlying issues and trends – ensuring accountability is embedded with the relevant internal teams. We also leverage technology in our call centres to help measure client sentiment.

We are focused on offering an accessible, empathetic and inclusive service for all our customers – including for those who may typically face barriers to banking services, such as people living with disabilities, complex needs or experiencing difficult life events. Please visit our ESG resources hub for further information: home.barclays/sustainability/esg-resource-hub/reporting and disclosures/.

Note:
1 eBenchmarkers, Spring 2024.

Our stakeholders (continued)

In UK Corporate Bank

A priority for the UK Corporate Bank is to make sure that feedback from clients through day-to-day interactions is heard, understood and acted on. Using quarterly client surveys and advanced analytics tools, we extract key themes from sources such as operational interactions, customer complaints, incidents and call recordings – enabling us to better understand challenges, identify root causes and recommend proactive actions to ensure our offerings support our customers' needs.

The UK Corporate Bank has a multi-year plan to address client feedback and provide a more seamless experience. New digital and self-serve capabilities, for example live chat functionality for query resolution, are enhancing customer experience. In 2024, we built strong foundations to deliver our future global digital experience through a single web entry point, called iPortal.

While there is more to do to improve client experience, the progress we are making through delivery of our multi-year plan is promising, reflected by improvements in our Overall Client Satisfaction score of 62% by the end of 2024, up 6% from 2023.

In Private Bank and Wealth Management

At the core of our service in Private Bank and Wealth Management is a commitment to engage proactively with client feedback and respond to their evolving needs.

In addition to the in-depth and highly valuable client knowledge gained every day by our client-facing colleagues, we use data-driven insights to inform strategic decision-making and shape and enhance propositions.

We run annual surveys to deep-dive into client sentiment – and, for some segments, we supplement these with additional short-form surveys to understand how specific client journeys can be improved.

We have made a number of customer journey enhancements in Smart Investor in 2024, such as onboarding and ready-made investment journeys. For Private Bank clients, we have improved digital payments functionality, implemented digitally enabled credit applications, and made a range of digital enhancements, which we know is a key focus for clients. We have also made improvements to other services such as the content and readability of clients' investments reports and, in the UK, we continued to enhance the personalisation of our telephony service.

In Investment Bank

In the Investment Bank, reflecting on engagement with and feedback from our clients, we continued to build the expertise, knowledge, and capabilities they are looking for.

In December 2024, the Research team started a phased roll out of a new Barclays Live portal to clients. The portal has been redesigned to provide easy to access insights across asset classes, enabling clients to stay ahead of industry and market trends.

The new Barclays Live delivers a more personalised experience, designed to help our clients make smarter and quicker decisions and includes enhanced navigation and faster, more-tailored responses to markets, themes, and expert opinions. It also includes new features that bring key market themes into focus and give clients simpler access to different perspectives and opinions.

In Investment Banking, we are simplifying engagement by unifying Treasury Coverage and providing clients with a lead treasury banker empowered to help deliver the entire franchise and more product breadth. Historically, individual product teams engaged individually with clients' Treasurers. This change in approach has led to our teams being more solutions driven, delivering better client outcomes and supporting a doubling of US deposits since 2023.

In US Consumer Bank

Our US Consumer Bank (USCB) serves over 20 million customers in the US. We continually look for new ways to engage with our customers – including via surveys, focus groups, panels and other interactions – to improve their experience. We also analyse complaints and review daily operational data.

We are learning that our customers want simpler, more straightforward interactions with us.

In response, in 2024 we focused on improving our mobile app, digitising communications and creating more opportunities for customers to resolve their issues online through self-service, rather than having to call us.

We have also focused on improving our call centre agent tools so that our colleagues are better equipped to serve our clients.

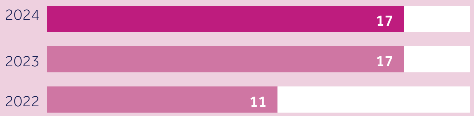
Reducing complaints during ISA season

ISA (Individual Savings Account) season is one of the busiest times in the UK banking calendar. Customers must invest before the end of the tax year to use up their annual savings allowance and maximise their tax-free interest. In the weeks leading up to the deadline, we see an uplift in customers contacting us for our help in making their money work for them.

In 2024, we focused on reducing the waiting time experienced by customers during ISA season, following feedback from customers in 2023. We introduced SMS alerts to keep customers up to date during their ISA application, as well as introducing self-service elements to the process such as transferring money into their ISA via their channel of choice. This led to a 73% reduction in ISA-related complaints.

Our stakeholders (continued)

Barclays UK Net Promoter Score
(NPS)

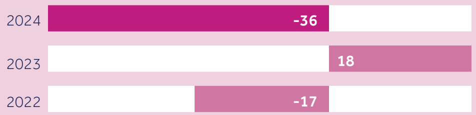


About this KPI and why we use it
Net Promoter Score (NPS) is used to measure the strength of customer relationships. We track NPS to identify both our strengths and where there is room for improvement, informing how we develop our services and products in the future. Maintaining strong, personal relationships and building trust and advocacy is key across all our divisions, but most observable and material in Barclays UK. With over 20 million customers, Barclays UK represents the largest customer base for which we serve customers throughout their financial lives.

How we performed
We maintained our NPS of +17. Underlying this, we saw significant improvements in Premier and our digital channel NPS. We continue to focus on improving customer experience and service.

See **page 186** for details on Executive Director remuneration linked to these KPIs

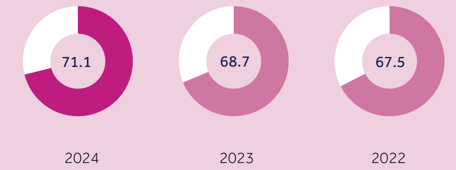
Barclays UK complaints
(% movement year on year)



About this KPI and why we use it
The FCA publishes complaints information every six months – a good measure of how well UK institutions are driving customer outcomes. We measure our volume of complaints, tracking against goals and reviewing root causes to inform changes to our products and services.

How we performed
In 2024, we saw a 36% reduction in customer complaints after putting in place a rigorous plan to address issues that cause them, improving the basics and enhancing customer experience. We recognise there is more to do and addressing the root cause of complaints is a continued focus for us.

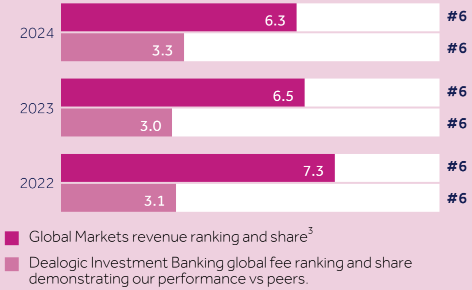
US Consumer Bank digital engagement
(%)



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 balance-active customers, reflecting the general health of the digital experience and allowing us to uncover any issues we may need to address.[1]

How we performed
Overall digital active rate improved by 240bps year on year, driven by reduced friction to register and advertisable new features. This was driven by investments in our mobile app and digital self-serve capabilities.[2]

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[3] clearly and transparently.

How we performed
In 2024, we maintained our rank of sixth across the Investment Bank in both Global Markets and Investment Banking.

Notes:
1 The KPI is measured at exit at end of December 2024.
2 Historically, we have shown digital engagement excluding the Gap portfolio, purchased in 2021. Excluding Gap, activity rate increased from 76.0% to 77.7%.
3 FY24 Market share for Barclays is based on external reported revenues. Peer banks include Barc, BoA, BNP, CITI, DB, GS, JPM, MS and UBS.

Our stakeholders (continued)

Colleagues

At the heart of achieving our plan to make Barclays Simpler, Better and More balanced are our c.93,000 colleagues. We are united by a shared Purpose, Values and Mindset, delivering to a consistently excellent standard in all we do – and we are making Barclays a great place to work, where every colleague can reach their potential.

Where to find out more:

For more information on our commitment to building a diverse, equitable and inclusive workplace, see **home.barclays/sustainability/esg-resource-hub/reporting and disclosures/**

Engaging with colleagues

Sharing our strategy and how colleagues can contribute towards delivery has been a key part of our 2024 engagement. Regular, two-way dialogue helps us to understand what is working well across the organisation and where we can improve.

Engagement with colleagues is delivered through townhalls, skip-level meetings, site visits, leader-led sessions, focus groups and surveys. Through our bi-annual all-colleague Your View surveys, our people have the opportunity to share their feedback on working at Barclays – and in 2024 we saw the highest participation to date, with 79% of colleagues taking part. We create a respectful and inclusive environment where colleagues feel safe to speak up. Additionally, our raising concerns and whistleblowing processes provide anonymous channels for colleagues if preferred.

Our long-standing partnership with Unite in the UK also offers further insight into the views of our people. We continue to consult with Unite on major change programmes, to minimise compulsory job losses and focus on reskilling and redeployment.

Continuing to deliver to a consistently excellent standard

A consistently excellent standard is an integral part of our culture and a key enabler of our three-year plan. It continues to be embedded through the Group-wide multi-year Consistently Excellent culture change programme. In 2024, our focus has been supporting colleagues from understanding what it means to deliver to a higher standard to putting it into practice every day, with a focus on strengthening risk management and controls. We have rolled out Consistently Excellent workshops which have been completed by almost 60,000 colleagues, and we've also launched new risk and control focused training.

This standard is now central to our hiring, promotion and colleague performance management processes. We continued to recognise colleagues for high standards through our recognition portal, our CEO Awards and our Exceptional Achievement Awards. Our leaders are critical here and, for the second year running, members of the Group Executive Committee visited sites across the world to talk about being consistently excellent – with a focus on how this enables delivery of the strategic plan.

We continue to measure colleague understanding of what it means to be consistently excellent. Our Your View data tells us that 86% of colleagues say that their people leader clearly communicates the actions they need to take to deliver consistently excellent outcomes in their role.

Investing in our talent

Our talent ambition continues to underpin Barclays' approach to talent attraction, retention and development. In 2024 we refreshed, simplified and enhanced our selection experience and introduced a new single Global Talent Framework. We also introduced a new HR platform to deliver these changes at scale to our people. Our leadership framework continues to set the benchmark for what it means to lead at Barclays. It is the foundation for our leaders to improve how they lead and create an environment where colleagues can learn, grow and succeed.

Development opportunities empower colleagues to build skills, advance their career and achieve sustainable high performance. We continue to deliver our key leadership development programmes - Strategic Leaders and Aspire, alongside our People Leader programme, Evolution, equipping our people leaders with effective management skills. All colleagues also have access to online learning addressing an extensive range of development topics.

Our stakeholders (continued)

Alongside being ranked in the top ten of LinkedIn's 2024 UK Top Companies list, Barclays also ranked in the top ten of The Times Top 100 Graduate Employers 2024 list, recognising the focus on our Early Careers population as a key talent pipeline for the future. In 2024, we hired 1,449 Interns, 1,224 Graduates and 217 Apprentices globally. We are continuing to build on our relationships with key partners to increase access to, and inclusivity of our cohorts, including the Grace Hopper Celebration, bringing together women and non-binary people in technology, and Bright Network, an early careers platform connecting employers with students.

Our ambitions

Barclays is committed to abiding by the laws in all jurisdictions in which it operates, including anti-discrimination laws.

Building an inclusive and equitable culture, reflecting a diversity of views and backgrounds, where all colleagues can thrive is a business priority. We are focused on actions and outcomes that support a culture of belonging and diversity of thought. Our initiatives help to develop a leadership pipeline through which qualified candidates are considered for leadership roles regardless of their gender, race, or any other protected characteristic.

At the end of 2024, 30%[Δ] of the Managing Director and Director populations were female. In the UK and US, there were 50 Managing Directors from underrepresented ethnicities at the end of 2024. Our original all-colleague race and ethnicity ambition in the UK, set in 2021, was to increase the number of employees from underrepresented ethnicities by 25% by the end of 2025. We achieved this two years ahead of time, and as a result, reset and increased our ambition.

As at the end of 2024, we have made steady progress against our revised UK ambition with 5.2% of colleagues being from underrepresented ethnicities.

Currently in the US, 18.6% of colleagues are from underrepresented ethnicities. We are evolving and developing our strategy to focus on enabling and sustaining an inclusive culture where all colleagues belong and can thrive. We are also continuing to equip our senior leadership and people leaders to support their teams.

Supporting our workforce

Helping our people be at their best remains a priority. Our structured hybrid working model enables colleagues to connect in-person and plan their work to make the most of their time in the office and at home, where appropriate to their role. We continue to test and learn from our approach.

We are also focused on supporting colleague wellbeing. We use data-driven insights and engagement through campaigns to help our people build healthy habits and promote a supportive culture, contributing to our Wellbeing Index score being 87% favourable in our 2024 Autumn Your View survey. Our mental health awareness eLearning, which launched in 2018, has been completed by 82% of current colleagues and 89% of current people leaders. In 2024, we refreshed this learning to ensure it remains relevant.

Our people policies

Our people policies[1] 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 they are aligned with our broader people strategy.

In 2024, we continued to review our policies to optimise colleague experience, standardising policies globally where possible, and supporting colleagues and people leaders to navigate them.

As part of our Fair Pay Agenda, we are committed to paying our colleagues fairly and appropriately relative to their role, skills, experience and performance, including paying at least a living wage in all our locations.

Consistently excellent workshops

In the second half of 2023, Barclays launched interactive 'Being consistently excellent' workshops, and these have been running throughout 2024 for all colleagues.

The workshops are led by external facilitators, supported by Barclays' leaders. They provide our people with the skills and knowledge to take personal accountability for driving higher standards across the organisation, recognise what they can do differently to deliver improvements and build consistent practices to raise the standard of execution, with a focus on remediating risk and control weaknesses.

All Managing Directors, Directors and VP People Leaders have completed their workshops. For the rest of our colleagues, workshops will run into 2025.

This means our remuneration policies reward sustainable performance in line with our Purpose, Values and Mindset, and with our consistently excellent standard.

Creating a Simpler, Better, More balanced Barclays is a monumental task. In recognition of our colleagues' contribution and the effort that is still required, we are granting employees a one-off share award, to be retained until after we announce our full-year 2026 results. This share award will further reinforce the alignment of colleagues' interests with those of our shareholders, ensuring everyone is working towards the same goals to drive the Group's success. It will not be granted to our most-senior population,[2] who are typically awarded Barclays shares as part of their deferred compensation.
This share award is separate from our all-employee plans, which we continue to operate in locations representing 99% of employees globally.

Read more about our commitment to fair pay in the Remuneration report, from **page 186,** and in our Fair Pay Report at: **home.barclays/annualreport**

Companies Act Diversity Disclosure

On a Companies Act 2006 414C[3] basis as at 31 December 2024, Barclays employed 97,689 colleagues across the globe (53,337 male, 43,565 female, and 787 undisclosed), including 462 senior managers (342 male, 120 female). We also had 13 Directors on the Board of Barclays PLC (8 male, 5 female).

Notes:
Δ 2024 data subject to independent limited assurance under ISAE (UK) 3000 and ISAE 3410. Current limited assurance scope and opinions can be found within the ESG Resource Hub: home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/
1 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.
2 Employees who are Managing Directors or who have been identified as 'Material Risk Takers'.
3 Headcount basis, including colleagues on long-term leave. Undisclosed refers to colleagues who do not record their gender in our systems. 'Senior managers' is defined by the Companies Act and is different to both our Senior Managers under the FCA and PRA Senior Managers regime, and a narrower scope than our Director and Managing Director corporate grades. It includes Barclays PLC Group Executive Committee members, their direct reports and directors on the boards of undertakings of the Group, but excludes Directors on the Board of Barclays PLC. Where such persons hold multiple directorships across the Group they are only counted once.

Our stakeholders (continued)

Colleague engagement
(%)

About this KPI and why we use it
Colleague engagement is derived from the responses to three questions in our Your View survey that measure advocacy, motivation and sense of personal accomplishment. The questions that make up this KPI are: I would recommend Barclays to people I know as a great place to work; my work provides me with a sense of personal accomplishment; Barclays motivates me to contribute more than is normally required to complete my work. It enables us to monitor how engaged our workforce is and closely relates to key organisational and colleague outcomes such as productivity, wellbeing and retention.

How we performed
Colleague engagement decreased by 1ppt to 85%. Overall, this continues to be a strong engagement score and is 4ppt above our external benchmark.[1]

See **page 186** for details on Executive Director remuneration linked to these KPIs

Females at Managing Director and Director level
(%)

About this KPI and why we use it
This metric is used to monitor our progress against our gender ambition of 33% females at Managing Director and Director level by the end of 2025.

How we performed
In 2024, we remained flat at 30%△.

"I believe that my team and I do a good job of role modelling the Values every day" (%)

About this KPI and why we use it
This question within our Your View survey measures colleagues' perception of how well the Barclays Values are role-modelled by colleagues. The Values are our moral compass; the fundamentals of who we are and what we believe is right.

How we performed
In 2024, we saw a small decrease of -1ppt. This score has remained largely consistent over the past three years.

"I believe strongly in the goals and objectives of Barclays"
(%)

About this KPI and why we use it
To measure colleague perception of, and belief in, our three-year plan we are disclosing this KPI from our Your View survey. It replaces the previous KPI, "I would recommend Barclays as a great place to work" – which is measured as part of our colleague engagement score KPI.

How we performed
In 2024, 88% of colleagues expressed strong belief in Barclays' goals and objectives. This remains consistent year-on-year, with a slight decrease of 1ppt compared to 2023 – prior to the launch of the three-year plan. We will continue to track this KPI over the next two years.

Notes:
1 The Qualtrics 2023 75th percentile Financials benchmark of 81% is based on a three-year rolling average from 2020-2023.
△ 2024 data subject to independent limited assurance under ISAE (UK) 3000 and ISAE 3410. Current limited assurance scope and conclusion can be found within the ESG Resource Hub: home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/

Our stakeholders (continued)

Society

Our success is measured 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.

Where to find out more:

About the people and businesses Barclays supports through its community programmes: **home.barclays/community**
About the bank's skills and employability programmes at **home.barclays/lifeskills**

Barclays' climate and ESG-related data, targets and progress can be found in the Barclays Climate and Sustainability report from **page 59** and within the ESG (non-financial) Data Centre within our ESG Resource hub: **home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/**

Climate

Capital is critical for a successful energy transition and the scale of our business gives us the opportunity to help finance this – to use our global reach, products, expertise and position in the global economy to work with our clients.

We believe banks can play a systems-wide role in supporting the transition beyond financing, such as helping to create the ecosystems in which low carbon technology can flourish, working with clients and other organisations to unlock new financial solutions, understanding and informing policy and regulatory debates, and identifying ways to support innovation and new climate solutions for our clients.

We remain committed to our ambition to be a net zero bank by 2050, and in 2024 we continued to deliver on our climate strategy. There has been good progress in reducing our operational emissions, and we continue to focus on reducing our financed emissions through our policies, targets and financing.

Using our global reach, deep expertise in financial markets and growing capabilities in understanding the transition and clients, we are supporting clients as they transition to a low-carbon business model.

We have a target to facilitate $1trn of Sustainable and Transition Financing between 2023 and the end of 2030, and we facilitated $94.4bn[Δ] in 2024. Additionally, Barclays Climate Ventures, formerly Sustainable Impact Capital, has a mandate to invest up to £500m of Barclays' own capital in climate tech start-ups by the end of 2027. Since 2020, £203m has been invested, and in 2024 £65m was deployed.

Across our businesses, we are supporting our customers and clients. In Barclays UK, we have lent £4.7bn since 2018 through our Green Home Mortgage product to support customers to purchase energy efficient new-build homes, our UK Corporate Bank has developed a partnership with the National Wealth Fund to provide up to £500m of sustainable lending to social housing clients and in the Investment Bank we helped National Grid to raise a £7bn equity rights issue which will help upgrade grid infrastructure in the UK and US.

Work is underway on a Transition Plan which will set out in detail the actions we are taking to support the implementation of our strategy. We intend to publish our Transition Plan later this year.

GeoPura

Innovative technologies are vital in reducing the world's emissions but a financing gap can prevent high-growth climate tech companies to scale. Blended finance can help reduce investment risk, using public finance to give investors the confidence to provide capital.

In February 2024, Barclays acted as financial adviser to support GeoPura, a hydrogen power firm, in raising a £30m commitment from the UK Infrastructure Bank. We then made a follow-on investment in GeoPura and supported the firm to mobilise capital from other investors. The capital will go towards directly increasing the manufacture and supply of GeoPura's Hydrogen Power Units at its UK-based facility in support of growth.

Note:
Δ 2024 data subject to independent limited assurance under ISAE (UK) 3000 and ISAE 3410. Current limited assurance scope and conclusion can be found within the ESG Resource Hub: home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/

Our stakeholders (continued)

Our climate strategy will continue to evolve as we continue to pursue our ambition of being a net zero bank by 2050 against the shifting and rapidly developing landscape.

Communities

We are committed to supporting the 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. Our focus is on building a stronger and more inclusive economy.

Working together for a better financial future, we regularly engage with our community partners to deepen our understanding of societal issues and evolve our programmes accordingly.

Formal quantitative and qualitative information is provided by our charity partners on a quarterly basis and we frequently seek feedback from the business leaders that we support through our programmes.

This feedback and data helps inform and shape our strategic focus to ensure our work best serves the needs of the people and businesses we support.

Skills and employability

A vibrant, skilled workforce ensures local communities and businesses can thrive, and supports economic growth. Since 2023, our programmes have reached more than six million people around the world, supporting them to access skills and employment opportunities.

Barclays LifeSkills has been delivering positive impact in communities for over a decade, helping millions of people develop the vital employability and financial skills they need to succeed at work and better manage their money.

Barclays aims to upskill 8.7 million people and place 250,000 people into work through the LifeSkills programme from 2023 to 2027. In 2024, we upskilled 1.95m$^{\Delta}$ people and placed 53,494$^{\Delta}$ people into work.

Supporting educators across the UK

LifeSkills resources are used in UK schools and colleges, integrated into lessons to support educators to encourage students' learning across a range of skills. The programme positively impacts the young people it engages, with 97% of students reporting an improvement in knowledge and skills.

Partnering with charities that support underserved young people, such as The Talent Foundry, we work to ensure young people who need support the most can develop valuable transferable skills, knowledge and confidence through facilitated workshops.

In 2024, Barclays LifeSkills launched new modules on entrepreneurship, exploring the role of technology and importance of sustainability. We also launched our first lessons for five to seven-year-olds, focused on counting money and budgeting.

Our Digital Eagles programme has upskilled 813,877 people in 2024, enabling people to become more confident with technology and stay safe online.

Through our Military and Veterans Outreach we are supporting members of the armed forces community to take the next step in their career, as they transition to life after service.

We continued our work to engage and strengthen communities through sport. The Barclays Community Football Fund now helps more than 3,500 community sports groups make football more accessible to underrepresented groups, reaching more than 550,000 young people. In 2024, Barclays and The Football Association extended their partnership through the Barclays Girl's Football School Partnerships until 2028, with the number of participating schools reaching 20,000,

In 2024, we became the Official Banking Partner of Women's National Basketball Association New York Liberty. We also marked our second year as the Official Banking Partner of Wimbledon. In 2025, we became principal partner of Marylebone Cricket Club (MCC), owners of Lord's Cricket Ground in the UK.

Through our partnership with the Wimbledon Foundation, we connected Barclays LifeSkills to the UK Set for Success programme – engaging over 500 young people from 2023-2024 – and delivered the Barclays Net Work programme in the US. We also became Official Parks and Participation Partner of the Lawn Tennis Association – aiming to get 150,000 more people playing tennis across Great Britain over the next five years.

Barclays partners with Women's National Basketball Association's (WNBA) New York Liberty

In 2024, Barclays and the New York Liberty announced a new multi-year partnership in which Barclays became the professional basketball team's Official Banking Partner in a deal that included marquee jersey patch placement on the team jerseys. The Liberty play their home games at Barclays Center in Brooklyn and, in 2024, won the first WNBA Championship title in team history. The partnership, one of the largest injections of sponsorship capital in Liberty history, underscores a mutual commitment to advancing gender equity on and off the court.

At its core is also a focus on giving back to the community in Brooklyn. In connection with this sponsorship, Barclays will expand the LifeSkills partnership with the non-profit Good Shepherd Services, supporting young people by leveraging basketball to teach vital employability skills.

Note:
Δ 2024 data subject to independent limited assurance under ISAE (UK) 3000 and ISAE 3410. Current limited assurance scope and conclusion can be found within the ESG Resource Hub: home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/

Our stakeholders (continued)

Empowering female entrepreneurs

Since its 2023 launch, Barclays Eagle Labs' Female Founder Accelerator programme, funded by the UK Government and created in partnership with AccelerateHER, has supported 200 female-led UK technology businesses by providing their founders with access to advice, mentoring and networking opportunities.

Separately in 2024, Barclays Business Banking has provided 1,600 hours of specialist coaching to over 400 female founders on topics including business planning, cash flow forecasts, digital support and accessing finance. Additionally, Barclays' Head of Business Banking, Hannah Bernard, became the co-chair of the UK Government's Invest in Women Taskforce.

Sustainable growth

Barclays recognises that businesses are engines of growth and innovation in communities around the world, pioneering solutions to support the transition to a more sustainable, inclusive and just future. Well-positioned with the capabilities, resources and networks to support their growth – from idea to IPO – we provide a package of innovative programming, workspaces and investment. Since 2023, Barclays has supported more than 10,000 businesses through our sustainable growth and innovation programmes.

Through our Unreasonable Impact programme, we support high-growth entrepreneurs around the world to address global issues and scale their businesses, offering them a network, resources and mentorship. 348 ventures have been supported so far, collectively raising over $14bn in financing, and employing more than 31,000 people.

Our network of Eagle Labs is helping entrepreneurs start and grow businesses providing them with access to advice, mentoring and networking opportunities.

We are proud to have supported founders from underrepresented groups through various accelerators including the Black Venture Growth Programme and Female Founders Accelerator. In 2024, we launched the Veteran and Military Spousal Founders programme, supporting 71 entrepreneurs in the armed forces community.

Charitable giving and investment in our communities

Barclays supports employees to make a positive difference to the causes that matter most to them. In 2024, we supported more than 4,700 colleagues around the world to fundraise and donate to their chosen charities – with a total of £9.9m, including matching, given to more than 1,800 charities. We also supported 9,400 colleagues to donate £1.8m in total, with matching, via our UK Payroll Giving programme.

We support communities directly by investing money and skills in partnerships with respected non-governmental organisations, charities and social enterprises. Our investment amounted to £48.2m in 2024 including charitable giving, management costs and monetised work hours of Barclays' colleagues.

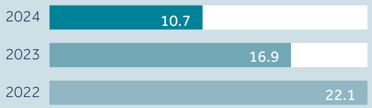
Suppliers

The Barclays Group engages with Third Party Service Providers (TPSP[1]), seeking to integrate sustainability considerations across our supply chain and provide inclusive procurement opportunities and drive economic impact to diverse TPSP[2] (in addition to publicly traded, large businesses).

Notes:
1 TPSP means any entity that has entered an arrangement with Barclays in order to provide business functions, activities, goods and/or services to Barclays.
2 Diverse TPSP include businesses diverse in size (micro, small and medium-sized businesses), demographic ownership make-up (largely owned and controlled by members of under-represented groups) or mission (social enterprises.

Our stakeholders (continued)

Net zero operations: Scope 1 and 2 market-based emissions[1] ('000 tCO_2e)



About this KPI and why we use it

Barclays is working to achieve net zero operations, consistent with a 1.5°C aligned pathway, and we plan to counterbalance[2] any residual emissions.

This metric measures total gross Scope 1 and 2 (market-based) emissions generated directly from Barclays' branches, offices, campuses, data centres and car fleet, as well as emissions generated indirectly from our global real estate portfolio's[3] energy consumption.

How we performed

In 2024 we continued to source 100%Δ renewable electricity for our global real estate portfolio ahead of our 2025 year end target and to track ahead of our target of 90% absolute reduction of our Scope 1 and 2 market-based emissions against a 2018 baseline – reducing these emissions by 95%Δ.

See **page 186** for details on Executive Director remuneration linked to these KPIs

Sustainable and Transition Financing facilitated ($bn)

About this KPI and why we use it

In 2022, we set a target of $1trn Sustainable and Transition Financing between 2023 and the end of 2030 – encompassing green, social, transition and sustainability-linked financing, having exceeded our previous targets to facilitate £150bn of social, environmental and sustainability-linked financing by 2025 and £100bn of green financing by 2030.

Please see **page 91** for further detail on our target

How we performed

During 2024 we facilitated an additional $94.4bnΔ of Sustainable and Transition Financing, bringing the total to date to $162.2bnΔ. The 39% year-on-year increase in financing facilitated demonstrates our continued efforts on supporting our clients on their sustainability journeys.

Skills and employability: Number of people upskilled (millions)

About this KPI and why we use it

Barclays is delivering skills and employment opportunities for people in the communities where we operate. The total number of unique people supported to unlock skills and employment opportunities includes those upskilled through our LifeSkills, Digital Eagles and Military and Veterans Outreach programmes.

How we performed

After removing duplicates to account for repeat users, we upskilled a further 2.77 million people in 2024 through Barclays LifeSkills, Digital Eagles and Military and Veterans Outreach, growing the total to 6.05 million since the beginning of 2023 and demonstrating good momentum across Barclays' community programmes.

Sustainable growth: Number of businesses supported (thousands)

About this KPI and why we use it

Barclays is championing innovation and sustainable growth through programmes that unlock the world of finance, enabling businesses and economies to grow. The total number of businesses supported in our communities includes those engaged through Barclays' Eagle Labs, Rise, Unreasonable Impact and select impact-led portfolios managed by Barclays' Principal Investments team.

How we performed

After removing duplicates to account for repeat users, in 2024 we supported a further 4,614 businesses through these programmes, demonstrating Barclays' continued commitment to providing a connected pathway of support for start-ups and scale-ups at every stage of their growth journey.

Progress of financed emissions

Portfolio	December 2024	Cumulative performance vs. baseline
Upstream Energy	41.1Δ $MtCO_2e$ (absolute emissions)	-45%
Power	219Δ $KgCO_2e/MWh$ (physical intensity)	-30%
Cement	0.576Δ tCO_2e/t (physical intensity)	-9%
Steel	1.492Δ tCO_2e/t (physical intensity)	-23%
Automotive manufacturing	176.3Δ gCO_2e/km (physical intensity)	+1%
UK Commercial real estate	29.5Δ $kgCO_2e\ m^2$ (physical intensity)	-2%
UK Agriculture	0.47Δ $MtCO_2e$ (absolute emissions)	-11%
Aviation	879Δ gCO_2e/RTK (physical intensity)	0%
UK Housing	31.8Δ $kgCO_2e/m^2$ (physical intensity)	-1%

Date baseline set:
December 2020 | December 2021
December 2022 | December 2023

About this KPI and why we use it

Barclays is committed to reducing our financed emissions, those deriving from the activities of the clients that we finance and those generated in their respective value chains, by providing financial advice and support as they transition to a low-carbon economy.

How we performed

Our detailed analysis of our sectors and performance is contained within the Climate and Sustainability section from page 78.

Notes:

1 For improved accuracy we have updated the heading and metric description of the net zero operations KPIs in comparison to the equivalent section of Barclays PLC Annual Report 2023. For more information on our operational emissions accounting approach please see the 2024 ESG Reporting Framework.
2 We aim to develop our approach to counterbalance residual emissions as we near 2050, by evaluating latest technology and market practices on carbon credits.
3 In the net zero operations section. a reference to global real estate portfolio includes offices, branches, campuses and data centres within our operational control.
Δ 2024 data subject to independent limited assurance under ISAE (UK) 3000 and ISAE 3410. Current limited assurance scope and conclusion can be found within the ESG Resource Hub: home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/

Our stakeholders (continued)

Investors

Our investor stakeholder group encompasses investors, rating agencies and other market participants with an interest in the performance of Barclays.

Where to find out more:

For further review and explanation on our financial performance, please see our Financial Review section on pages 397 to 421 of this Annual Report

Engaging with investors

In February 2024 we delivered our Investor Update, laying the foundations for the three-year plan to become Simpler, Better and More balanced along with targets for 2024 and 2026. Following the Investor Update we met extensively with investors to provide further context and address any questions.

Throughout 2024 we have continued to actively engage with investors to discuss progress compared to expectations set. In addition, we hosted three deep dive information sessions – on the UK Corporate Bank, Investment Banking and Private Bank and Wealth Management – providing additional colour on each of the businesses. Investor feedback has been positive on the execution focus of the organisation since the Investor Update and delivery against targets.

We have also engaged with investors and wider stakeholders on climate and sustainability, focusing on topics such as climate risk, nature and biodiversity and the effectiveness of our climate policy. Stakeholders have been keen to see evidence of the impact of our engagement with clients in their respective transitions, through the implementation of policy, as well as the facilitation of sustainable and transition financing. The Group CEO continues to play an active role with stakeholders. This includes, in 2024, taking up position as as the Chair of the Financial Services Task Force (FSTF) as part of the Sustainable Markets Initiative. The FSTF brings together CEOs from across the global banking sector, focusing on how to effectively mobilise capital at scale and support the transition to net zero.

The 2025 AGM will be hosted in London to continue our wider engagement with shareholders.

Note:
FY24 Group NII excluding IB and Head office of £11.2bn and Barclays UK NII of £6.5bn, excludes £0.1bn Tesco Bank NI

Performance during the year

Barclays delivered a RoTE of 10.5% (2023: 9.0%), with profit before tax of £8.1bn (2023: £6.6bn).

Group income of £26.8bn increased 6% year-on-year, with Group NII excluding IB and Head Office of £11.2bn[1] of which Barclays UK NII was £6.5bn. Barclays UK income increased 9%, primarily reflecting the £0.6bn day 1 gain from the acquisition of Tesco Bank and higher structural hedge income, partially offset by mortgage margin compression and adverse product dynamics, which have stabilised throughout 2024. Barclays UK Corporate Bank income was broadly stable, reflecting higher deposit income from higher average balances partially offset by lower liquidity pool income. Barclays Private Bank and Wealth Management income increased 8%, driven by growth in client assets and liabilities balances and the transfer of Wealth Management and Investments from Barclays UK. Barclays Investment Bank income increased 7%, with Global Markets' income increasing by of 5% and Investment Banking income increasing by 12%, Barclays US Consumer Bank income increased 2% reflecting underlying growth in card balances, partially offset by the strengthening of GBP against USD.

Group total operating expenses were £16.7bn, down 1% year-on-year. Group operating costs were 3% lower at £16.2bn, reflecting £0.8bn lower structural cost actions year-on-year, partially offset by inflation, investment spend and business growth, enabled by £1.0bn of cost-efficiency savings. 2024 total structural cost actions were £0.3bn (2023: £1.0bn) with Q424 structural cost actions of £0.1bn (Q423 £0.9bn).

Credit impairment charges were £2.0bn (2023: £1.9bn) with an LLR of 46bps (2023: 46bps), including the £0.2bn day 1 impact from the acquisition of Tesco Bank, which had a c.4bps impact to LLR.

Our stakeholders (continued)

Consolidated summary income statement

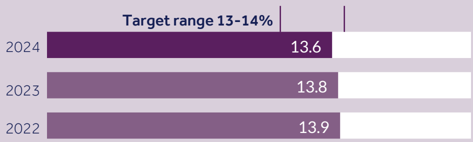
For the year ended 31 December	2024 £m	2023 £m
Net interest income	**12,936**	12,709
Net fee, commission and other income	**13,852**	12,669
Total income	**26,788**	25,378
Operating costs	**(16,195)**	(16,714)
UK regulatory levies	**(320)**	(180)
Litigation and conduct	**(220)**	(37)
Total operating expenses	**(16,735)**	(16,931)
Other net income/(expenses)	**37**	(9)
Profit before impairment	**10,090**	8,438
Credit impairment charges	**(1,982)**	(1,881)
Profit before tax	**8,108**	6,557
Tax charge	**(1,752)**	(1,234)
Profit after tax	**6,356**	5,323
Non-controlling interests	**(49)**	(64)
Other equity instrument holders	**(991)**	(985)
Attributable profit	**5,316**	4,274
Selected financial statistics		
Basic earnings per share	**36.0p**	27.7p
Diluted earnings per share	**34.8p**	26.9p
Return on average tangible shareholders' equity	**10.5%**	9.0%
Cost: income ratio	**62%**	67%

Consolidated summary balance sheet

As at 31 December	2024 £m	2023 £m
Assets		
Cash and balances at central banks	**210,184**	224,634
Cash collateral and settlement balances	**119,843**	108,889
Loans and advances at amortised cost	**414,483**	399,496
Reverse repurchase agreements and other similar secured lending at amortised cost	**4,734**	2,594
Trading portfolio assets	**166,453**	174,605
Financial assets at fair value through the income statement	**193,734**	206,651
Derivative financial instruments	**293,530**	256,836
Financial assets at fair value through other comprehensive income	**78,059**	71,836
Other assets	**37,182**	31,946
Total assets	**1,518,202**	1,477,487
Liabilities		
Deposits at amortised cost	**560,663**	538,789
Cash collateral and settlement balances	**106,229**	94,084
Repurchase agreements and other similar secured borrowings at amortised cost	**39,415**	41,601
Debt securities in issue	**92,402**	96,825
Subordinated liabilities	**11,921**	10,494
Trading portfolio liabilities	**56,908**	58,669
Financial liabilities designated at fair value	**282,224**	297,539
Derivative financial instruments	**279,415**	250,044
Other liabilities	**16,544**	17,578
Total liabilities	**1,445,721**	1,405,623
Equity		
Called up share capital and share premium	**4,186**	4,288
Other equity instruments	**12,075**	13,259
Other reserves	**(468)**	(77)
Retained earnings	**56,028**	53,734
Total equity excluding non-controlling interests	**71,821**	71,204
Non-controlling interests	**660**	660
Total equity	**72,481**	71,864
Total liabilities and equity	**1,518,202**	1,477,487
Net asset value per ordinary share	**414p**	382p
Tangible net asset value per share	**357p**	331p
Number of ordinary shares of Barclays PLC (in millions)	**14,420**	15,155
Year-end USD exchange rate	**1.25**	1.28
Year-end EUR exchange rate	**1.21**	1.15

Our stakeholders (continued)

Common Equity Tier 1 (CET1) ratio[1]
(%)



About this KPI and why we use it

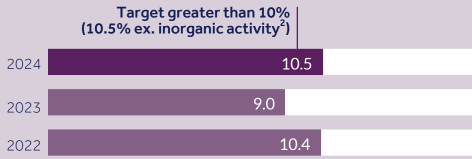
CET1 ratio is a measure of the capital strength and resilience of Barclays, determined in accordance with regulatory requirements. The Group's capital management objective is to maximise shareholder value by prudently managing the level and mix of its capital. This is to ensure the Group is appropriately capitalised relative to the minimum regulatory and stressed capital requirements, and to support the Group's risk appetite, growth, and strategy whilst seeking to maintain a robust credit proposition for the Group. The ratio expresses the Group's CET1 capital as a percentage of its RWAs. RWAs are a measure of the Group's assets adjusted for their respective associated risks.

How we performed

The CET1 ratio of 13.6% (December 2023: 13.8%) was within our target range of 13-14%. The c.20bps decrease was due to RWAs increasing by £15.4bn to £358.1bn inclusive of Tesco Bank acquisition, strategic growth in lending and regulatory driven methodology changes. This was partially offset by an increase in CET1 capital of £1.3bn to £48.6bn.

See **page 186** for details on Executive Director remuneration linked to these KPIs

Group return on tangible equity (RoTE)[1] (%)



About this KPI and why we use it

RoTE measures our ability to generate returns for shareholders. It is calculated as profit after tax attributable to ordinary shareholders as a proportion of average shareholders' equity excluding non-controlling interests and other equity instruments adjusted for the deduction of intangible assets and goodwill. This measure indicates the return generated by the management of the business based on shareholders' tangible equity.

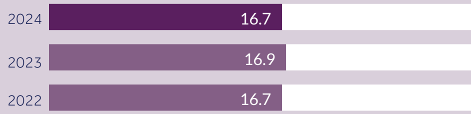
Achieving a target RoTE demonstrates the organisation's ability to execute its strategy and to align management's interests with those of its shareholders. RoTE lies at the heart of the Group's capital allocation and performance management process.

How we performed

The Group performed in line with both RoTE targets in 2024. Statutory Group was RoTE 10.5% (2023: 9.0%).

Excluding the impact of inorganic activity[2], Group RoTE was 10.5%.

Total operating expenses[1, 2]
(£bn)



About this KPI and why we use it

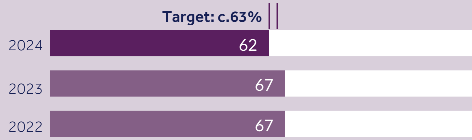
We view total operating expenses as a key strategic area for banks. Those that actively manage costs and control them effectively will gain a strong competitive advantage.

How we performed

Group total operating expenses decreased to £16.7bn (2023: £16.9bn), including the £93m impact of the Bank of England levy scheme introduced in 2024.

Group operating costs were down 3% at £16,2m, reflecting £0.8bn lower structural cost actions year-on-year partially offset by inflation, investment spend and business growth, enabled by £1.0bn of cost efficiency savings
2024 total structural cost actions were £273m (2023: £1,046m) with Q424 structural cost actions of £110m (Q423: £927m).

Cost: income ratio[1]
(%)



About this KPI and why we use it

The cost: income ratio measures total operating expenses as a percentage of total income and is used to assess the productivity of our business operations.

How we performed

The Group cost: income ratio was 62% (2023:67%), in line with our target of c.63%, as the Group delivered positive cost:income jaws of 7%.

Notes:
1 KPIs reflect the targets and ambitions followed during 2024.
2 Inorganic activity refers to certain inorganic transactions announced as part of the FY23 Investor Update designed to improve Group RoTE beyond 2024. In FY24 this included the £220m loss on sale of the performing Italian retail mortgage portfolio, the £9m loss on disposal from the German consumer finance business and the £26m loss on sale of the non-performing Italian retail mortgage portfolio. This was offset by the day 1 net profit before tax of £347m from the acquisition of Tesco Bank which completed 1 November 2024.

Additional disclosure

In this section we disclose information as required by Companies Act 2006 and various other information to help navigate the Annual Report 2024.

Section 172(1) statement

How the Board has regard to the views of our 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 for the benefit of its shareholders as a whole, and to have regard to:

a. the likely consequences of any decision in the long term;

b. the interests of employees;

c. the need to foster business relationships with suppliers, customers and others;

d. the impact of operations on the community and the environment;

e. the desirability of maintaining a reputation for high standards of business conduct; and

f. the need to act fairly as between shareholders.

Overview

Throughout the year, the Board and individual Directors engage directly and indirectly with a range of stakeholders to ensure they have a deep understanding of the impact of the Group's operations, as well as their interests and views. This includes meeting with customers and clients, colleagues, investors, proxy advisers, key regulators, NGOs and other stakeholders.

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).

You can find out more about how the Directors have had regard to the matters set out in Section 172(1) when discharging their duties, and the effect of those considerations in reaching certain decisions below and in the **Key Board activities** section in the Governance Report

Barclays' strategy

In February 2024 the Group announced a new three-year plan to create a 'Simpler, Better and More Balanced Bank' to improve our operational and financial performance, and total shareholder returns. We also set financial targets to match this ambition and improve outcomes for all stakeholders.

Our strategy is reinforced by the redefined Purpose: '*Working together for a better financial future*' which emphasises that the way we operate has a strong connection to our Values. For customers that means helping improve livelihoods. For clients it's growth and scaling business. For communities, it represents upliftment, fulfilling potential beyond circumstance. And for colleagues, it provides a clear direction on why we exist.

As part of the Board's responsibility to set the strategic direction for the Group, in 2023 the Board provided significant input and oversight of the shaping of the strategy. This continued through to 2024, when in the first part of the year the Board approved the new financial targets and the re-segmentation of the Group into five focused businesses; Barclays UK, UK Corporate Bank, Private Bank and Wealth Management, Investment Bank, and US Consumer Bank.

The Board considered how a **Simpler** organisational structure would reduce complexity and how these new reporting segments would give investors greater transparency to assess performance, including the undiscovered value and growth drivers of the Group.

Aligned to this new structure, throughout the year the Board received updates from the heads of each business who presented on strategy execution and performance against the financial targets. The Board Audit Committee considered the segmented financial reporting and operation of internal controls; while the Board Risk Committee received first line reporting from the businesses to ensure close oversight of the respective risks.This has facilitated greater accountability at a business level supporting closer monitoring, and measurement, of success.

Over 2024, the Board has continued to provide ongoing monitoring and oversight of management's implementation and delivery of the strategy. In support of a **More balanced** organisation, the Board considered key strategic M&A transactions, including the sale of the German consumer finance business, the sale of the Italian mortgage portfolios, and the acquisition of Tesco Bank.

The Board received quarterly updates from the Group Transformation Office which supports business transformation plans, drives cost efficiencies and monitors progress against capital and return targets. Updates included tracking performance against our core financial targets, and consideration of non-financial KPIs, such as customer service transformation and journey digitisation, capital and balance sheet efficiency, and structural improvements in efficiency and effectiveness.

The Board also challenged what the strategy means to each business or function and the actions being taken to become Simpler, Better and More balanced.

See the **Key Board activities** section in the Governance report for the key areas of focus and further detail of the decisions the Board made over the year

Stakeholder groups

- Customers and clients
- Colleagues
- Society
- Investors

Section 172(1) statement (continued)

What a consistently excellent standard means at Barclays

We are holding ourselves to a high standard across:

Service
providing world-class service to our clients and customers

Precision
in our operations, our risk management and our controls

Focus
on businesses and projects where we can excel

Simplicity
and efficiency, seeking out every opportunity to automate

Diversity of thought
Championing new thinking, and challenging the status quo

During the year, the Board considered how these steps helped target best in class performance to ensure we are always striving to be **Better**. The consistently excellent standard described in our 2023 Annual Report continues to be integral to the culture across the firm and to the execution of the strategy.

Dedicated 'Being Consistently Excellent' workshops were rolled out to Barclays colleagues throughout 2024 to create a common understanding across the Group. In recognition of the importance of consistently excellent standards, the Board focused on how management measures the level of embedment.

The Board received regular updates on non-financial KPIs including a dedicated 'Consistently Excellent' dashboard and the bi-annual Your View employee survey results. As part of an update to the Board on workforce engagement and culture in December 2024, the Board considered how the metrics used in the dashboard had improved year-on-year or had achieved the end-state ambition. Recognising that embedment of a behavioural change programme of this nature is a multi-year effort, the Board will continue to monitor measurement of culture and the consistently excellent standard in 2025.

Barclays and the external environment

Global political and societal changes continued to present challenges to Barclays as a global institution throughout 2024. In response to the conflict in the Middle East, Barclays was subject to ongoing criticism and protest activity, including co-ordinated attacks on bank premises across the UK, resulting in significant damage. The Board was deeply concerned about the safety of colleagues, customers, and clients, and engaged with colleagues affected to understand the impact of the attacks.

The Board requested additional regular updates on matters of reputation risk throughout the year including the conflict in the Middle East and related protest activity as well as the bank's response to climate change. In recognition of a fast-changing geopolitical environment, the Board emphasised to management the importance of forward-looking and proactive reputation risk management to enable appropriate and timely escalation of matters to, and engagement of, the Board.

Together with management, the Board agreed to strengthen its oversight of matters related to reputation risk. It also approved changes to expand the remit of the Board Risk Committee to oversee the effectiveness of management's approach further supporting the Board in overseeing reputation risk matters with strategic implications for the Group.

These governance changes will ensure the Board continues to oversee and support management effectively in its consideration of key complex matters impacting the Group's reputation.

Consumer Duty

In the 2023 Annual Report we highlighted the Board's oversight of the implementation of the FCA's Consumer Duty across the Group. This outcomes-based regulation is designed to ensure relevant financial services firms deliver good outcomes for retail customers. During 2024 the Board has overseen the work of the BBPLC and BBUKPLC boards through receiving regular updates, providing oversight of embedment of the Consumer Duty across the organisation for in-scope products and services, and implementation for 'closed products' (those products that have not been marketed or distributed to customers after 31 July 2023).

Embedment of Consumer Duty throughout the Group's operations and culture has been overseen by the BBPLC and BBUKPLC Boards and Board Committees which received information on customer outcomes throughout the year via updates on key activities, thematic findings, as well as risks and issue reporting, alongside examples of positive steps to improve customer outcomes and examples of the Consumer Duty in action. An example of this in BBUKPLC included a focus on communications to promote 'consumer understanding' among vulnerable customers around cash deposit limit changes to reduce the risk of potential harm.

The BBPLC and BBUKPLC Board Consumer Duty Champions (nominated Board members) were closely engaged in producing the first annual Consumer Duty reports for the BBPLC and BBUKPLC Boards which assessed whether the businesses were delivering good outcomes for retail customers. In July 2024 the BBPLC and BBUKPLC Boards, supported by their respective Board Consumer Duty Champions, considered and approved the reports, concluding that the strategy, Purpose and ambition of the Group is aligned with the Consumer Duty. The reports have supported the Board's assessment of the implementation of Consumer Duty and our consistently excellent standard, with customer outcomes being a key lens and core pillar of the strategy.

The Board will continue to give consideration to the impact of any regulatory developments in relation to Consumer Duty.

Non-financial and sustainability information statement

The non-financial and sustainability reporting requirements (including the climate-related financial disclosures) contained in Sections 414CA and 414CB of the Companies Act 2006 have been addressed through a combination of summary text and cross-referencing to other sections of the Annual Report. We have used cross-referencing as appropriate to deliver clear, concise and transparent reporting.

In addition to the information referred to in the table below, further information about the impact of our activities can be found in the following sections of the Annual Report:

Part 1 of this statement addresses the non-financial information requirements set out in section 414CB(1) and (2).

Part 2 of this statement addresses the climate-related financial disclosure requirements set out in section 414CB(A1) and (2A).

Part 1

Relevant information relating to business model, principal risks and non-financial key performance indicators can be found in the following sections of the Annual Report:

	Section	Pages
Business model		10, 60-63
Principal risks	Managing risk	51-53
	Principal Risk management	283-294*
	Risk performance	295-382*
Key performances indicators		27, 30, 34, 37, 73, 86, 93
Impact	Environmental matters	70-77, 78-90, 116, 246-247
	Company employees	28-30, 255, 259
	Social matters	25-27, 31-34, 246-253
	Respect for human rights	248-249
	Anti-bribery and corruption matters	258

Note:
* in Part 3 of the Report

In relation to the requirements relating to policies, we have a range of statements and policy positions designed to support key outcomes for all of our stakeholders, some of which can be found here: home.barclays/sustainability/esg-resource-hub/

These policies and statements are in place with the aim of ensuring strengthened risk management and consistent governance. In order to maintain these policies and statements, the relevant documents are reviewed periodically.

Performance against our strategic key performance indicators for our stakeholder groups, as shown from page 24, is one indicator of the effectiveness and outcome of policies and guidance.

We have included summary information in relation to these statements and policies in the table below, providing cross-references to additional content contained in the Annual Report where appropriate:

Non-financial and sustainability information statement (continued)

Environmental-related policy statements

Policy Statement	Description	Information to help understand our Group and its impact, policies, due diligence and outcomes
Climate Change Statement	The Barclays Climate Change Statement sets out our position and approach to financing certain sensitive sectors, taking into account relevant risk and other considerations as well as our Purpose. Those sensitive sectors include certain energy and power sectors with higher carbon-related exposures or emissions from extraction or consumption, or those which may have an impact on certain sensitive environments or on communities.	See our: • 'Managing impacts in lending and financing' section in Part 3 of the Annual Report (page 246 onwards). • 'Sensitive sector and area policies' section in Part 2 of the Annual Report (page 90). • 'Our approach to nature' section in Part 2 of the Annual Report (page 116).
Forestry and Agricultural Commodities Statement	We recognise that the forestry and agricultural commodities sectors are responsible for producing a range of agricultural commodities such as timber, pulp and paper, palm oil, beef and soy that are often associated with environmental and social impacts, including climate change, deforestation, biodiversity loss and human rights issues. Our Forestry and Agricultural Commodities Statement outlines our approach to financing for clients involved in these activities.	See our: • 'Managing impacts in lending and financing' section in Part 3 of the Annual Report (page 246 onwards). • 'Sensitive sector and area policies' section in Part 2 of the Annual Report (page 90). • 'Our approach to nature' section in Part 2 of the Annual Report (page 116).

Environmental-related policy statements (continued)

Policy Statement	Description	Information to help understand our Group and its impact, policies, due diligence and outcomes
Protected Areas Statement	Protected Areas are known for including areas of high biodiversity value, and play an important role in tackling the global biodiversity crisis, as well as helping to mitigate and adapt to climate change. In February 2025, we broadened the scope of our previously named World Heritage Site and Ramsar Wetlands Statement to support the preservation of biodiversity and ecosystems in Protected Areas, by including a restriction in relation to the provision of project finance to support the development or expansion of a material project in a Protected Area and/or its buffer zones. It also supports this aim through enhanced due diligence for other types of financing where it becomes known that a client is developing or expanding assets in relation to a material project in a UNESCO World Heritage Site or Ramsar Wetland and/or within their buffer zones.	See our: • 'Managing impacts in lending and financing' section in Part 3 of the Annual Report (page 246 onwards). • 'Sensitive sector and area policies' section in Part 2 of the Annual Report (page 90). • 'Our approach to nature' section in Part 2 of the Annual Report (page 116).

For further information, see all environmental-related policy statements found at: **https://home.barclays/sustainability/esg-resource-hub/statements-and-policy-positions/**

Environmental-related policy

Policy Position	Description	Information to help understand our Group and its impact, policies, due diligence and outcomes
Climate Risk Policy	The Climate Risk Policy outlines the requirements and policy objectives for assessing and managing the impact on Financial and Operational Risks arising from the physical and transition risks associated with climate change. This incorporates identification, measurement, management and reporting for Financial and Operational Risks. Risks associated with climate change are being managed in accordance with the requirements set out in this policy.	See our: • Climate Risk section from page 283 in 'Risk Review' section in Part 3 of the Annual Report

Non-financial and sustainability information statement (continued)

Human rights-related policy statements

Policy Statements	Description	Information to help understand our Group and its impact, policies, due diligence and outcomes
Human rights	Barclays Group Statement on Human Rights expresses our commitment to respecting human rights as defined in the International Bill of Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. Our approach to respecting human rights is guided by the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct. The Statement provides an overview of the evolving framework of policies and processes that seek to embed these commitments across our business.	See our: • 'Managing impacts in lending and financing' section in Part 3 of the Annual Report (page 246 onwards). • Other Governance within the Governance report in Part 3 of the Annual Report (Page 248).
Modern slavery	Barclays publishes a Modern Slavery Statement made according to the requirements of section 54 of the UK Modern Slavery Act 2015 and section 14 of the Australian Modern Slavery Act 2018 (Cth). We recognise that the nature of our business and global footprint means we may be exposed to modern slavery risks across our operations, supply chain, and customer and client relationships. We are committed to trying to identify and seek to address human rights risks, such as modern slavery, across our value chain. In this statement we report the progress made over the course of the year and outline our plans for the year ahead.	See our: • 'Managing impacts in lending and financing' section in Part 3 of the Annual Report (page 246 onwards). • Other Governance within the Governance report in Part 3 of the Annual Report (Page 249).
Defence and Security Sector	The Barclays Defence and Security Sector Statement outlines our approach to defence-related transactions and relationships. We recognise that various types of defence equipment are considered necessary for achieving internationally accepted goals, such as legitimate national defence and security purposes as set forth in the Charter of the United Nations, or peacekeeping missions. At the same time, we also recognise that the Defence and Security Sector involves equipment and activities that have the potential to lead to significant impacts on individuals, communities and the broader geopolitical landscape. Barclays conducts enhanced due diligence as appropriate on clients in scope of the Defence and Security Statement.	See our: • 'Managing impacts in lending and financing' section in Part 3 of the Annual Report (page 246 onwards).

For further information, see all human rights-related policy statements found at: **https://home.barclays/sustainability/esg-resource-hub/statements-and-policy-positions/**

Colleagues and suppliers

Statement or policy position	Description	Information to help understand our Group and its impact, policies, due diligence and outcomes
Code of Conduct	The Barclays Way is our code of conduct which outlines the Purpose, Values and Mindset that govern our 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 colleagues, customers and clients, governments and regulators, business partners, suppliers, competitors and the broader community with the aim of creating the best possible working environment for our colleagues.	• See The Barclays Way section from page 254 in Other Governance within the Governance report in Part 3 of the Annual Report.
Board Diversity and Inclusion Policy	The Board Diversity and Inclusion Policy is designed to ensure that all Board appointments and succession plans are based on merit and objective criteria, recognising the benefits of diversity, in all its forms, and that due regard is given to diversity and inclusion characteristics when considering Board Committee appointments. The Policy sets out measurable objectives for achieving diversity on the Board, including the Board's current target to ensure that, by 2025, the proportion of women on the Board is at least 40 per cent.	• See our section on diversity within the report of the Board Nominations Committee on page 149 within the Governance report in Part 3 of the Annual Report.
Code of Conduct for Third Party Service Providers	The Code of Conduct for Third Party Service Providers (TPSPs) encourages our TPSPs to adopt our approach to doing business and details our expectations for matters including environmental management, human rights and also for living the Barclays Values.	• See 'Supporting our Supply Chain' within Other Governance on page 250.
Statement of Commitment to Health and Safety	Barclays Health, Safety and Wellbeing Statement of Commitment sets out the Bank's commitment to protecting the safety and wellbeing of our employees, customers, suppliers, and any individuals using our premises, by providing and maintaining a safe working environment that protects both physical and mental wellbeing. The effective implementation of the statement of commitment has resulted in the continual improvement of health and safety-related performance and proactive hazard management, as well as increasing the number of sites where Barclays' occupational health and safety management system is independently certified to ISO45001.	• See our Health and Safety section from page 259 in Other Governance within the Governance report in Part 3 of the Annual Report.

Non-financial and sustainability information statement (continued)

Governance and Financial Crime statements

Statement or policy position	Description	Information to help understand our Group and its impact, policies, due diligence and outcomes
Financial Crime Statement	We have adopted a holistic approach to financial crime risk management and have one Group-wide Financial Crime Policy. It is designed to ensure that Barclays has adequate systems, procedures, and controls in place to manage the risk of being used to facilitate financial crime and to manage the legal, regulatory, and reputational risks associated with financial crime. The Financial Crime Policy is supported by Group-wide standards that focus on four key risks: anti-bribery and corruption (ABC); anti-money laundering and counter-terrorist financing (AML); anti-tax evasion facilitation (ATEF); and sanctions, including proliferation financing, and is: • Designed to ensure that all employees and Barclays businesses globally comply with UK, extra-territorial and locally applicable legal and regulatory obligations; • Designed to create an integrated and consistent framework upon which Barclays manages financial crime risk; • Supported by the Barclays Board of Directors; • Approved by the Group Chief Compliance Officer (member of the Group Executive Committee); and • Regularly reviewed to ensure it remains up to date.	• See the Financial Crime section from page 258 in Other Governance within the Governance report in Part 3 of the Annual Report.
Data protection	Barclays aims to ensure that the privacy and security of personal information is respected and protected. Our privacy notices, available on our websites, describe how we collect, handle, store, share, use and dispose of information about people.	• See the managing data privacy, security and resilience section from page 260 in Other Governance within the Governance report in Part 3 of the Annual Report.
Donations	Barclays carefully evaluates non-profit organisations prior to partnering with them to ensure they align with its Values. Barclays will not make any donation that is, or could be perceived to be, an incentive to win or retain business or one that delivers a business advantage.	• See our donation guidelines at: home.barclays/content/dam/home-barclays/documents/citizenship/our-reporting-and-policy-positions/Barclays-donation-guidelines.pdf

Governance and Financial Crime statements

Statement or policy position	Description	Information to help understand our Group and its impact, policies, due diligence and outcomes
Resilience	Barclays maintains a robust resilience framework focusing on the end-to-end resilience of the business services we provide to customers and clients, aiming to ensure that all service components can deliver during business disruptions, crises, adverse events and other types of threats.	• See the managing data privacy, security and resilience section from page 260 in Other Governance within the Governance report in Part 3 of the Annual Report.
Tax	Our Tax Principles are central to the way we manage tax and our approach to tax planning, for ourselves or in relation to our clients, allowing us to balance the needs of all of our stakeholders when making decisions related to our tax affairs. The same applies to our Tax Code of Conduct which is designed to ensure we file our returns on time and pay the correct amount of tax in a responsible and transparent manner.	• See the tax section from page 256 in Other Governance within the Governance report. • Barclays PLC Country Snapshot report at home.barclays/annualreport

Non-financial and sustainability information statement (continued)

Part 2

Relevant information in relation to the climate-related financial disclosures is set out below, using cross- referencing to other sections of the Annual Report where appropriate.

Given the similarities in these disclosure requirements with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations disclosures, and in order to avoid unnecessary duplication and deliver concise reporting, we have chosen to present the climate-related financial disclosures alongside information relating to TCFD recommendations disclosures.

Climate-related financial disclosures index

CA 2006 requirement	Detail	TCFD Section	Recommendation	Summary	Page references within Parts 2 and 3 of the Annual Report
Section 414CB(2A)(a)	A description of the company's governance arrangements in relation to assessing and managing climate-related risks and opportunities	Governance	a) We describe the Board's oversight of climate-related risks and opportunities	The Board is responsible for the overall leadership of Barclays PLC. The Board sets the Group's Strategy, including in respect of climate. The Board and, as appropriate, its Committees are responsible for the oversight of climate-related risks and opportunities in the Group. Each Board Committee has its own Committee Terms of Reference clearly setting out its remit and decision-making powers, including those relating to climate matters.	147, 175 - 177, 242
			b) We describe management's role in assessing and managing climate-related risks and opportunities	Oversight and management of Barclays' climate and sustainability strategy is increasingly embedded in business-as-usual management structures, including executive committees. These committees are mandated and form part of Barclays' formal governance architecture. They are convened to oversee a specific attribute of the Barclays control framework. Each committee is itself governed by Terms of Reference that lay out the duties, decision-making authority and escalation route of any material issues. The executive management committees receive regular briefings on matters including climate change and consider both risks and opportunities. Climate and sustainability-related risks are assessed and escalated as appropriate through the various risk forums. The Group Sustainability Committee assists the Group Executive Committee and the Board Sustainability Committee (BSC) in considering sustainability-related matters across the Group, with a mandate to review and approve amendments to the Group sustainability strategy for approval by the BSC.	113 - 114, 243 - 245

Non-financial and sustainability information statement (continued)

Climate-related financial disclosures index

CA 2006 requirement	Detail	TCFD Section	Recommendation	Summary	Page references within Parts 2 and 3 of the Annual Report
Section 414CB(2A)(d)	A description of: (i) the principal climate-related risks and opportunities arising in connection with the company's operations, and (ii) the time periods by reference to which those risks and opportunities are assessed	**Strategy**	a) We describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term	Climate Risk is defined as the risk of financial losses arising from climate change, through physical risks and risks associated with transitioning to a low-carbon economy. Barclays faces exposure to climate-related risks, either directly through its operations and infrastructure or indirectly through its financing and investment activities. Time horizons are considered based on Barclays' planning cycles. Barclays has enhanced its focus on sustainable and transition finance over the last three years. At the end of 2022, we announced a target to facilitate $1trn of Sustainable and Transition Financing between 2023 and the end of 2030. This followed a review of the financing requirements arising from the global transition to a low-carbon economy if the world is to avoid the effects of climate change and the potential addressable market for Barclays. In 2024 we evolved our Group sustainable finance strategy that we developed in 2023 and continued to execute against the strategy.	65 – 68, 283-284, 295-302
Section 414CB(2A)(e)	A description of the actual and potential impacts of the principal climate-related risks and opportunities on the company's business model and strategy		b) We describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning	Barclays' 2024 financial planning process included a review of our strategy, its implementation and tracking our progress on climate-related targets, as well as, capturing a view of climate-related risks and opportunities, which aligns with how we manage other risks. Barclays central medium-term planning process also considered the impact of current government and regulatory policies into the baseline planning scenario. The planning process included an assessment of our financed emissions reduction targets for some of our highest-emitting sectors. We also considered impairment over the horizon of the financial plan. At this point in time, there are no material amendments required to the financial plan. Our Sustainable and Transition Financing target of $1trn is a key driver of our finance planning process with a pathway to aim to achieve this target as well as risks and opportunities reviewed and agreed with business heads.	69 – 123
Section 414CB(2A)(f)	An analysis of the resilience of the company's business model and strategy, taking into consideration different climate-related scenarios		c) We describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	A single scenario was produced for the 2024 Internal Stress Test, designed to assess Barclays' financial resiliency to both climate and traditional macroeconomic risk, and the extent to which Barclays would remain within risk appetite. Results from the exercises have been integrated into Barclays' internal capital adequacy assessment process to ensure Barclays remains sufficiently capitalised for both climate and macroeconomic stresses. The outputs are considered within Climate Risk management and financial planning processes, such as assessment of climate impacts to expected credit losses (ECL).	125 -129

Non-financial and sustainability information statement (continued)

Climate-related financial disclosures index

CA 2006 requirement	Detail	TCFD Section	Recommendation	Summary	Page references within Parts 2 and 3 of the Annual Report
Section 414CB(2A)(b)	A description of how the company identifies, assesses, and manages climate-related risks and opportunities	**Risk management**	a) We describe the organisation's processes for identifying and assessing climate-related risks b) We describe the organisation's processes for managing climate-related risks	The impact of climate risk drivers are observed in Barclays' portfolio through its traditional risk categories such as credit risk, market risk, treasury and capital risk, operational risk and reputational risk. Barclays continues to develop and enhance processes for identifying, assessing and managing climate-related risks and drive integration of climate risk into its business activities and operations.	65 – 67, 283 –286
Section 414CB(2A)(c)	A description of how processes for identifying, assessing, and managing climate-related risks are integrated into the company's overall risk management process		c) We describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	Climate Risk is a Principal Risk under Barclays' Enterprise Risk Management Framework. A Climate Risk Framework, Climate Risk Policy and relevant governance structures have been developed to foster a systematic and consistent approach for managing climate risk across the firm. Barclays has also established a climate risk appetite at the Group level.	

Non-financial and sustainability information statement (continued)

Climate-related financial disclosures index

CA 2006 requirement	Detail	TCFD Section	Recommendation	Summary	Page references within Parts 2 and 3 of the Annual Report
Section 414CB(2A)(h)	A description of the key performance indicators (KPIs) used to assess progress against targets used to manage climate-related risks and realise climate-related opportunities and of the calculations on which those KPIs are based	**Metrics & Targets**	a) Our metrics used to assess climate-related risks and opportunities in line with our Strategy and risk management processes	In line with our three-part climate strategy, we have set financed emissions 2030 reduction targets across eight high-emitting sectors in our portfolio. We have also set a convergence point for UK Housing, as detailed on page 88. Each of our 2030 target ranges is developed with reference to a 1.5°C-aligned scenario, such as the IEA Net Zero by 2050 scenario. We have reported our progress against each of these targets as at December 2024, as detailed on page 84. We have additionally calculated the financed emissions for the full in-scope balance sheet as at December 2023. This has enabled us to calculate the coverage of our reduction targets across our portfolio (including integration of 1.5°C aligned scenarios, with ranges for certain sectors) and to assess the extent to which the business is aligned to a well-below 2°C pathway. Our calculations indicate that we have set reduction targets for 43% of our overall Scope 1 and 2 financed emissions. We also note our progress against our target to facilitate Sustainable and Transition Financing between 2023 and the end of 2030 and our mandate to invest up to £500m of Barclays' capital in climate tech start-ups by the end of 2027.	65 – 68, 295-302
N/A	N/A		b) Our Scope 1, Scope 2 and Scope 3 greenhouse gas (GHG) emissions and the related risks	We measure our Scope 1 and Scope 2 emissions and report these against our net zero operations strategy, as set out on pages 70-77. We also measure Scope 3 operational emissions and total operational energy consumption, as reported in the ESG Data Centre. On our financed emissions, we have: i. Estimated the full in-scope balance sheet financed emissions as at December 2023 using a methodology developed based on the PCAF Standard as set out on pages 78-81; and ii. Calculated financed emissions and physical intensities for specific activities as at December 2024 where we have set 2030 targets which include the integration of 1.5°C aligned scenarios, such as the IEA Net Zero by 2050 scenario in our financed emission targets, and including the upper end of ranges for certain sectors, as set out on page 87.	73, 86
Section 414CB(2A)(g)	A description of the targets used by the company to manage climate-related risks and to realise climate-related opportunities and of performance against those targets		c) Our targets used to manage climate-related risks and opportunities and performance against targets	Alignment of our client portfolios to the goals and timelines of the Paris Agreement underpinned by Barclays' BlueTrack™ methodology. Progress reported against the following 2030 financed emission targets: Upstream Energy, Power, Cement, Steel, Automotive Manufacturing, Aviation, UK Agriculture, UK Commercial Real Estate and UK Housing (where we have set a convergence point). Progress against our target to facilitate $1trn of Sustainable and Transition Financing between 2023 and the end of 2030.	73, 86, 93

TCFD compliance

Task Force on Climate-related Financial Disclosures statement of compliance

We have considered our obligations under the UK's Financial Conduct Authority's Listing Rules and confirm that we have made disclosures consistent with the relevant Listing Rules and the Task Force on Climate-related Financial Disclosures (TCFD) Recommendations and Recommended Disclosures.

Given the similarities between the TCFD Recommended Disclosures and the climate-related financial disclosures (required further to sections 414CA and 414CB of the Companies Act 2006), and in order to avoid unnecessary duplication and deliver concise reporting, we have chosen to present information relating to the TCFD recommended disclosures alongside the relevant Companies Act 2006 requirements.

For further information on where these disclosures can be found please refer to pages 45 to 48 of this report.

Further details on the TCFD Recommendations and Recommended Disclosures are available at: **fsb-tcfd.org**
Full list of metrics and targets can be found in the ESG Data Centre at: **home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/**

Sustainability-related reporting and disclosures

Sustainability-related reporting and disclosures

Our approach to sustainability-related reporting is informed by recognised external standards and frameworks. As these frameworks evolve, we will continue to assess and amend our approach to sustainability-related disclosures appropriately.

Barclays continues to support efforts towards enhanced sustainability-related reporting and consistency in approaches to disclosures, including through the work of the International Sustainability Standards Board (ISSB). We participate in a range of regional and global industry efforts to promote increased harmonisation in approaches to data, taxonomies and disclosures.

ESG Resource Hub

Barclays' ESG Resource Hub provides more detailed technical information, disclosures, and our position statements on environmental, social and governance matters. It is intended to be relevant for analysts, investors, rating agencies, suppliers and clients.

Further details can be found on the ESG Resource Hub at: **home.barclays/sustainability/esg-resource-hub/**

UN Principles for Responsible Banking (PRB)

Barclays was one of the founding signatories of the UN PRB. We report annually on how we are implementing the PRB.

The Barclays PLC PRB Report 2024 can be found at: **home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/**

TCFD-related reporting and disclosures

Our climate-related financial disclosures are included within this Annual Report. The majority of the content can be found in Part 2 within the Climate and Sustainability report in addition to Part 3 within the Governance report and Risk review sections of this Annual Report.

For further details on where to access our TCFD-related disclosures, please see our **Climate-related Financial Disclosures Summary and Index** on **page 45**.

Sustainability-related reporting and disclosures (continued)

Additional sustainability reporting disclosures

Barclays provides additional disclosures within the ESG Resource Hub, including reporting with reference to the material topics from the Sustainability Accounting Standards Board (SASB) and the Global Reporting Initiative (GRI).

ESG Data Centre

Within the ESG Resource Hub, our ESG Data Centre continues to provide a central repository of climate, sustainability, and ESG-related data that is published within the Barclays PLC Annual Report, in addition to additional data points and granularity.

Information on Barclays PLC ESG Ratings, previously disclosed in the Annual Report, can be found in the ESG Data Centre.

The ESG Data Centre can be accessed online within our ESG Resource Hub at: **home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/**

KPMG LLP limited assurance

Barclays appointed KPMG LLP to perform limited independent assurance over selected ESG content, marked with the symbol Δ.

The assurance engagement was planned and performed in accordance with the International Standard on Assurance Engagements (UK) 3000 Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and the International Standard on Assurance Engagements 3410 Assurance of Greenhouse Gas Statements. A limited assurance conclusion was issued and is available at the website link below. This includes details of the scope, reporting criteria, respective responsibilities, work performed, limitations and conclusion. No other information in this Annual Report has been subject to this external limited assurance.

Further details on Limited Assurance can be found at: **home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/**

Our sustainability-related disclosures include:

Annual Report

- Taskforce on Climate-related Financial Disclosures (TCFD) Recommendations
- Sustainability-related disclosures

Other sustainability resources

- ESG Investor Presentations
- Limited Independent Assurance statement
- Barclays' Sustainable Finance Framework
- Barclays' Transition Finance Framework
- Barclays' Financed Emissions Methodology

Sustainability-related reporting

- Principles for Responsible Banking (PRB) Report
- Fair Pay report / UK Pay Gaps report
- (Tax) Country Snapshot report
- Board Diversity and Inclusion Policy
- Diversity, Equity and Inclusion report

Statements and policy positions

- ESG Resource Hub - Statements and policy positions

ESG data resources

- ESG Data Centre

Indices

- Global Reporting Index (GRI)
- Sustainability Accounting Standards Board (SASB)

Prudently managing risk for stakeholders

Barclays 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 (ERMF)

At Barclays, risks are identified and overseen in accordance with the 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 Barclays 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 2024, financial crime risk was elevated to a principal risk in the ERMF, effective from 1 January 2025. Previously, financial crime risk was managed as part of compliance risk. Recognising the increased external threat of financial crime, this change will enhance transparency and visibility of financial crime risk within the Group and reinforce independent assessment, management and oversight of financial crime risk.

"In 2024, financial crime risk was elevated to a principal risk in the ERMF."

On 1 November 2024, the Group completed the acquisition of Tesco Bank. Following the acquisition, the acquired Tesco Bank business continues to operate largely within its own risk framework, with dispensations in place for material divergences from existing Group policy requirements. Any subsequent changes to the Tesco Bank approach will be part of integration planning activity.

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 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 2024, the Group's performance remained within its risk appetite limits.

Three lines of defence

The first line of defence comprises 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 comprises Internal Audit, and provides independent assurance to the Board and 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 business 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 risks to which the Group is exposed.

Monitoring the risk profile

Together with a strong governance process, using business and Group-level Risk Committees as well as Board-level forums, the Board receives regular information in respect of the risk profile of the Group, and has ultimate responsibility for Group risk appetite and capital plans. 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.

For further details of monitoring risks please refer to **page 286.**

During 2024, Barclays ran a macroeconomic internal 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 Group's vulnerabilities through Net Interest Income (NII) margin compression. The stress test outcomes for macroeconomic tests assess our full financial performance over the horizon of the scenario in terms of profitability, capital, liquidity and leverage to ensure the Group would remain viable.

For further details of the stress test, please refer to **page 55**

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 approach to risk management and risk performance, please see our full Risk review on **pages 263** to **396** of Part 3 of the Annual Report

Managing risk (continued)

The Enterprise Risk Management Framework defines 10 Principal Risks

Principal Risks	Risks are classified into Principal Risks, as below	How risks are managed
Credit risk	The risk of loss to the Group from the failure of clients, customers or counterparties (including sovereigns), to fully honour their obligations to the 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 deliver 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 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 and scale limits set by the second line.
Treasury and Capital risk	**Liquidity risk** The risk that the 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 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 Group's pension plans. **Interest rate risk in the banking book** The risk that the Group is exposed to capital or income volatility because of a mismatch between the interest rate exposures of its (non-traded) assets and liabilities. This also includes credit spread risk in the banking book, the risk that the firm is exposed to capital or income volatility because of changes in credit spreads on 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. The assessment of liquidity risk should be comprehensive in assessing all sources of liquidity risk, representing all of the assets and liabilities, on-balance sheet and off-balance sheet items including at the regional and legal entity levels. Capital risk is predominantly assessed and controlled on a forward-looking basis through the means of capital forecasts and capital plans. Key capital risks must be identified well in advance to allow for mitigating actions to be agreed and become effective. Pension risks are monitored regularly and reported to relevant stakeholders and committees to support discussions with the relevant pension fund's actuaries and trustees. IRRBB assessment uses earnings and value type metrics and it takes into account the type of IRRBB, the accounting nature and direct impact to earnings or capital; and, the appropriate holding period of the risk.
Climate risk	The risk of financial losses arising from climate change through, physical risks and risks associated with transitioning to a low-carbon economy.	A risk management framework has been implemented for managing financial and operational risks from climate change across Barclays' first and second line activities. A range of risk management practices has been developed and enhanced for identifying, measuring and quantifying the impact of climate physical and transition risks in the financed portfolios. Climate scenario analysis forms a key part of Barclays' approach to assessing and quantifying the impact of both physical and transition risks. In addition, Barclays conducts climate risk management activities at the level of key entities, 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, as appropriate.

Note:
1 Definition of climate risk amended as part of the updated to the Climate Risk Policy in 2023. See page 70 for further detail.

Managing risk (continued)

The Enterprise Risk Management Framework defines 10 Principal Risks

Principal Risks	Risks are classified into Principal Risks, as below	How risks are managed
Operational risk	The risk of loss to the 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 ongoing 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 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 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 Group's integrity and/or competence.	Reputation risk is managed by embedding our Purpose and Values, and maintaining a controlled culture within the 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 Group Board.
Legal risk	The risk of loss or imposition of penalties, damages or fines from the failure of the 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 Group's businesses and functions have responsibility for engagement of the Legal function in situations that have the potential for legal risk. Legal risk is also mitigated by the requirements of the compliance risk management framework, including the responsibility of the legal professionals to proactively identify, communicate and provide legal advice on applicable laws, rules and regulations.
Financial crime risk	The risk that the Group and its associated persons (employees or third parties) commit or facilitate financial crime, and/or the Group's products and services are used to facilitate financial crime. Financial crime undermines market integrity and may result in: harm to clients, customers, counterparties or employees; diminished confidence in financial products and services; damage to the Group's reputation; regulatory breaches; and/or financial penalties.	The first line is accountable for the overall assessment and management of financial crime risks in their business or function and are responsible for implementing the requirements outlined in the Financial Crime Risk Management Framework (FCRMF). Financial Crime must oversee adherence to the FCRMF and the management of financial crime risk, and provide independent second line of defence oversight to all Barclays businesses, providing advice and challenge where appropriate.

Viability statement

Consideration of the long-term viability of Barclays

The financial statements and accounts have been prepared on a going concern basis.

Provision 31 of the 2018 UK Corporate Governance Code requires the Directors to make a statement in the Annual Report regarding the viability of the Group, including an explanation of how they assessed the prospects of the Group, the period of time for which they have made the assessment and why they consider that period to be appropriate.

Time horizon

In light of the analysis summarised below, the Board has assessed the Group's current viability, and confirms that the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the next three years. This time frame is used in management's Working Capital and Viability Report (WCR), prepared at the start of 2025. The WCR is a formal projection of capital and liquidity based upon formal profitability forecasts. The availability of the WCR gives management and the Board sufficient visibility and confidence on the future operating environment for this time period.

The three-year time frame has also been chosen because:

- it is within the period covered by the formal medium-term plans approved by the Board which contain projections of profitability, cash flows, capital requirements and capital resources
- it is also within the period over which internal stress testing is carried out
- it is an appropriate horizon over which to consider the impacts of new regulations in the financial services industry.

The Directors are satisfied that this period is sufficient to enable a reasonable assessment of viability to be made.

Considerations

In making its assessment the Board has:

- carried out a robust and detailed assessment of the Group's risk profile and material existing and emerging risks (see below for further details), in particular those risks which senior management believes could cause the Group's future results of operations or financial condition to differ materially from current expectations or could adversely impact the Group's ability to meet its material regulatory requirements
- reviewed how those risks are identified, managed and controlled (further detail provided on pages 51 to 53)
- considered the WCR, which provides an assessment of forecast CET1, leverage, Tier 1 and total capital ratios, as well as the build-up of minimum requirement for own funds and eligible liabilities (MREL) up to the end of 2027
- considered the Group's Medium Term Plan
- reviewed the Group's liquidity and funding profile, including forecasts of the Group's Internal Liquidity Stress Test (ILST), regulatory Liquidity Coverage Ratios (LCR) and Net Stable Funding Ratios (NSFR)
- considered the Group's viability under a specific internal stress scenario (see below for further detail)
- considered the stability of the major markets in which it operates, supply chain resilience and material known regulatory changes to be enacted
- considered the sustainability of any future capital distributions
- considered scenarios which might affect the operational resilience of the Group
- considered factors that may inform the impact of a severe recession in major economies with affordability pressures on consumers from high inflation and rising interest rates, energy supply pressures, and financial markets instability
- considered the impact of the Group's ambition to be a net zero bank by 2050 and support its clients' transition to a low-carbon economy, including the need to 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
- reviewed the draft statutory accounts and the financial performance of the Group
- reviewed the possible impact of legal, competition and regulatory matters set out in Note 25 to the financial statements on pages 497 to 510.

The Group's Medium Term Plan is based on assumptions for macroeconomic variables such as interest rates, inflation and unemployment, which have been consistently applied for the purpose of forecasting the Group's capital and liquidity position and ratios, as well as any credit impairment charges or releases.

Assessment of the Group's risk profile

Risks faced by the Group's business, including in respect of financial, conduct and operational risks, are controlled and managed within the Group in line with the ERMF. Executive management sets a risk appetite for the Group, which is then approved by the Board. Limits are set to control risk appetite, within which businesses are required to operate.

Management and the Board then oversee the ongoing risk profile. Internal Audit provides independent assurance to the Board and Executive Committee over the effectiveness of governance, risk management and control over current and evolving risks.

A full set of material risks to which the organisation is exposed can be found in the material existing and emerging risks on pages 267 to 282.

Certain risks are additionally identified as key themes and monitored closely by the Board and Board Committees. These are chosen on the basis of their potential to impact viability during the time frame of the assessment but in some instances the risks may continue beyond this time frame.

Viability statement (continued)

These particular risks include:

- the potential impact of increased recession risk heightened by the turbulent geopolitical outlook and volatile market conditions
- failure to successfully adapt the Group's operations and business strategy to address the financial risks resulting from both: (i) the physical risk of climate change; and (ii) the risk from the transition to a low-carbon economy
- legal proceedings, competition, regulatory and conduct matters giving rise to the potential risk of penalties, damages or fines, loss of regulatory licences and permissions and other sanctions, as well as potential adverse impacts on our reputation with clients and customers and on investor confidence and/or potentially resulting in adverse impacts on capital, liquidity and funding
- sudden shocks or geopolitical instability in any of the major economies in which the Group operates which could alter the behaviour of depositors and other counterparties, affect the ability of the firm to maintain appropriate capital and liquidity ratios or impact the Group's credit ratings
- evolving operational risks (notably cyber-security, technology and resilience) and the ability to respond to the new and emerging technologies in a controlled fashion.

As a universal bank with a diversified and connected portfolio of businesses, servicing customers and clients globally, the Group is impacted in the longer term by a wide range of macroeconomic, political, regulatory and accounting, technological, social and environmental developments. The evolving operating environment presents opportunities and risks in respect of which the Group continues to evaluate and take steps to appropriately adapt its strategy and its delivery.

Stress tests

The Board has also considered the Group's viability under a specific internal stress scenario.

The latest macroeconomic internal stress test, conducted in H2 2024, focused on a 'hard economic landing' where a demand shock caused by weak consumer and business demand drives economic contraction resulting in a severe disinflationary environment. Climate risks have been further embedded into the stress testing framework with climate risk drivers included within the internal stress test.

Key components of the macroeconomic scenario included:

- severe UK recession (GDP low point -4.7%) characterised by falling household real incomes, a spiralling unemployment rate peaking at 8.4%, declining economic confidence and tight financial conditions. Other major economies experience similar shocks
- the sharp economic contraction causes disinflationary movement, with UK inflation falling to a low of 0.3% in 2025 whilst recovering to the 2% Bank of England target in the outer years. In response, central banks swiftly loosen monetary policy – both the Bank of England and the US Federal Reserve lower rates to 0.5% at the peak of the stress
- residential house prices in the UK decline 29% while in the US real estate prices fall 25%, reflecting the contagion effects from the financial markets.
- the climate drivers looked at the impact of a series of physical risk events leading to a drastic shift in public sentiment, demanding a government policy response. Faced with a severe economic recession, impactful policies are announced to take effect during the economic recovery. More details on the climate aspect of the scenario on page 125

The stress test outcome for macroeconomic tests assesses our full financial performance over the horizon of the scenario in terms of profitability, capital, liquidity and leverage to ensure the Group remains viable.

The Group-wide stress testing framework also includes internal reverse stress testing assessments, conducted once a year, which aim to identify the circumstances under which the Group's business model would no longer be viable, leading to a significant change in business strategy and to the identification of appropriate mitigating actions.

Examples include extreme macroeconomic downturn ('severely adverse') scenarios, or specific one-off events, covering both operational risk and capital/liquidity items. Reverse stress testing is used to help support ongoing risk management and is an input to the Group's recovery planning process.

Legal proceedings, competition, regulatory and remediation/redress conduct matters are also assessed as part of the stress testing process. Capital and the ILST are set at a level designed to enable the Group to withstand various stress scenarios. As part of this process, management also identified actions, including cost reductions and withdrawal from lines of business, available to restore the Group to its desired capital flight path.

The results of the macroeconomic internal stress test were approved by the Board Risk Committee and allowed the Board to approve the Medium Term Plan.

These internal stress tests support the conclusions of the WCR.

Based on current forecasts, taking account of material known regulatory changes to be enacted and having considered possible stress scenarios, the current liquidity and capital position of the Group continues to support the Board's assessment of the Group's viability.

Shareholder information

Annual General Meeting (AGM)

Location

QEII Centre, Broad Sanctuary,
Westminster, London SW1P 3EE

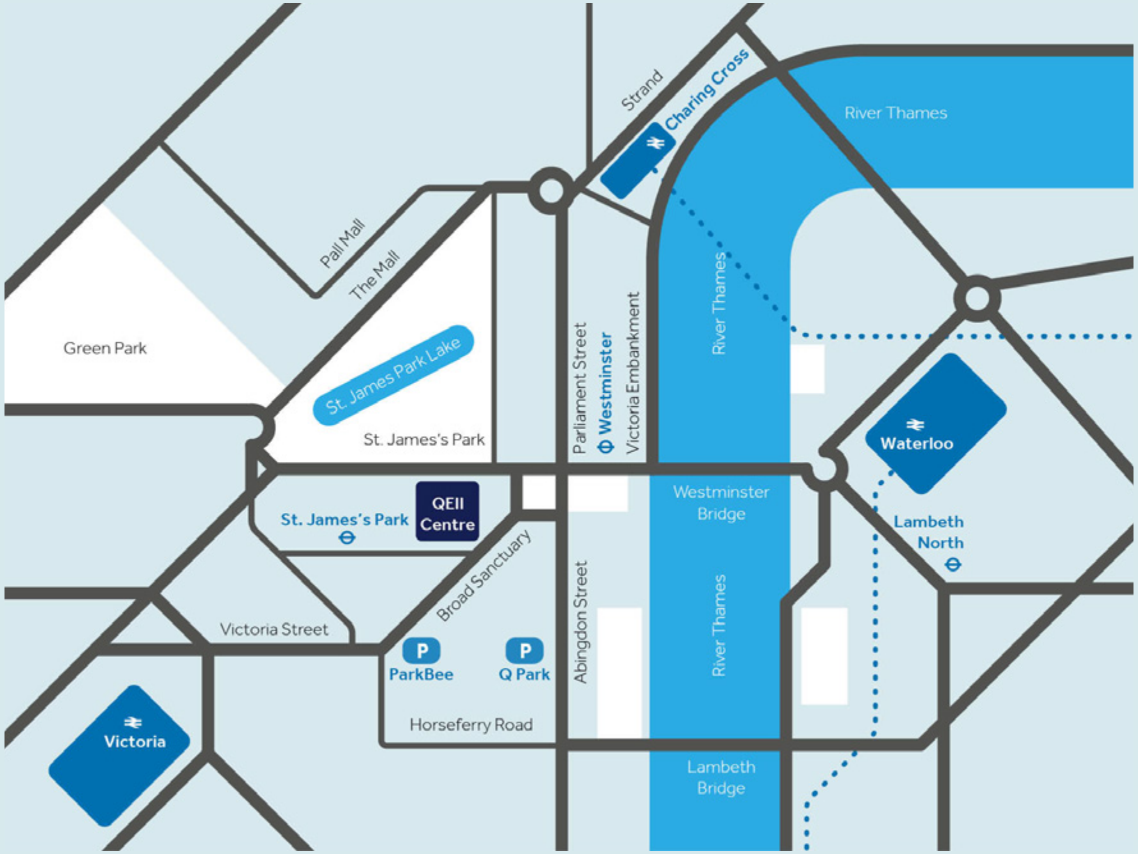
Date

Wednesday, 7 May 2025

Time

11.00am

The arrangements for the Barclays 2025 AGM and details of the resolutions to be proposed, together with explanatory notes and how to attend the meeting, will be set out in the Notice of AGM to be published on the Group's website (home.barclays/agm).



P Pay parking available (charges apply)

Key dates

28 February 2025	4 April 2025	30 April 2025	7 May 2025
Full year dividend record date	**Full year dividend payment date**	**Q1 2025 Results Announcement**	**Annual General Meeting at 11.00am**

Keep your personal details up to date

Please remember to tell Equiniti if:

- you move; or
- you need to update your bank or building society details.

If you are a Shareview member, you can update your bank or building society account or address details online. If you are not a Shareview member you can update details quickly and easily over the telephone using the Equiniti contact details on the next page.

Dividends

The Barclays PLC 2024 full year dividend for the year ended 31 December 2024 will be 5.50p per share, making the 2024 total dividend 8.40p per share.

Dividend Reinvestment Plan

Barclays offers a share alternative in the form of a dividend reinvestment plan (DRIP) for those shareholders who wish to elect to use their dividend payments to purchase additional ordinary shares, rather than receive a cash payment. The DRIP is provided and administered by Barclays' registrar, Equiniti.

Share price Information on the Barclays share price and other share price tools are available at: home.barclays/investorrelations

Further details regarding the DRIP can be found at **home.barclays/dividends** and **shareview.co.uk/info/drip**

Shareholder information (continued)

Shareholder security

Shareholders should be wary of any cold calls, emails, texts or instant messages with an offer to transfer, buy or sell shares. Fraudsters often use persuasive and high pressure techniques to lure shareholders into high-risk investments or scams. You should treat any unsolicited contact with caution.

Please keep in mind that firms authorised by the FCA are unlikely to contact you out of the blue. You should consider getting independent financial or professional advice from someone unconnected to the respective firm before you hand over any money.

Report a scam

If you suspect that you have been approached by fraudsters please tell the FCA using the share fraud reporting form at fca.org.uk/scams. You can also call the FCA Helpline on 0800 111 6768 or through Action Fraud on 0300 123 2040.

Share Dealing Service, donations to charity and returns to shareholders

During 2024, approximately £109,000 was donated to ShareGift, an option open to shareholders as part of the Share Dealing Service launched in 2017. The initiative is aimed at shareholders with relatively small shareholdings for whom it might otherwise be uneconomical to deal. The total donated since 2017 in Share Dealing programmes is over £445,000.

In addition, as part of the Share Dealing Service, some shareholders opted to sell their holding, as is their right to. This resulted in approximately £21.03m being returned to shareholders in 2024, with a total of over £70.86m returned since 2017 via this service.

Managing your shares online

Shareview

Barclays shareholders can go online to manage their shareholding and find out about Barclays' performance by joining Shareview. Through Shareview, you:

- will receive the latest updates from Barclays direct to your email
- can update your address and bank details online
- can vote in advance of general meetings.

To join Shareview, please follow these two easy steps:

Step 1 Go to portfolio.shareview.co.uk

Step 2 Register for electronic communications by following the instructions on screen

Or use the QR code to register

Returning Shares Not Taken Up to shareholders

In 2024, we have continued the tracing process to reunite over 60,000 shareholders who have not cashed their Shares Not Taken Up (SNTU) cheque following the Rights Issue in September 2013. In 2024 we returned over £78,000 to our shareholders via this tracing process.

Useful contact details

Registrar

Holders of ordinary shares

The Barclays share register is maintained by Equiniti. If you have any questions about your Barclays shares, please contact Equiniti:

By phone:
+ 44 (0)371 384 2055
(UK and international telephone number)

Note: Lines open 8.30am to 5.30pm (UK time) Monday to Friday, excluding public holidays.

For the hearing and speech impaired Equiniti welcome calls via Relay UK, for more information see: relayuk.bt.com

Visit online:
shareview.co.uk

By post:
Aspect House
Spencer Road, Lancing, West Sussex
BN99 6DA

To find out more, contact Equiniti or visit:
home.barclays/dividends

Alternative formats

Shareholder documents can be provided in large print, audio CD or Braille free of charge by calling Equiniti.
+44 (0)371 384 2055
(UK and international telephone number)

Holders of American Depositary Receipts (ADRs)

ADRs represent the ownership of Barclays PLC shares which are traded on the New York Stock Exchange. ADRs carry prices, and pay dividends, in US dollars.

If you have any questions about your Barclays ADRs, please contact Shareowner Services:

Electronically:
shareowneronline.com/informational/contact-us/

By phone:
+1 800 990 1135 (toll free in the US and Canada)
+1 651 453 2128 (outside the US and Canada)

By post:
Shareowner Services,
PO Box 64504, St Paul, MN 55164-0504, USA
Delivery of ADR certificates and overnight mail:

By post:
Shareowner Services,
1110 Centre Pointe Curve, Suite 101, Mendota Heights, MN 55120-4100, USA

Qualifying US and Canadian resident ADR holders should contact Shareowner Services for further details regarding the DRIP.

Shareholder Relations

If you have any questions for Barclays about your shareholding, please contact us:

By email:
privateshareholderrelations@barclays.com

By post:
Shareholder Relations
Barclays PLC, 1 Churchill Place, London E14 5HP

Please do not use this channel for general solicitations, marketing or general communications. Any non-shareholder-related enquiries will not receive a response.

Important information

Forward-looking statements

This document contains certain forward-looking statements within the meaning of Section 21E of the US Securities Exchange Act of 1934, as amended, and Section 27A of the US Securities Act of 1933, as amended, with respect to the Group. Barclays cautions readers that no forward-looking statement is a guarantee of future performance and that actual results or other financial condition or performance measures could differ materially from those contained in the forward-looking statements. Forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements sometimes use words such as 'may', 'will', 'seek', 'continue', 'aim', 'anticipate', 'target', 'projected', 'expect', 'estimate', 'intend', 'plan', 'goal', 'believe', 'achieve' or other words of similar meaning. Forward-looking statements can be made in writing but also may be made verbally by directors, officers and employees of the 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 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, International Financial Reporting Standards (IFRS) 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 IFRS and other accounting standards, including practices with regard to the interpretation and application thereof and emerging and developing ESG reporting standards; the outcome of current and future legal proceedings and regulatory investigations; the Group's ability along with governments and other stakeholders to measure, manage and mitigate the impacts of climate change effectively or navigate inconsistencies and conflicts in the manner in which climate policy is implemented in the regions where the Group operates, including as a result of the adoption of anti-ESG rules; environmental, social and geopolitical risks and incidents and similar events beyond the Group's control; financial crime; 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 the 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, including the impact of the UK, European and US elections in 2024; developments in the UK's relationship with the European Union (EU); the risk of cyberattacks, information or security breaches, technology failures or operational disruptions and any subsequent impact on the Group's reputation, business or operations; the Group's ability to access funding; and the success of acquisitions (including the acquisition of Tesco Bank completed in November 2024), disposals and other strategic transactions. A number of these factors are beyond the Group's control. As a result, the Group's actual financial position, results, financial and non-financial metrics or performance measures or its ability to meet commitments and targets may differ materially from the statements or guidance set forth in the Group's forward-looking statements. In setting its targets and outlook for the period 2024-2026, Barclays has made certain assumptions about the macroeconomic environment, including, without limitation, inflation, interest and unemployment rates, the different markets and competitive conditions in which Barclays operates, and its ability to grow certain businesses and achieve costs savings and other structural actions. Additional risks and factors which may impact the Group's future financial condition and performance are identified in the description of material existing and emerging risks beginning on page 267 of this Annual Report.

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

Climate and Sustainability report

The Climate and Sustainability report forms Part 2 of the Barclays PLC 2024 Annual Report. Parts 1, 2 and 3 together comprise Barclays PLC's annual accounts and report for the purposes of Section 423 of the Companies Act 2006.

TCFD Strategy Recommendation A:

Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.

TCFD Strategy Recommendation B:

Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.

TCFD Strategy Recommendation C:

Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

Barclays' climate strategy

A strategy for a better financial future

Our climate strategy is driven by consideration of relevant risks and opportunities and in alignment with our Purpose: working together for a better financial future for our customers, clients and communities.

Barclays' climate strategy

1 Achieving net zero operations

Barclays is working to reduce its Scope 1, Scope 2 and Scope 3 operational emissions[1] consistent with a 1.5°C aligned pathway, and we plan to counterbalance[1] 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.

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

Our ambition is to be a net zero bank by 2050, aligning our financing with the goals and timelines of the Paris Agreement, by achieving net zero operations, reducing our financed emissions and financing the transition.

Achieving net zero operations

We are committed to achieving net zero operations and have maintained and further progressed on our milestones and targets. We continued to source 100%$^{\Delta}$ renewable electricity for our global real estate portfolio ahead of our 2025 target and track ahead of our target of 90% reduction of our Scope 1 and 2 market-based emissions against a 2018 baseline – reducing these emissions by 95%$^{\Delta}$. We also enhanced our visibility and understanding of our supply chain emissions data through increased supplier engagements, unlocking new opportunities to seek to decarbonise our supply chain.

Reducing our financed emissions

Driven by consideration of relevant risks and opportunities and in alignment with our Purpose, we are also committed to reducing our financed emissions, which are those deriving from in-scope activities of the clients that we finance. To support our efforts to do so we have set 2030 financed emissions targets which integrate 1.5°C aligned scenarios for eight high-emitting sectors: Upstream Energy, Power, Cement, Steel, Automotive manufacturing, Aviation, UK Agriculture and UK Commercial Real Estate, as well as 2025 targets for Upstream Energy and Power and a convergence point for our UK Housing portfolio.

Our Climate Change Statement outlines the policy that supports our effort to reduce our financed emissions in relation to certain sensitive sectors. In addition, our Client Transition Framework, through which we evaluate in-scope corporate clients' progress toward business models aligned with a transition to a low-carbon economy, helps to inform our approach to reducing financed emissions, and our client engagement and decision-making processes.

We set out our progress against our financed emissions targets in this report. In particular, we have reduced the emissions intensity of our Power portfolio by 30% between 2020 and 2024 against our target of 30% by 2025 and our Upstream Energy portfolio by 45% between 2020 and 2024 against our target of 40% by end of 2030.

Note:
1 We define our Scope 3 operational emissions to include supply chain, waste, business travel and leased assets

Barclays' climate strategy (continued)

Financing the transition

Capital is critical for a successful energy transition and the scale of our business gives us the opportunity to help finance this – to use our global reach, products, expertise and position in the global economy to work with our clients. We believe banks can play a broader, systems-wide role in supporting the transition beyond financing, such as helping to create the ecosystems in which low carbon technology can flourish. This includes working with clients and other organisations to unlock new financial solutions, understanding and informing policy and regulatory debates, and identifying ways to support innovation and new climate solutions for our clients.

The world needs to accelerate and scale the supply and capacity of renewables and climate tech solutions that will help to decarbonise high-emitting activities, to reduce reliance on fossil fuels.. Many highly carbon-intensive sectors require finance to transition to a low-carbon economy. The Climate Policy Initiative estimates that this requires $7.4trillion of climate finance annually through to 2030[1].

Barclays is committed to help finance the energy transition. In 2022 we set a target to facilitate $1trn of Sustainable and Transition Financing between 2023 and the end of 2030. In 2024 we facilitated $94.4bn[Δ] of Sustainable and Transition Financing, of which $88.7bn was Sustainable Financing and $5.7bn[Δ] was Transition Financing.

We are also focused on investing and scaling climate tech, the physical and digital technologies that will reduce or remove greenhouse gas emissions or improve resilience or adaptation to the physical impacts of climate change, for example, – hydrogen, carbon capture, batteries, among others. To support this, Barclays Climate Ventures, formerly Sustainable Impact Capital, has a mandate to invest up to £500m of Barclays' own capital by the end of 2027 and has invested £203m into over 20 innovative companies since 2020.

Integrating nature and human rights considerations into our approach

Nature and social impacts are interlinked with climate change and the efforts to mitigate and adapt to it. During 2024, we continued our work to build an understanding of how our activities, and those of our clients, impact and depend on nature. We also took further steps to enhance and embed the Group's approach to respecting human rights informed by the 2023 salient human rights risk assessments with the corporate and investment bank financing portfolios[2].

Implementing our strategy against a shifting landscape

While we have made progress in our ambition towards becoming a net zero bank, and continue to see a significant opportunity to demonstrate our commercial leadership and support for our clients in the transition, we recognise that the shift to a low-carbon economy is complex and subject to significant uncertainties.

Our ability to implement our climate strategy depends heavily on our clients' ability to commercially decarbonise their business models, which is influenced by a wide range of external factors, including market developments, technological progress and its financial viability, a stable and supportive policy environment, regulatory alignment, changes to societal behaviour, geopolitical developments and regional variations.

2024 marked the first year in which the monthly global average temperature exceeded 1.5°C[3] and real economy emissions and government policies to reduce them remain misaligned with maintaining global warming at a 1.5°C average. Further divergence in the policy environment across the major global economies is likely to exacerbate that trend in 2025.

Since we set our first emissions targets in 2020, we have evolved our approach significantly, developing new data sources, tools and products to support our clients. Our climate strategy will continue to evolve as we continue to pursue our ambition of being a net zero bank by 2050 against the shifting and rapidly developing landscape. Additionally, as scientific evidence relating to climate change and information on real-world progress towards net zero emerges, we will incorporate this into our thinking and our approach.

Our Transition Plan

Work is underway on a Transition Plan which will set out in detail the actions we are taking to support the implementation of our climate strategy. The plan will also seek to incorporate our developing thinking on nature and social issues, highlight the key dependencies on our path towards net zero and hopefully encourage broader support in tackling them. We intend to publish our Transition Plan later this year.

Please see the Barclays Climate and Sustainability report from **page 60** for further details on Barclays' ambition to be a net zero bank by 2050.
Barclays' climate, sustainability, and ESG-related data, targets and progress can be found within the ESG Data Centre within our **ESG Resource Hub**.
Further details on our BlueTrack™ methodology can be found within our Financed Emissions Methodology paper (published in 2024) accessible at: **home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/**

Notes:

Δ 2024 data subject to independent limited assurance under ISAE (UK) 3000 and ISAE 3410. Current limited assurance scope and conclusion can be found within the ESG Resource Hub: home.barclays/sustainability/esg-resource-hub/reporting-and-disclos

1 Climate Policy Initiative – Global Landscape of Climate Finance climatepolicyinitiative.org/wp-content/uploads/2024/10/Global-Landscape-of-Climate-Finance-2024.pdf

2 This saliency assessment was completed for the then Corporate and Investment Bank portfolio in 2023, which in today's Group structure equates to the Investment Bank and select parts of the UK Corporate Bank.

3 https://climate.copernicus.eu/copernicus-2024-first-year-exceed-15degc-above-pre-industrial-level#:~:text=The%20monthly%20global%20average%20temperature,2024%2C%20at%2017.16%C2%B0C.

Barclays' climate strategy (continued)

Our strategy, selected targets and progress

The table below sets out progress against our strategy and selected targets.

Strategic pillar		Previously Announced Target	Progress
1 Achieving net zero operations	By end 2025		2024 performance
	Energy	• 100% renewable electricity sourcing for our global real estate portfolio by end of 2025	100%Δ sourced
	Reduction of GHG emissions	• 90% absolute reduction in Scope 1 and 2 GHG emissions (market-based, against a 2018 baseline)	-95%Δ reduction
2 Reducing our financed emissions Portfolio reduction targets/ convergence point	By the end of 2030		Cumulative change
	Upstream Energy[1]	• 40% reduction in absolute CO_2e emissions against a 2020 baseline of 74.1Δ $MtCO_2$e (Scopes 1, 2 & 3)	-45%
	Power[1]	• 50-69% reduction in CO_2e emissions intensity against a 2020 baseline of 311Δ $kgCO_2$e/MWh (Scope 1)	-30%
	Cement[1]	• 20-26% reduction in CO_2e emission intensity against a 2021 baseline of 0.631Δ tCO_2e/t (Scopes 1 & 2)	-9%
	Steel[3]	• 20-40% reduction in CO_2e emissions intensity against a 2021 baseline of 1.945 tCO_2e/t (Scopes 1 & 2)	-23%
	Automotive Manufacturing[3]	• 40-64 % reduction in CO_2e emissions intensity against a 2022 baseline of 174.8 gCO_2e/km (Scopes 1, 2 & 3)	1%
	Aviation[3]	• 11-16 % reduction in CO_2e emissions intensity against a 2023 baseline of 882 gCO_2e/RTK (Scopes 1 & 3)	0%
	UK Commercial Real Estate[3]	• 51% reduction in CO_2e emissions intensity against a 2023 baseline of 30.0 $kgCO_2e/m^2$ (Scopes 1 & 2)	-2%
	UK Agriculture[1]	• 21% reduction in absolute CO_2e emissions against a 2023 baseline of 0.53Δ $MtCO_2$e (Scopes 1, 2 & 3)	-11%
	UK Housing[3]	• Convergence point: 40% reduction in CO_2e emissions intensity against a 2023 baseline of 32.1 $kgCO_2e/m^2$ (Scopes 1 & 2)	-1%
3 Financing the transition			2024 performance
	Sustainable financing	• Facilitate \$1trn of Sustainable and Transition Financing between 2023 and the end of 2030[2]	• \$94.4bnΔ • (LTD \$162.2bnΔ)
	Barclays Climate Ventures (formerly Sustainable Impact Capital)	• Increase mandate to invest up to £500m of Barclays' capital in climate tech start-ups by the end of 2027	• £65m (£203m invested by the end of 2024)

Notes:
Δ 2024 data subject to independent limited assurance under ISAE (UK) 3000 and ISAE 3410. Current limited assurance scope and conclusion can be found within the ESG Resource Hub for further details: home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/
1 Previously reported baseline values have been re-baselined in the current year
2 Our previously announced target to facilitate £150bn of social, environmental and sustainability-linked financing by 2025 was exceeded in 2021and £100bn of green financing by 2030 was exceeded in 2023.
3 Baseline values have not changed in the current year and have previously been subject to limited assurance under ISAE (UK) 3000 and ISAE3410. Limited assurance conclusions can be found within the ESG Resources Hub:home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/

Barclays' climate strategy (continued)

Climate action roadmap

Barclays has been taking action on climate change for a number of years. The below roadmap highlights key targets, actions and policies relating to achieving net zero operations, reducing our financed emissions and financing the transition. These are key milestones on the way to achieving our ambition to be a net zero bank by 2050.

Pre-2018

- Joined Paris Pledge for Action in 2015
- Signed statement of support of the FSBs[1] TCFD[2] in 2017

2018

- Announced 2025 £150bn social and environmental financing target and 2030 £100bn green financing target
- One of the first UK banks to launch a 'Green Home Mortgage'
- Announced targets to reduce operational emissions by 80% and procure 90% renewable energy by 2025[4]

2019

- Joined PACTA[5] pilot
- Published Climate Change Statement[3] setting out restrictions for sensitive sectors

2020

- Announced ambition to be a net zero bank by 2050
- Launched BlueTrack™ with 2025 Upstream Energy and Power financed emissions targets[6]
- Launched £175m Barclays Climate Ventures[8] initiative

2021

- Founding member of the NZBA[9]
- Exceeded target to facilitate £150bn of social, environmental and sustainability-linked financing by 2025
- Exceeded 2025 operational emissions and energy targets[4]

2022

- Announced 2030 Upstream Energy, Power, Cement and Steel targets[6]
- Announced $1tn Sustainable and Transition Financing target and increased BCV[8] mandate to invest up to £500m
- Announced new operational emissions and electricity sourcing targets[4]
- Elevated Climate Risk to Principal Risk
- Held a 'Say on Climate' advisory vote

2023

- Announced 2030 Autos financed emissions target, convergence point for UK Housing[7] and ambition for 50% of mortgages to have EPC C or better by 2030[6]
- Expanded our net zero operations approach and announced new operational milestones[4]
- Exceeded target to facilitate £100bn of green financing by 2030
- Financing restrictions came into effect for certain thermal coal mining, coal power and oil sands clients[3]

2024

- Updated Climate Change Statement with new financing restrictions for upstream oil and gas[3]
- Announced 2030 financed emissions targets for UK Agriculture, UK Commercial Real Estate, and Aviation, and updated scope of UK Housing[7] convergence point[6] and EPC ambition
- Reported estimated full in-scope balance sheet financed emissions using PCAF[10] Standard[11] methodology for first time

2025

- Tightened financing restrictions for coal-fired power generation clients[3] came into effect
- Transition plan expectations for Energy Groups in effect[3]

2026

- Minimum requirements for Scope 1 and 2 targets, methane abatement and venting/flaring for Energy Groups will come into effect[3]

2030

- Financing to thermal coal mining or coal-fired power generation clients in the EU and OECD will be phased out[3]
- Financing to clients with >10% revenue from thermal coal mining or coal-fired power generation in the RoW will be restricted[3]

2035

- All financing to thermal coal mining or coal-fired power generation clients will be phased out[3]

2050

- NZ ambition

Notes:

1 Financial Stability Board. | 2 Taskforce on Climate-related Financial Disclosures. | 3 See our Climate Change Statement which sets out our position and approach to financing certain sensitive sectors, taking into account relevant risk and other considerations as well as our Purpose. | 4 See section on Net Zero Operations for latest targets and milestones. | 5 Paris Agreement Capital Transition Assessment. | 6 See section Reducing our financed emissions. | 7 Originally called Residential Real Estate, updated in 2024. | 8 Barclays Climate Ventures, previously Sustainable Impact Capital. | 9 Net-Zero Banking Alliance. | 10 Partnership for Carbon Accounting Financials. | 11 PCAF Standard - PCAF (2022). The Global GHG Accounting and Reporting Standard Part A: Financed Emissions. Second Edition.

Risk and opportunities

TCFD Strategy Recommendation A:

Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.

TCFD Strategy Recommendation B:

Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.

TCFD Strategy Recommendation C:

Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

Risk and opportunities

TCFD Strategy Recommendation A

Climate-related risks identified over the short, medium and long term

Our climate strategy is underpinned by the way we assess and manage our exposure to climate-related risks. Climate Risk is a Principal Risk within the Barclays Enterprise Risk Management Framework.

Barclays faces exposure to climate-related risks either directly through its operations and infrastructure or indirectly through its financing and investment activities. The two main categories of climate risk are physical risks and transition risks.

- Physical risk is defined by Barclays as the risk of financial losses related to physical impacts of a changing climate. Physical risks can be event driven (acute risks), including increased frequency and/or severity of extreme weather events such as cyclones, hurricanes and flood. Longer-term shifts in climate patterns (chronic risks) arise from sustained higher temperatures that may cause rises in sea levels, rising mean temperatures and more severe weather events such as increased occurrence of floods or fires.

- Transition risk is defined by Barclays as the risk of financial losses caused by extensive policy, legal, technology and market changes to address mitigation and adaptation requirements related to climate change.

Physical and transition risks can have varying degrees of impact on Barclays and its clients, influenced by geographic and jurisdictional factors, including differing vulnerabilities to physical hazards like flooding and hurricanes as well as diverse regulatory requirements that must be adhered to for transitioning to a low-carbon economy.

Time horizons

The impact of physical and transition risks can be significant and widespread, affecting Barclays' portfolio and financial performance over short, medium and long-term horizons. Significant uncertainty remains around the timing of major climate-related impacts, although some effects have already surfaced, So far, these impacts, have been largely contained within specific geographies and sectors, but they carry the potential to escalate and trigger broader impact on financial systems.

In the short term, physical risks arising from extreme weather events and climate-related disasters pose a direct threat to Barclays' physical assets and infrastructure. This can potentially result in immediate losses, increased costs for repair and higher insurance premiums. Similarly, acute events may also potentially damage the physical facilities of Barclays' clients or cause business disruptions, which may adversely impact the value of clients' assets, reduce their profitability and subsequently lead to potential increase in credit risk for Barclays. Additionally, business facilities and operations in regions prone to high physical risks may also experience higher insurance premiums or limited insurance coverage.

Transition risks could occur in all timeframes. Short to medium-term developments may be largely driven by new regulations and technological breakthroughs aimed at replacing carbon-intensive methods. There remains significant uncertainty around the speed and scale of transition. The cost of transitioning to cleaner technologies and sustainable business practices may strain the financial resources of businesses, affecting their profitability and long-term viability. There may be challenges related to employment opportunities as businesses transition away from carbon-intensive practices. This in turn may impact the creditworthiness of Barclays' clients and their ability to repay loans. Financial institutions like Barclays could also face significant increases in costs and resources allocated to adhere to new policies, laws and regulations aimed at transitioning to a low-carbon economy. This in turn may lead to higher conduct and operational risks to Barclays.

Transition risks aimed at mitigating climate change can also impact the profitability and value of assets in Barclays' portfolio, particularly those linked to carbon-intensive industries. Companies perceived as slow to adapt or unresponsive to environmental concerns may face reputational damage or legal actions leading to decreased customer trust and investor support. With escalating concerns and heightened global awareness of climate risks, it is likely that litigation linked to these risks will increase. Additionally, Barclays may face greater scrutiny of the type of business it conducts – including in the form of adverse media coverage and an increase in climate-related litigation cases. This in turn may adversely impact customer demand for Barclays' products, returns on business activities, value of assets and trading positions, resulting in higher impairment charges.

Looking to the longer term, the cumulative effects of global temperature rise are likely to become increasingly pronounced – influencing ecosystems, sea levels and societal structures. Climate change can also trigger tipping points through feedback loops that amplify its effects. Certain tipping points are already underway, manifesting in observable changes across the globe. Different tipping points, such as the melting of ice sheets or changes in ocean circulation, have varying time horizons. As the climate science develops, it appears that some tipping points may run on a shorter timeline than initially expected. Accordingly, the uncertainty of exact timeframes in which such tipping points are expected to materialise adds a layer of complexity – making it challenging to precisely predict when impacts will materialise.

When considering the timescales of climate-related risks, Barclays has categorised short, medium and long term as follows:

- Short term (S): 0-1 year
- Medium term (M): 1-5 years
- Long term (L): > 5 years.

The short-term timescale coincides with the short-term plan for annual budgets and granular financial plans. The medium term coincides with the five-year financial, capital and funding plans. Barclays has updated its definition for the long term horizon from 5-30 years to >5 years. The revised definition offers flexibility to conduct assessments across a range of long-term timeframes, while also supporting the development of Barclays' climate strategy, including its sustainable finance objectives. Additionally, the updated definition aligns with the guidelines on time horizons specified in European Sustainability Reporting Standards.

Climate change as a driver of risk

The feedback effects of climate risk drivers through macro and micro transmission channels are observed in Barclays' portfolio through traditional risk categories such as credit risk, market risk, treasury and capital risk, operational risk and reputational risk. The approach for managing climate-related risks is consistent with other key risks, however there remains significant uncertainty around when these risks will materialise. Barclays has implemented a risk management framework for managing financial and operational risks from climate change which integrates within the broader Enterprise Risk Management Framework. This framework aims to guide effective management of climate risk and support the delivery of Barclays' climate strategy. Climate risk may also drive non-financial risks such as reputational risk, which continue to be managed under their respective risk frameworks.

Risk and opportunities (continued)

TCFD Strategy Recommendation A

The Climate Risk Framework is reinforced by policies, standards and guidelines which contain control objectives and requirements that must be adhered to by different teams across business lines and risk management departments. Barclays' approach and framework undergoes regular reviews and updates – including changes to the risk taxonomy, definitions and methodology – to align with changing regulatory expectations and external developments.

The potential impacts of physical and transition risk drivers will vary across Barclays' portfolios depending on composition, industry, geographic location, business operations and other contextual factors.

The tables below set out the example drivers, example potential impacts and expected time horizons of various physical and transition risks in accordance with the TCFD categories.

Further details on how Barclays manages climate risk can be found on **pages 284 to 286**.

Transition risks	Policy and legal	Reputation	Technology	Market
Example drivers	• Carbon tax impacting sectors and clients • Enhanced GHG reporting obligations • Government and non-governmental organisations taking litigation actions	• Increased stakeholder concern or negative stakeholder feedback • Shifts in consumer preferences • Stigmatisation of sectors	• Disruptive substitute technologies being favoured because of low carbon footprint • Development of emissions capture and recycling facilities • Investments in energy efficient products	• Changes in supply and demand of raw materials • Uncertainty in market signals • Changing market sentiment
Example potential impacts	• Increased operating costs and expenses to comply with new regulations • Write-offs and early retirement of assets due to policy changes • Increased costs associated with litigation actions	• Increased costs and reduced demand for products and services • Decreased production capacity due to poor employee attraction and retention • Reduction in capital availability	• Write-offs and early retirement of carbon-intensive assets • Research and development expenditure in new technologies • Costs for adoption of new practices and processes	• Increased costs and reduced demand for products and services • Increased production costs due to changing input prices and output requirements • Decreased revenue and repricing of assets
Expected time horizons	S, M, L			

Physical risks	Acute	Chronic
Example drivers	• Damage to fixed assets and infrastructure (e.g. property, power supplies) by wildfires • Adverse impact on agriculture and production of soft commodities due to drought • Transport difficulties and damage to infrastructure due to severe storm and flooding	• Change in weather and precipitation patterns resulting in reduced agricultural yields and land no longer suitable for farming • Potential population migration due to uninhabitable land • Increase in sea levels and consequent coastal erosion requiring building of new seawall and flood defences • Rising temperatures resulting in diminished productivity and health issues
Example potential impacts	• Increased costs due to damage to facilities and potential devaluation of properties • Reduced revenue from decreased production capacity • Increased operating costs and decrease in sales due to unavailability of raw materials and supply chain disruptions	• Reduced revenue from decreased production capacity and early retirement of assets • Decrease in property values • Increased costs and insurance for assets in high-risk locations • Reduced revenue from lower sales and output
Expected time horizons	S, M, L	M, L

Risk and opportunities (continued)

TCFD Strategy Recommendation A

Building our understanding of nature-related risk

Nature-related risks arise from an organisation's dependencies and impacts on nature. These risks can be physical risks and transition risks, which in turn can present financial risks. As part of our work to further build our understanding and management of nature-related dependencies, impacts, risks and opportunities, we applied the Taskforce on Nature-related Financial Disclosures' (TNFD) 'LEAP' framework to clients in our Barclays Mining and Barclays Europe Power portfolios.

This work has drawn on experience from our previous sector heatmap analyses and LEAP assessment of our Food and Agriculture portfolio in the UK and Europe, with the intention of developing a replicable approach for assessing nature at a sector level. Through these assessments Barclays sought to identify the locations of operating sites of in-scope Mining and Power clients and their overlap with the Sensitive Locations criteria recommended by the TNFD. For a selection of prioritised impacts such as land use change, water use, air and water pollution, Barclays evaluated the potential severity and likelihood of these impacts occurring at these sites located in Sensitive Locations and assessed the related physical and transition risks in a preliminary exercise using scenario analysis techniques over short and medium-term horizons.

We are developing a set of recommendations to enhance our approach to managing nature-related impacts and risks, informed by the LEAP assessment findings. In 2025, we plan to build on our work undertaken in 2024 to conduct a pilot engagement exercise with a selection of in-scope Mining and Power clients, to share insights and – where applicable – to explore their strategic and financing requirements as well as undertake a further sectoral LEAP assessment.

Furthermore, in 2025 we intend to publish a whitepaper which details our approach and insights from applying the LEAP framework as a financial services provider.

Note:
In applying the above approach to our Barclays Europe Power and Barclays Mining portfolios, we recognise that there remain limitations in the coverage and quality of certain data sets – for example, differing spatial resolutions for 'state of nature' data, or limited availability of site-level corporate impact data – that limit the ability of the exercise to draw reliably accurate conclusions for certain areas at this time. We also note that the Power and Mining sectors are highly regulated industries, subject to environmental permitting and scrutiny throughout the lifecycle of all such operations.

Sustainability and climate-related opportunities identified over the short, medium and long term

We recognise the opportunities for Barclays arising from the global transition to a low-carbon economy, which includes scaling up zero or near-zero emitting technologies and businesses and supporting emissions reductions in high-emitting and hard-to-abate sectors. At the end of 2022, we announced a target to facilitate $1trn of Sustainable and Transition Financing by the end of 2030. This followed a review in 2022 of the financing requirements arising from the global transition and the potential addressable market for Barclays.

The market opportunity

Our 2022 analysis indicated, across North America, Europe and Asia Pacific (excluding China) and based on the then existing policy, technology and market developments, a 10-year addressable opportunity of over $16trn to finance the energy transition, including renewables and early-stage climate technologies that are needed to scale to support the transition to net zero, and an estimated $3.5trn-6trn annual opportunity in sustainable finance instruments through to the end of 2030.

In the UK specifically, the analysis indicated that Green Home Mortgages and retrofit finance for homes represented a ~$400-600bn opportunity through to the end of 2030; while retrofit investment needed for non-residential buildings in the UK represented a ~$27-41bn opportunity over the same period.

We have continued to analyse the opportunity in sustainable and transition finance as markets evolve, building on our 2022 review, to further inform strategic decision-making and evaluate how we can best support our clients as they transition. In 2024 our analysis looked at financing opportunities for climate technologies under a range of climate scenarios up to the end of 2030 and identified key growth opportunities in the short and medium term across renewable energy (including wind and solar), low-emissions transport, power grid and energy efficiency technologies. We continue to see a significant opportunity for Barclays.

To determine the addressable global market for sustainable finance to the end of 2030, our 2022 market review leveraged widely used and credible third-party sources including the IEA, IRENA, Climate Bonds Initiative and the IFC as well as Barclays' own industry, ESG and market research. The analysis considered the investment needed through to the end of 2030 for the world to align to net zero, including the accelerated scenarios reflecting possible policy and market developments. Having determined the global addressable opportunity, Barclays developed scenarios for the bank's potential market for various asset classes, product sets, technological sectors and geographic markets, validated through comparison with historic growth rates and our projected share of the overall market. We continue to assess and update our view of the sustainable and transition finance market opportunity, working with third-party consultants and completing proprietary analysis.

$1trn Sustainable and Transition Financing target

Following analysis of the market opportunity for sustainable financing, together with a review of the Group's capabilities, in December 2022 we announced a new target to facilitate $1trn of Sustainable and Transition Financing between 2023 and the end of 2030.

We recognise that we must tackle the decarbonisation of 'hard-to-abate' sectors that are carbon intensive – including through scaling and commercialising new technologies such as hydrogen and carbon capture.

During 2023 we developed a Transition Finance Framework, which we published in early 2024. The Transition Finance Framework sets out the criteria for the inclusion of transition financing in our $1trn target. The inclusion of transition financing reflects our recognition of the importance of lending and facilitating funding and investing in technologies and activities that support GHG emission reduction (directly or indirectly) in high-emitting and hard-to-abate sectors.

Our progress towards achieving our ambition of facilitating $1trn of Sustainable and Transition Financing will be non-linear and depend on appetite from our clients as well as broader regulatory and policy factors. We will continue to evaluate and evolve our approach to focus on where Barclays can best support its clients and capture the biggest share of the opportunity in alignment with our broader Group strategy.

Further details of Barclays' sustainable finance targets can be found on **page 91** and further details on how Barclays' products and services are harnessing these opportunities from **page 97**

Further details of Barclays' Transition Finance Framework can be found on **page 93**

Risk and opportunities (continued)

TCFD Strategy Recommendation A

Group sustainable finance strategy

In 2023, we developed a roadmap to build a market leading sustainable finance franchise and to deliver on our $1trn financing target between 2023 and 2030 while supporting clients through the energy transition.

This work built on the findings of the 2022 market opportunity analysis we completed and considered Barclays' competitive strengths to identify strategic opportunities in sustainable and transition finance where we believe Barclays can differentiate itself and best support our clients and the global economy to accelerate the transition to net zero.

The strategy aligns with the climate and environmental themes that were identified when we announced our $1trn Sustainable and Transition Financing target in December 2022 and therefore underpins our plan to deliver on that ambition.

In 2024, we continued to execute against this strategy. We have mobilised a cumulative $162.2bn[Δ] towards our $1trn financing target since the start of 2023, hired experienced talent, launched new products across our businesses and developed new partnerships. Our progress was recognised in 2024 by being awarded the 'Best Bank for ESG in the UK' award by Euromoney for the second year running.

In 2024 we evolved our sustainable finance strategy to adapt to internal and external factors, including aligning it to the Group's updated strategy, with a refined ambition to be the UK-centred leader in sustainable finance.

In 2024, a new role of Group Head of Sustainable and Transition Finance was created bringing together our Group Sustainability and Sustainable Finance teams under one leadership.

This new structure has strengthened the team's ability to provide deep expertise, advice and high-quality support to deliver commercial results whilst also meeting the expectations of the communities we serve.

See **page 244** for more details

Our strategy to deliver on our sustainable finance ambition

Three pillars where we can deliver for clients and stakeholders:

Support UK net zero	Leading climate tech partner	Sustainable banking and credit markets
• Deliver for customers and clients through our propositions for Real Estate, SMEs and Agriculture • Be the leading partner for UK treasurers for sustainable finance and sustainable banking • Support UK transition projects through advisory and financing solutions	• Facilitate the flow of capital to new and existing technologies critical to the net zero transition • Develop expertise and infrastructure financing solutions for the deployment of new technologies • Support climate tech companies across their lifecycle, from idea to IPO and connecting corporate customers to the start-up ecosystem	• Utilise our strength in credit markets to facilitate clients' transition plans • Play a leading role in the creation of carbon and nature markets • Unlock additional sources of capital, including through securitisation, savings and investments

Identifying nature-related opportunities

Nature-related financing presents future opportunities for the financial sector given the capital requirements to halt and reverse nature loss by 2030 as outlined in the Global Biodiversity Framework.

The Framework, adopted at COP15, outlines the biodiversity financing gap, including the role of both public and private capital as an estimated $700bn per year[1]. As we execute our sustainable finance strategy, we aim to identify opportunities to play a role in supporting the financing of nature.

In 2024, we assessed the potential nature opportunities and products that Barclays could target, with a deep dive review of four material sectors for nature: Food, Agriculture, Mining and Power. This found that there are opportunities to support clients and their value chains with the nature-positive transition. In many cases, opportunities arise from helping clients avoid and minimise negative impacts on nature, enhancing their resilience and response to societal and regulatory pressures.

See the 'Financing nature' section on **page 95** for details of our approach

Note:
1 cbd.int/doc/c/e6d3/cd1d/daf663719a03902a9b116c34/cop-15-l-25-en.pdf

Implementing our Climate Strategy

TCFD Strategy Recommendation A:

Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.

TCFD Strategy Recommendation B:

Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.

TCFD Strategy Recommendation C:

Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

Implementing our Climate Strategy

TCFD Strategy Recommendation B | Strategic Pillar 1

Achieving net zero operations

Although financing activities account for the greatest proportion of our climate impact, we continue to address our operational emissions – an important factor in meeting our ambition to be a net zero bank by 2050. Decarbonising our operations can have substantial benefits for Barclays including cost savings, greater operational resilience, potential commercial opportunities, and strengthening relationships with clients and Third Party Service Providers (TPSPs)[1].

Defining net zero operations

We define net zero operations as the state in which we will achieve GHG emissions reduction of our Scope 1, Scope 2 and Scope 3 operational emissions[2] consistent with a 1.5°C-aligned pathway and we plan to counterbalance[3] any residual emissions.

We continue to review and enhance our approach as data quality, scientific developments and market practices evolve.

Net zero operations strategy

Our net zero operations strategy is focused on decarbonising the most emission-intensive areas of our operations, where we think we have the greatest ability to influence a reduction in those emissions over time, for example our real estate, technology, travel and supply chain.

Our strategic levers of decarbonisation include:

- Reducing energy demand, improving energy efficiency, electrification of our global real estate portfolio and vehicles, renewable electricity sourcing and replacing fossil-fuel-powered infrastructure with low-emission alternatives to reduce our Scope 1 and 2 emissions;
- Key stakeholder engagements and collaborations, including with TPSPs, landlords and our colleagues, to track, manage and reduce Scope 1, 2 and 3 operational GHG emissions – while continuing to embed climate considerations across our decision-making processes, policies and contractual requirements.

Progress to date

We have set milestones[4] and targets[5] to support our progress towards net zero operations. In 2024 we continued to track ahead of our our milestone to reduce by 50% our absolute Scope 1 and 2 location-based GHG emissions by the end of 2030 – reducing these emissions by 56%[Δ] against a 2018 baseline. This reduction is driven by ongoing work across our global real estate portfolio[6], including energy demand reduction, for example by right-sizing[7] our real estate and by improving our real estate's energy efficiency through our energy optimisation programme, and by our progress with our company cars' electrification. Also, an external contributor to our Scope 2 location-based emissions reduction was the decarbonisation of some of the electricity grids in the countries in which we have operational presence.

In 2024 we continued to source 100%[Δ] renewable electricity[8] for our global real estate portfolio ahead of our 2025 year end target and continued to track ahead of our target of 90% absolute reduction of our Scope 1 and 2 market-based emissions against a 2018 baseline – reducing these emissions by 95%[Δ]. Our focus on renewable electricity sourcing helped us maintain this target performance.

We have observed a reduction in our absolute supply chain emissions of 36% against our 2018 baseline. Whilst we have observed a reduction, there are limitations to our reported figure, as 54% of our supply chain emissions are estimated using GHG conversion factors applied to spend, therefore our reported reduction may not directly correlate to actual supply chain emissions decarbonisation. To try to address this limitation, our objective is to continue to work with our TPSPs to seek to increase the volume and quality of our primary data, having by the end of 2024 increased it by 19% from previous year. Enhanced visibility and understanding of our TPSPs' climate-related data will help us to assess our TPSPs' progress more effectively against our milestones and enhance our TPSPs' engagements.

Notes:

Δ 2024 data subject to independent limited assurance under ISAE (UK) 3000 and ISAE 3410. Current limited assurance scope and conclusion can be found within the ESG Resource Hub: home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/

1 TPSP means any entity that has entered an arrangement with Barclays in order to provide business functions, activities, goods and/or services to Barclays.

2 We define our Scope 3 operational emissions to include supply chain, waste, business travel and leased assets.

3 We aim to develop our approach to counterbalance residual emissions as we near 2050, by evaluating latest technology and market practices on carbon credits.

4 In this Achieving net zero operations section, a reference to a 'milestone' denotes an indicator we are working towards and report against.

5 In this Achieving net zero operations section, a reference to a 'target' denotes an indicator linked to our executive remuneration.

6 In this Achieving net zero operations section. a reference to global real estate portfolio includes offices, branches, campuses and data centres within our operational control.

7 In this Achieving net zero operations section, a reference to, right-sizing means, we are exercising opportunities through lease events or by way of negotiation to alter the square footage of an existing occupation to optimise our space and associated resources for our operational requirements in that location.

8 In 2024 we maintained 100% renewable electricity sourcing for our global real estate portfolio through instruments including green tariffs (16%), energy attribute certificates (EACs)(48%), and energy attribute certificates from power purchase agreement (PPA) (36%). Green tariffs are programmes in regulated electricity markets offered by utilities, allowing large commercial and industrial customers to buy bundled renewable electricity from a specific project through a special utility tariff rate. EACs are the official documentation to prove renewable energy procurement. Each EAC represents proof that 1 MWh of renewable energy has been produced and added to the grid. Global EAC standards for renewable claims are primarily Guarantees of Origin in Europe and UK, Renewable Energy Certificates (RECs) in North America and International RECs (I-RECs) in a growing number of countries in Asia, Africa, the Middle East and Latin America.

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation B | Strategic Pillar 1

Our net zero operations milestones[1] and targets[1]

By the end of	Scope 1 and 2	2023 performance	2024 performance	Scope 3	2023 performance	2024 performance
2025	We have a target[1] of 100% renewable electricity sourcing for our global real estate portfolio	100%	100%Δ			
	We have a target[1] of 90% absolute reduction in our Scope 1 and 2 market-based GHG emissions against a 2018 baseline	93%	95%Δ	We intend to work towards the milestone[1] of 70% of our suppliers, by addressable spend[6], having science-based GHG emissions reduction targets[7] in place	57%[8]	64%[8]
	We intend to work towards the milestone[1] of 100% electric vehicles (EV) transition for UK company cars	88%	98%[2]			
2030	We intend to work towards the milestone[1] of 100% EV or ultra-low emissions vehicles (ULEV) for all company cars	42%	57%[3]	We intend to work towards the milestone[1] of 90% of our suppliers, by addressable spend[6], having science-based GHG emissions reduction targets[7] in place	57%[8]	64%[8]
	We intend to work towards the milestone[1] of 50% absolute reduction in our Scope 1 and 2 location-based GHG emissions against a 2018 baseline	52%[4]	56%Δ	We intend to work towards the milestone[1] of 50% absolute GHG supply chain emissions reduction against a 2018 baseline	32%[9]	36%
2035	We intend to work towards the milestone[1] of 115 kWh/m^2/year average energy use intensity across our corporate offices[5]	229[4] kWh/m^2/year	225 kWh/m^2/year (-28% against 2018 baseline)	We intend to work towards the milestone[1] of 90% diversion of waste from landfill, incineration and the environment across key campuses[10]	53%	57%
	We intend to work towards the milestone[1] of 10 MW on-site renewable electricity capacity installed across our global real estate portfolio	0.40MW	0.40MW (<1% total electricity use)			
2050				We intend to work towards the milestone[1] of 90% absolute GHG supply chain emissions reduction against a 2018 baseline	32%[9]	36%

Notes:

1 We have made changes to our net zero operations progress table to more clearly distinguish between milestones and targets. This has not changed Barclays' approach to net zero operations and our milestones and targets. In this Achieving net zero operations section, a reference to a 'milestone' denotes an indicator we are working towards and report against and a reference to a 'target' denotes an indicator linked to our executive remuneration.
2 The 98% comprise Battery Electric Vehicles (BEVs) and Plug-In Hybrid Vehicles (PHEVs) that are at a maximum of 50g CO_2/km and a minimum 30 miles in electric range.
3 The 57% comprise for UK vehicles, BEVs and PHEVs that are at a maximum of 50g CO_2/km and a minimum 30 miles in electric range; for Europe, vehicles BEVs and PHEVs that are at a maximum of 50g CO_2/km; for India, vehicles BEVs.
4 For our FY2024 emissions portfolio we have re-categorised a portion of our Scope 2 emissions to Scope 3 Category 8 (Upstream Leased Assets) as these emissions have been identified as outside of our operational control. This has resulted in minor updates to FY2023 reported EUI performance (a change from 228kWh/m2/year to 229 kWh/m2/year) and to FY2023 Scope 1 and 2 location-based GHG emissions performance (a change from 51% to 52%).
5 Corporate offices include campuses and offices within our operational control.
6 Addressable spend is defined as external costs incurred by Barclays in the normal course of business where Procurement has influence over where the spend is placed. It excludes costs such as regulatory fines or charges, exchange fees, taxation, employee expenses or litigation costs, and property rent.
7 Targets are considered 'science-based' if they are in line with what the latest climate science deems necessary to meet the goals and timelines of the Paris Agreement – limiting global warming to well below 2°C above pre-industrial levels and pursuing efforts to limit warming to 1.5°C. The Science Based Targets initiative (SBTi), a partnership between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF), provides companies with independent assessment and validation of targets and is currently the internationally accepted standard.
8 Indicative number provided to illustrate the number of TPSPs by total addressable spend that have committed to or have science-based targets in place.
9 Assurance findings on our 2018 supply chain baseline identified certain data previously excluded from the initial data set. In addition to this, in 2024 the UK Department for Environment, Food & Rural Affairs (Defra) revised their GHG emissions conversion factors, which Barclays uses to calculate spend-based supply chain emissions. Our supply chain emissions baseline has therefore been recalculated to reflect both points, resulting in an aggregate increase in our 2018 supply chain baseline and therefore improvements in our previously reported supply chain performance for 2023 (previously 28% GHG emissions reduction, now 32% GHG emissions reduction).
10 Campuses include 1 Churchill Place, Radbroke, Northampton, Glasgow, Pune, Whippany, 745 7th Avenue, Dryrock.

Please see ESG Data Centre for all recalculations and ESG Reporting Framework for our operational emissions accounting approach.

Δ 2024 data subject to independent limited assurance under ISAE (UK) 3000 and ISAE 3410. Current limited assurance scope and conclusion can be found within the ESG Resource Hub: home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/.

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation B | Strategic Pillar 1

Key external factors, dependencies and assumptions

Our progress against our net zero operations milestones and targets is likely to be volatile and non-linear, due to our dependencies on broader industry and external factors. For example, dependencies on low-carbon technology developments and their market adoption, electricity grid decarbonisation and key policy and regulatory changes in the markets where we and our TPSPs operate.

Our progress may also be impacted by internal management decisions based on key drivers unrelated to climate, for example prudent risk management practices.

We will aim to continue to evaluate and evolve our strategic levers of decarbonisation taking into consideration key external factors and internal management decisions.

Our approach to operational climate-related data

Accurate and meaningful climate-related data[1] is central to our net zero operations strategy. The data helps us better identify significant sources and categories of emissions, understand which actions to prioritise to reduce these emissions, and model expected implications of our activities and external factors. Ultimately, the data better informs our strategic decision-making.

To date, we have been focusing our efforts on increasing our climate-related data quality and coverage. For example, in 2024:

- through continued TPSP engagements we progressed to having 46% supply chain emissions primary data in comparison to no such data collection in 2018
- we expanded our operational GHG emissions coverage to include an estimate of our global employee commute emissions[2], that include emissions from the transportation of employees between their homes and their worksites and those from teleworking (working from home). We plan to monitor these emissions over time and seek to improve our data accuracy, as we explore solutions to try to address these.

We are investing in our internal ESG Data Hub, our enterprise ESG data platform built on modern, serverless cloud infrastructure. It sources, stores, and transforms ESG data, and aims to improve access to ESG data across the Group, onboarding data from multiple sources and making it available through applications or to our other internal systems. To support our net zero operations strategy, the ESG Data Hub will aim to provide access to our climate-related data on a timely basis, enhancing insights on the climate impacts of our business decisions across our operations.

The evolving nature of climate-related data, market methodologies and our continuous data enhancements, are likely to result in changes to previously reported figures and the overall trajectory of our decarbonisation efforts. In 2024 we recalculated[3] our previously reported supply chain emissions' baseline and 2023 emissions due to the following:

- Assurance findings on our 2018 supply chain baseline identified certain data previously excluded from the initial data set.
- In 2024 the UK Department for Environment, Food & Rural Affairs (Defra) revised their GHG emissions conversion factors, which Barclays uses to calculate spend-based supply chain emissions.

Our supply chain emissions baseline and our 2023 reported supply chain emissions have therefore been updated to reflect both points. These changes resulted in improvements to our previously reported supply chain performance for 2023 (previously 28% GHG emissions reduction, now 32% GHG emissions reduction).

Moving forward

To continue to inform our strategic approach, focus areas and business decisions, in 2025 we intend to review our net zero operations scope, milestones and targets in line with short-, medium- and long-term 1.5°C-aligned pathways. As part of our review we will aim to evaluate the latest science, market standards, and assess our coverage of the most material operational emissions.

Notes:

1 In this net zero operations section, climate-related data refers to quantitative and qualitative data that informs our net zero operations strategy. This may include but is not limited to GHG emissions data, energy and water usage, TPSP decarbonisation activities and industry data on climate scenarios.

2 Our employee commute emissions accounting approach aligns to the GHG Protocol Corporate Standard guidance. Employee commute includes emissions from the transportation of employees between their homes and their worksites and those from teleworking (working from home). We estimate these emissions by using various data sources including survey data on Barclays employees' commuting habits. For more detail on our operational emissions accounting approach please see the ESG Reporting Framework.

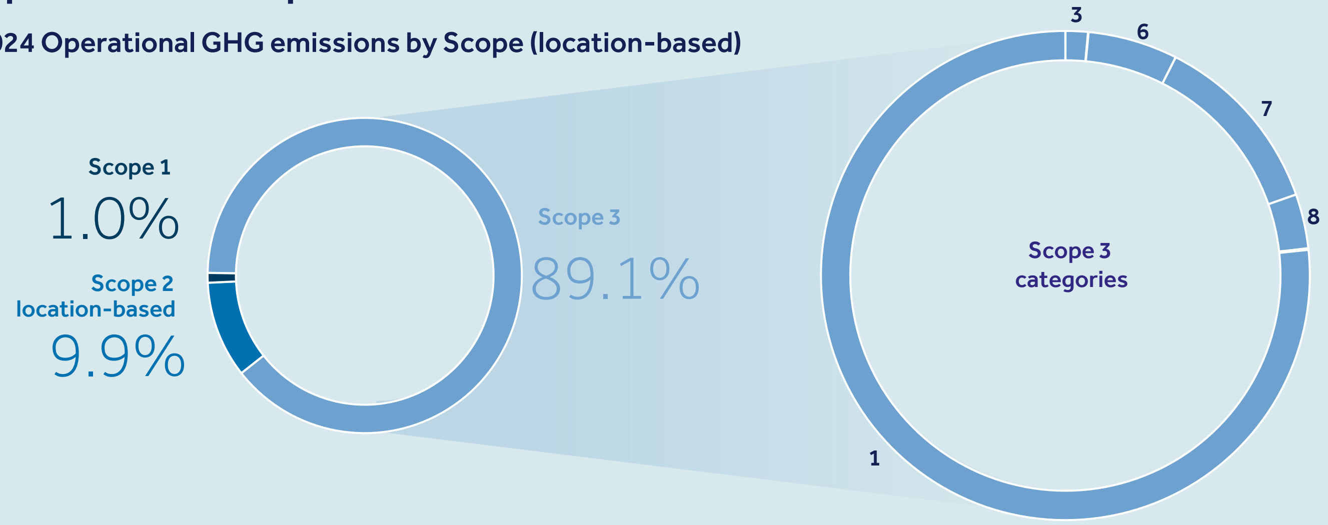
3 Please see ESG Data Centre for all recalculations and ESG Reporting Framework for our operational emissions accounting and recalculation approach.

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation B | Strategic Pillar 1

Operational footprint dashboard

2024 Operational GHG emissions by Scope (location-based)

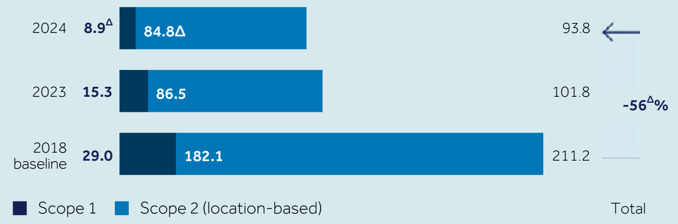


Scope 3 categories

1	Category 1, 2 & 4 supply chain emissions	68.3%
3	Category 3 fuel and energy-related activities	1.3%
5	Category 5 waste generated in operations	0.02%
6	Category 6 business travel	5.3%
7	Category 7 employee commute	10.8%
8	Category 8 upstream leased assets	3.2%
13	Category 13 downstream leased assets	0.1%

Scope 1 and Scope 2 emissions (location-based)

'000 tonnes CO_2e

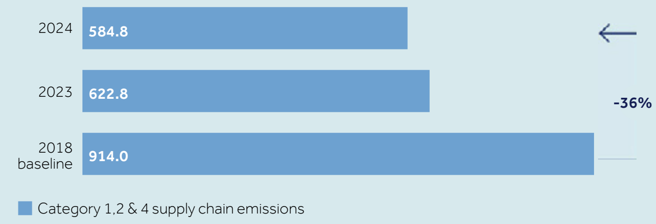


Scope 1 and Scope 2 emissions (market-based)

'000 tonnes CO_2e

Supply chain emissions[1]

'000 tonnes CO_2e



Notes

1 Our reporting of supply chain emissions includes the following GHG Protocol Scope 3 categories: Category 1: Purchased Goods and Services, Category 2: Capital Goods, Category 4: Upstream transportation and distribution. In 2024 we reported GHG emissions of Categories 1, 2 and 4 by aggregating these under Category 1. It is our intent to assign emissions to each of these separate categories in due course.

2 The methodology used to calculate our GHG emissions follows the 'Greenhouse Gas Protocol (GHG): A Corporate Accounting and Reporting Standard (Revised Edition)', defined by the World Resources Institute/World Business Council for Sustainable Development. We have adopted the operational control approach on reporting boundaries.

3 We continuously review and update our performance data based on updated GHG emission factor, improvements in data quality and updates to estimates previously applied. For 2024, we have applied the latest emissions factors as of 31 December 2024. All location- and market-based figures are gross and do not include netted figures from carbon credits.

4 For our FY2024 emissions portfolio we have re-categorised a portion of our Scope 2 emissions to Scope 3 Category 8 (Upstream Leased Assets) as these emissions have been identified as outside of our operational control. This has resulted in minor updates to FY2023 Scope 2 location-based GHG emissions (a change from 87,197 tCO_2e to 86,543 tCO_2e).

5 Assurance findings on our 2018 supply chain baseline identified certain data previously excluded from the initial data set. In addition to this, in 2024 the UK Department for Environment, Food & Rural Affairs (Defra) revised their GHG emissions conversion factors, which Barclays uses to calculate spend-based supply chain emissions. Our supply chain baseline and 2023 emissions have therefore been recalculated to reflect both points, resulting in an aggregate increase in our 2018 supply chain baseline (from 765,634 tCO_2e to 913,967 tCO_2e) and increase in our 2023 supply chain emissions (from 552,367 tCO_2e to 622,783 tCO_2e). Our operational footprint data follows a reporting period of 1 October 2023 to 30 September 2024.

Δ 2024 data subject to independent limited assurance under ISAE (UK) 3000 and ISAE 3410. Current limited assurance scope and conclusion can be found within the ESG Resource Hub: home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/.

ESG Data Centre

See our ESG Data Centre for further details of our operational GHG emissions since 2018, including our Scope 1, 2 location- and market-based and Scope 3 operational emissions data. For more information on our operational emissions accounting approach please see the 2024 ESG Reporting Framework.

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation B | Strategic Pillar 1

Reducing our Scope 1 and 2 emissions

In 2024, to reduce our Scope 1 and 2 emissions, we continued to focus on:

- reducing our energy demand and improving the energy efficiency of our global real estate portfolio
- working on electrification of our global real estate portfolio heating and cooling systems and company vehicles
- working on renewable electricity sourcing and installing on-site renewable electricity capacity across our global real estate portfolio.

Global real estate portfolio

Reducing energy demand and increasing energy efficiency

To reduce our energy demand and increase energy efficiency, we continued to right-size our global real estate portfolio, and expanded our UK energy optimisation programme to global sites. The programme aims to reduce the energy demand of existing infrastructure during periods of low or no occupancy and to increase energy efficiency during normal operating hours, contributing in 2024[1] to approximately 8.26 GWh in energy savings at our corporate offices and 0.33 GWh at our retail branches. For example:

- As part of the programme our engineers carried out evening inspections at 1 Churchill Place, London[2] where they identified cases where equipment was running unnecessarily, even though there was low or no occupancy. As a result of these inspections in October 2024 the engineers adjusted our building management system (BMS) settings, for example by automatically switching off some of the large screens across the building, resulting in energy demand reductions.
- In 2024, through the energy optimisation programme and infrastructure upgrades, we also increased our energy efficiency during normal operating hours. For example, we upgraded our chillers and BMS at our Sunderland corporate office[3], resulting in energy efficiencies at that site.
- We right-sized and improved the sustainability of three of our retail branches by moving into new sites. The designs of the new sites focused on energy efficient infrastructure installations including new lighting and heating, ventilation, and air conditioning (HVAC) systems and in some instances solutions to reduce heat and cooling loss by including lobbies.

All of these efforts have resulted in a 49% decrease in energy consumption across our global real estate portfolio against a 2018 baseline and progress with our global corporate offices energy use intensity (EUI) milestone to 225 kWh/m^2/year in comparison to 229 kWh/m^2/year[4] in 2023. As we continue implementing our energy optimisation programme and investing in new efficient equipment, our energy savings may take time to materialise as we adjust our building operations to these changes.

Electrification and reducing reliance on fossil-fuel-powered infrastructure

In 2024, we continued to electrify our infrastructure at selected sites, by replacing end-of-life natural gas heating equipment with electric powered alternatives and where possible, investing in electrification as part of our campus redevelopments. For example, at our Henderson corporate office[5] we installed an all-electric kitchen, and as part of our Radbroke campus[6] redevelopment, we plan to install ground source heat pumps, to further reduce reliance on natural gas and associated Scope 1 emissions.

Embedding sustainability considerations into our 1 Churchill Place refurbishment

We are embedding sustainability considerations as part of the planned refurbishment project at our 1 Churchill Place campus. We are investing in more sustainable equipment; for example, in 2024 we installed new multi-function units (combined chillers and heat pump units) with the aim to improve the campus's energy efficiency and reduce natural gas consumption. Also, we installed 209 smart meters and are upgrading our BMS, to efficiently manage and control our equipment; for example, by adjusting our building ventilation based on real-time occupancy, and therefore reducing unnecessary energy consumption.

Our refurbishment experience and testing of new sustainability technologies has led to greater collaboration with our landlord representatives.

Our approach to renewable energy

In 2024, we maintained 100% renewable electricity sourcing for our global real estate portfolio, of which the UK PPA[7] contributed to 36% of our sourcing, as it came live in 2024. The remaining instruments used for our 100% renewable electricity sourcing were green tariffs and energy attribute certificates[8], contributing to the remaining 64% of our total sourcing.

We also continued to build on our on-site renewable electricity capacity in pursuit of our 2035 milestone to have 10 MW on-site renewable electricity capacity installed across our global real estate portfolio. In 2024, we started installing solar panels at our Whippany[9] campus, received planning permission from the local council to proceed with solar panel installations at our Radbroke campus and prepared to install solar panels at 1 Churchill Place.

Collectively, our global real estate portfolio has maintained 0.40 MW of renewable electricity capacity and we expect this to increase once Whippany, 1 Churchill Place and Radbroke campus installations are complete.

We recognise that due to slow permitting processes, inadequate grid infrastructure and challenges with supply chain disruptions, materials availability and market volatility, we may experience longer lead times between initial investments and the deployment of the renewable energy projects.

Notes:
1 Data represents reduction from 1 October 2023 to 30 September 2024.
2 1 Churchill Place, Canary Wharf, London, E14 5HP, UK.
3 Barclays Doxford Park, Sunderland, SR3 3XW, UK.
4 For our FY2024 emissions portfolio we have re-categorised a portion of our Scope 2 emissions to Scope 3 Category 8 (Upstream Leased Assets) as these emissions have been identified as outside of our operational control. This has resulted in minor updates to FY2023 reported EUI performance (a change from 228kWh/m2/year to 229 kWh/m2/year).
5 2280 Corporate Circle, Henderson, Nevada, USA.
6 Radbroke Hall, Knutsford, WA16 9EU, UK.
7 In 2022 Barclays signed a 10-year Power Purchase Agreement, committing to purchase up to 160 GWh per year of energy from Creah Riabhach, an onshore wind farm project in Scotland.
8 Energy attribute certificates not derived from our UK PPA.
9 400 Jefferson Park, Whippany, NJ 07981, USA.

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation B | Strategic Pillar 1

Collaborating with our landlords for our global real estate portfolio decarbonisation

Reducing emissions from our leased assets requires proactive engagement with our landlords. In 2023, we developed the Barclays Green Leasing Toolkit, which includes a selection of template sustainability lease clauses to help facilitate conversation and collaboration with landlords on decarbonisation opportunities. The Toolkit helps Corporate Real Estate Solutions (CRES) teams identify gaps in existing leasing transactions and apply sustainability criteria to given projects.

Throughout 2024, we integrated those green lease clauses in numerous lease agreements. For example, the lease agreements for our new corporate offices in Mumbai[1] and Toronto[2] include clauses on installation of metering and sub-metering to track energy data for tenanted areas and on reducing energy consumption.

We plan to continue to use Barclays Green Leasing Toolkit to inform decisions for our leased assets including our retail branches, as well as collaborating with our real estate partners and brokers to understand the pipeline of sustainable real estate assets, and contribute to industry discussions on tenants' sustainability expectations from developers.

Car fleet

Electrifying company cars

As part of our commitment to Climate Group's EV100 initiative, we have made progress in transitioning our corporate vehicle fleet to electric vehicles (EVs) or ultra-low emissions vehicles (ULEVs). By the end of 2024, 98% of our 2,238 UK fleet were EVs and 57% of our 4,179 global fleet were EVs.

To support the programme, we continue to offer all UK colleagues that require a company car for their role funded home-charging equipment to ease their transition to EVs. So far, 70% of eligible colleagues have been provided with an EV charging point at their home.

As of the end of 2024, we have also fully replaced our existing Barclays Local Customer Channel vans with electric vans.

Technology

In 2024 Barclays' technology operations contributed to a large proportion of Barclays' operational GHG emissions. To continue to address these emissions the Group Sustainability Chief Information Office (CIO) has developed granular GHG emissions dashboards for Barclays' technology applications. These dashboards have been embedded into standard reporting frameworks, empowering application teams to take informed actions aligned to our net zero operations milestones and targets.

Further information about how Barclays addresses technology-related operational GHG emissions can be found in the Supply Chain section on **page 75**

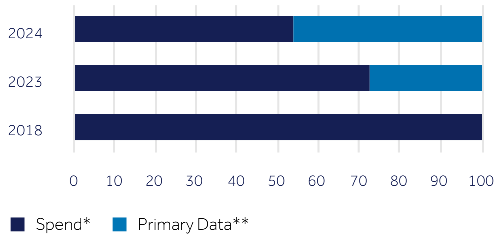
Addressing our Scope 3 operational emissions

As of 2024, our accounted Scope 3 operational emissions include supply chain, employee commute, business travel, waste[3], fuel and energy-related activities[3] and leased assets[3], representing approximately 89% of our total[4] operational GHG emissions, with supply chain contributing to the largest proportion.

Supply chain

We have observed a reduction in our absolute supply chain emissions of 36% against our 2018 baseline. Whilst we have observed a reduction, there are limitations to our reported figure, as 54% of our supply chain emissions are estimated using GHG conversion factors applied to spend, therefore our reported reduction may not directly correlate to actual supply chain emissions decarbonisation. To try to address this limitation, our objective is to continue to work with our TPSPs to seek to increase the volume and quality of our primary data, having by the end of 2024 increased it by 19% from previous year. Enhanced visibility and understanding of our TPSPs' climate-related data will help us to assess our TPSPs' progress more effectively against our milestones and enhance our TPSP engagements.

Supply chain emissions primary and spend-based data



Notes:
* Spend-based method: in other words our calculation is based on the economic value of the goods and services purchased, multiplied by relevant industry average emission factors (Defra).
** Primary (TPSP sourced) data.

Integrating climate-related considerations in our TPSP lifecycle

Since 2022 we have been integrating climate-related considerations within our TPSP lifecycle, including requirements in our standard contract terms for our TPSPs. These requirements include an obligation for our TPSPs to have an emissions reduction programme in place, supported by a public science-based reduction target and a commitment to achieve net zero GHG emissions no later than the end of 2050. In 2024, we integrated consideration of inclusion of climate-related clauses into our procurement process for all new contracts, contract renewals, extensions and material change notes executed by sourcing managers. We have also included similar climate-related considerations in our Barclays Code of Conduct for Third Party Service Providers. By the end of 2024, 64% of our TPSPs, by addressable spend[5], had science-based reduction targets in place, nearing our milestone of 70% by the end of 2025.

Working together to address our supply chain emissions

We continued to invite our TPSPs to disclose their climate-related information such as governance, risk strategy, targets and performance, emissions methodology and data, through CDP. In 2024, 78.5% of our invited TPSPs responded to CDP, an increase from previous year and representing approximately 73% of Barclays' 2024 supply chain emissions. This has enabled us to garner insights on our TPSPs' decarbonisation maturity and to continue fostering collaborative and transparent conversations with them.

Notes:
1 Altimus, Whispering Heights Real Estate Plot 130, Pandurang Budhkar Road, Mumbai, India.
2 333 Bay Street, Toronto, ON M5H 2R2, Canada.
3 While emissions from our waste, fuel and energy-related activities and leased assets are lower than other operational emissions, we pursue opportunities to reduce them, see Green Leasing Toolkit page 75 and circular economy principles and zero waste approach on page 77
4 In this net zero operations section, our total accounted operational GHG emissions include Scope 1, Scope 2 (location-based) and Scope 3 category 1-8 and 13.
5 In this section, when referring to 'spend', this is addressable spend, defined as external costs incurred by Barclays in the normal course of business where Procurement has influence over where the spend is placed. It excludes costs such as regulatory fines or charges, exchange fees, taxation, employee expenses or litigation costs, and property rent.

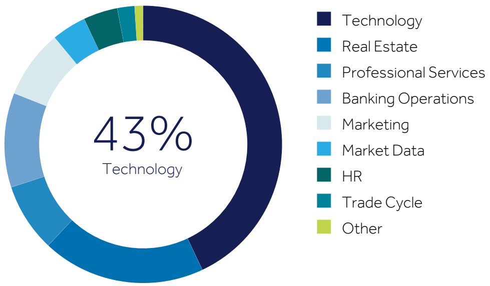
Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation B | Strategic Pillar 1

Following from the CDP response, we directly engaged with over 150 TPSPs; these represent approximately 61% of Barclays' 2024 supply chain emissions. As part of the engagements, we outlined our climate expectations, discussed their progress towards GHG emissions reductions, and learned about their future plans. We also emphasised the need to increase provision of primary emissions data.

Enhancing our supply chain engagements

Supply chain emissions by procurement category



In 2024, we began to develop a systematic approach to prioritise our supply chain engagements. We conducted a pilot focusing on the technology category, as it is the biggest contributor to our supply chain emissions, representing 43% of these emissions in 2024, therefore a category that will be prioritised for business and TPSP engagements. From this category we selected 25 TPSPs undergoing contract negotiations, where we engaged both the business owners of those contracts and the TPSPs to evaluate and discuss opportunities to reduce the TPSP's GHG emissions and improve their climate-related data.

Following on from the pilot, we recognised the need for early engagements with prioritised TPSPs and key-decision makers to enhance our supply chain decarbonisation efforts. Therefore, in 2024 we invited our internal decision-makers who oversee 63% of our top 500 TPSPs by emissions, namely Accountable Executives from our Technology and Real Estate procurement category, to attend our first ESG supply chain training programme. The intent of the programme is to equip our internal decision-makers with the information to drive meaningful climate engagement with our TPSPs and to inform decisions in relation to our supply chain, for example working on inclusion of climate-related clauses in our contract renewals terms and the inclusion of climate-related criteria in our Requests for Proposals.

In 2024, we also assessed the climate commitments and primary data progress of our top 50 TPSPs (based on emissions value), to gain insights into their performance and identify TPSPs and spend categories that require increased attention going forward.

The insights from the pilot and our top 50 TPSPs' review have informed the development of the Barclays Supplier Transition Framework (STF), which is intended to help scale the pilot principles for prioritising TPSP engagement and drive more tailored actions to decarbonise our supply chain. In 2025, we intend to continue to develop and operationalise the STF.

Even though we are taking multiple steps to reduce our supply chain emissions, we recognise that the decarbonisation of our supply chain depends on the progress of our TPSPs, including their dependencies on data availability, market conditions and ultimately the broader decarbonisation of the real economy.

Travel

We continue to share guidelines with colleagues on more sustainable business travel choices, including at the point of booking and in our Travel and Expense Policy. This Policy outlines our travel principles, which include encouraging colleagues to consider the climate impact of their travel choices, and our expectation for colleagues to consider whether travel is appropriate, or whether the same business needs could be met in another way. In 2024, we also continued to review uptake of sustainable aviation fuel (SAF) with our preferred airline partners, by gathering insights on their future plans to increase SAF use.

Our 2024 total colleague business travel emissions reduced by 35% against a 2018 baseline – noting these emissions increased by 15% compared to 2023. As we continue to observe a resumption of air travel in comparison to 2020 levels, we will evaluate other levers of decarbonisation to try to reduce our business travel emissions without compromising our client service and employee experience.

In 2024, to improve coverage of our operational GHG emissions we have calculated an estimate of our employee commute emissions[2]. Although we have already offered some options that will support our employees to reduce these emissions, for example EV charging stations across selected sites and our UK EV Salary Sacrifice offering, we plan to improve the accuracy of our data and monitor these emissions over time, as we explore other solutions to try to address them. We recognise to decarbonise our travel emissions we are largely dependent on transport and grid decarbonisation in the markets in which we operate.

Carbon credits

Following a review of our approach to the use of voluntary carbon market credits against our operational emissions, we are aiming to introduce an internal carbon pricing system from 2025. Our new internal carbon price will be linked to emissions generated from air business travel. We intend to use the proceeds of this pricing system to purchase carbon removal credits.

Supporting our colleagues

We offer colleagues the tools and support needed to inform and help reduce their individual environmental footprints.

In 2024, for example:

- We continued to provide sustainability-related benefits offering, for example our UK EV Salary Sacrifice and Bike4Work schemes. We also increased the sustainability-focused offers on our corporate discount platform for UK employees, for example by offering home energy audits and discounts on EV charging equipment.
- Colleagues completed over 310,000 environmental activities by using our Barclays Go Green sustainability gamification programme, that informs and allows colleagues to track their actions to reduce their personal environmental footprint.
- Recycle for Good was launched in six of our UK corporate offices in partnership with Computacenter (our global electronic waste partner) to give colleagues a secure way to recycle old personal technology and divert raw materials in the devices back into the supply chain.

Further information about how Barclays engages with colleagues can be found on **page 114**

Note:

1 Our employee commute emissions accounting approach aligns to the GHG Protocol Corporate Standard guidance. Employee commute includes emissions from the transportation of employees between their homes and their worksites and those from teleworking (working from home). We estimate these emissions by using various data sources including survey data on Barclays employees' commuting habits. For more detail on our operational emissions accounting approach please see the ESG Reporting Framework within the ESG Resource Hub: **home.barclays/sustainability/esg-resource-hub/reporting-and-disclosure**

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation B | Strategic Pillar 1

Managing nature in our operations

Nature is intrinsically connected to our efforts to mitigate and adapt to climate change, help foster a just transition, and support productive, sustainable economies. As we continue to improve our understanding of the interdependencies across nature, climate and social impacts, we expect to enhance our consideration of nature as part of our net zero operations strategy.

In 2024 we continued our nature-related assessment for our global real estate portfolio operations informed by the Taskforce on Nature-related Financial Disclosures (TNFD) LEAP (Locate, Evaluate, Assess, Prepare) approach. As part of our assessment we identified that approximately 10%[1] of our global real estate portfolio is located within 1km of an area of biodiversity importance[2] and approximately 3%[3] are located within water-scarce regions. Taking into consideration our operational business activities, proximity to areas of biodiversity importance and water scarce regions, our initial findings identified that approximately 4%[4] of our global real estate portfolio as potentially contributing to nature impacts, including the impact of water consumption on local catchment areas and their biodiversity.

We are already managing nature-related impacts at some of our sites including waste and pollution and have implemented measures to reduce water consumption through installation of flow restrictors, low flush sanitary fittings and, where applicable, infrastructure to capture and recycle rainwater or grey water. With the initial real estate LEAP assessment findings, we will start prioritising our nature-related activities to focus our efforts on our priority sites. We will also work to improve our internal nature-related data capture, whilst acknowledging our reliance on external market improvements to the data. Also, as we evolve our net zero operations strategy and continue to improve our understanding of the impacts and dependencies of our operations on nature, we aim to embed nature considerations as part of our decarbonisation activities, to ensure we deliver solutions that address both our nature and climate change impacts.

Circular economy principles and zero waste

We continue to embed circular economy principles across our operations, by seeking to eliminate waste at the source through resource use reductions and by improving recycling rates.

Across our key campuses[5] we have an ambition to achieve and maintain TRUE (Total Resource Use and Efficiency) zero waste certified projects by end of 2035 with a milestone to divert 90% of waste from landfill, incineration and the environment by end of 2035 – and in 2024 achieved a 57% diversion rate of all waste, a 4% increase from the previous year.

During 2024, we continued to:

- Eliminate waste by introducing reusable beverage cups or dishware across our campuses, resulting in all campuses having a reusable programme in place.
- Improve recycling rates across our campuses by increasing waste segregation streams, installing composters and providing training to our colleagues on campus. We installed mobile resource hubs with improved labelling at our Northampton campus and in the 1 Churchill Place campus cafeteria. We now have on-site composters at our Glasgow, Pune and Dryrock campuses.

In 2024, our Pune campus successfully retained its TRUE certification and to progress towards the certification in remaining campuses, we launched our Waste Ambassador Programme at all our UK and US campuses. This is a training programme which aims to empower our on-site facilities team to support colleagues to correctly segregate their waste and therefore reduce contamination rates on campus. In 2024 the training was delivered to our Go To Teams[6] and we plan to expand to additional facilities teams.

Moving forward we also seek to increase the accuracy and transparency of our campuses' waste-related data to better measure the impacts of our initiatives and inform our decision-making.

Pollution management

We continue to operate pollution risks controls across our global property portfolio where we operate standby generators and store diesel. The intent of these controls is to help us prevent and mitigate water and soil pollution to the environment. We have also remained certified to ISO 14001 for 46% of our global real estate portfolio, the international standard for designing and implementing an Environmental Management System.

Further details on Barclays' approach to nature can be found on **page 116**

Harnessing Barclays' client ecosystem

We continue seeking opportunities to harness Barclays' client ecosystem with Unreasonable Impact companies to help us to transition our operations towards net zero. We work with eight Unreasonable Impact companies across our global real estate portfolio, including Winnow in several of our campuses. Winnow is an AI-powered food waste prevention technology, that uses scales and scanning devices to track, learn, and classify back-of-house prep food waste. The dining staff use the data collected each month to calculate and monitor diversion rates to inform future menu planning across campuses and reduce food waste.

Notes:

1 The percentage of our real estate portfolio within 1km of an area of biodiversity importance is based on the World Database on Protected Areas (WDPA) and Natural England data sources as of October 2023.
2 Areas of biodiversity importance include areas protected by legal or other effective means and areas scientifically recognised for importance for biodiversity, reference to: tnfd.global/wp-content/uploads/2023/08/Guidance_on_the_identification_and_assessment_of_nature-related-issues_The_TNFD_LEAP_approach_v1.pdf
3 The percentage of our real estate portfolio within water-scarce regions is based on the WWF Risk Filter source as of October 2023.
4 The percentage figure covers sites that were identified as 'priority' to Barclays using the LEAP approach, in the context of our overall potential impact on nature; however, we recognise that nature impacts of our direct operations are very low when compared to other industries.
5 Key campuses include 1 Churchill Place, Radbroke, Northampton, Glasgow, Pune, Whippany, 745 7th Avenue, Dryrock.
6 Go To Teams are our front office on-site support team, helping Barclays colleagues with all their workplace needs from Corporate Office related, first line technology support and Corporate Security first line checks.

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation B | Strategic Pillar 2

Reducing our financed emissions

We are committed to aligning our financing with the goals and timelines of the Paris Agreement, consistent with limiting the increase in global temperatures to 1.5°C. To meet our ambition, we need to reduce the client emissions we finance – not just for lending but for capital markets activities, too.

We work closely with our clients to ensure that over time the activities we finance are aligned to the goals and timelines of the Paris Agreement. Consistent with our Purpose, and taking into account considerations of all relevant business factors, we have set emissions reduction targets for our Upstream Energy, Power, Steel, Cement, Automotive manufacturing, Aviation, UK Commercial Real Estate, UK Agriculture portfolios and convergence point for UK Housing. We have also set clear restrictions on financing certain activities.

Further details on our financing restrictions can be found on **page 90**

Understanding our financed emissions

A building block for Barclays' ambition to be a net zero bank by 2050 is our ability to estimate the full in-scope balance sheet financed emissions

1 In 2020, we developed our BlueTrack™ methodology to measure our financed emissions and track our progress against our Upstream Energy and Power generation targets. As of 2023, we extended the scope of our calculations to cover the full in-scope balance sheet financed emissions based on methodology which has been developed using the PCAF Standard and expanded the scope of BlueTrack™ to track our progress against targets for a total of eight sectors as well as UK Housing for which we set a convergence point.

2 In 2024, we have refreshed our estimate of full in-scope balance sheet financed emissions. These emissions are set out on pages 78 to 81 where we also set out further information about this methodology. Because it takes time to fully analyse this data, these emissions are as at December 2023. For sectors where we have set 2030 targets, we have continued to use the BlueTrack™ methodology and have updated our financed emissions metrics and progress against those targets with data as at December 2024.

Our approach to disclosing financed emissions is pivoted across two sections:

1 Estimating the full in-scope balance sheet financed emissions (Scope 3, Category 15) using a methodology which has been developed using the PCAF Standard. The data reported in this section of the Annual Report (up to page 81) is as at December 2023. Hence, these numbers follow a lag of one year when compared to other climate-related disclosures based on December 2024 in this report, due to the lead time required to fully analyse our entire in-scope exposures.

2 Continuing to use the BlueTrack™ methodology to assess financed emissions for material sectors and set 2030 targets integrating 1.5°C scenarios. This data is being reported as at December 2024.

Note:
1 PCAF Standard - PCAF (2022). The Global GHG Accounting and Reporting Standard Part A: Financed Emissions. Second Edition.

Estimating the full in-scope balance sheet financed emissions

Scope of activities included and basis of preparation

We have estimated the financed emissions for c.£793bn of Barclays' activity as at December 2023 (of which c. £441bn are on-balance-sheet exposures) as set out in the following table.

Identification of in-scope exposure to calculate financed emissions (as at December 2023)

Category	Value (as at Dec 2023) in £m	Comments
Total Barclays balance sheet	**1,477,487**	
Exclusions:		
Cash and bank balances, Cash collateral and settlement balances, Derivative financial instruments, Goodwill and intangible assets, Current tax assets, Deferred tax assets, Other assets, Trading portfolio assets, Reverse Repos, and Retail lending (personal lending, retail cards)	**(-)1,029,687**	Exposures which have been excluded by the PCAF Standard
Property, plant and equipment	**(-)3,417**	Emissions covered under Barclays Scope 1 and Scope 2
Retirement benefit assets	**(-)3,667**	Emissions on Barclays Bank UK Retirement Fund reported separately as part of Task Force on Climate-related Financial Disclosures Report 2023
Total Barclays exposure in scope for computing financed emissions	**440,716**	
Inclusions		
Total Undrawn commitments and contingent liabilities	**(+)250,227**	We have gone beyond the scope of PCAF's definition of asset classes to additionally cover undrawn commitments and contingent liabilities. We have excluded exposures for which PCAF is yet to establish a methodology (personal lending, retail cards and Trading balances) from our total undrawn commitments and contingent liabilities.
Capital markets financing (33% of Barclays share)	**(+)102,238**	Equity holdings, Bond issuances, Equity issuances, Syndicated loans
Total Barclays activities considered for financed emissions calculations	**793,181**	

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation B | Strategic Pillar 2

Our approach for estimating financed emissions is based on a methodology which has been developed using the PCAF Standard with the following key exceptions:

1 We have gone beyond the scope of PCAF's definition of asset classes to additionally cover undrawn commitments, contingent liabilities and capital markets financing activities. For instance, in the case of a loan we consider the committed amount (both drawn and undrawn), as opposed to just outstanding amounts (which is the approach preferred by PCAF) for calculating financed emissions.

2 We have also consistently used the book value of equity and debt for all clients to calculate the attribution factor, while PCAF recommends using the Enterprise Value Including Cash (EVIC) for listed entities.

3 PCAF recommends calculating emissions at a client level. For certain sectors, clients could have presence in activities across multiple parts of the value chain and in such cases reported emissions may not be consistent and reliable to estimate financed emissions. To overcome this challenge we calculate emissions at an activity level, using a range of options aligned to the PCAF Standard's guidance to calculate client emissions.

For certain activities – including Upstream Energy, Power Generation, Automotive manufacturing, UK Agriculture and Aviation – we employ asset-level production data to estimate client emissions. For activities such as Cement and Steel production, we use client reported emissions. Where we do not have sufficient data on reported emissions or physical activities – for example, in relation to mortgages where we do not have EPC data available – we use fall-backs based on emission factors.

For an immaterial part of our balance sheet (c.1%), where the appropriate sector fall-backs could not be reliably obtained, we have used the respective asset class average economic emissions intensity to estimate emissions.

Our Financed Emissions Methodology paper (published in 2025) provides more details of our methodology and can be found within the ESG Resource Hub: **home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/**

Emissions coverage

We have estimated the full in-scope balance sheet financed emissions based on Scope 1 and Scope 2 of our clients' emissions as at December 2023. Hence, these numbers follow a lag of one year when compared to other disclosures based on December 2024 in this report. The lag of one year is due to the lead time required to fully analyse our entire in-scope exposures.

We have excluded our clients' Scope 3 emissions from these calculations except for activities where we have set a target which covers Scope 3 emissions (which includes Upstream Energy, Automotive manufacturing LDVs, Aviation and UK Agriculture - Livestock and Dairy Farming). This is due to challenges in sourcing reliable and consistent data, not just on reported Scope 3 emissions but also the fall-back emission factors for downstream emission estimations. As we refine our approach and data sourcing strategy, we will assess the suitability of including Scope 3 emissions in our financed emissions disclosures.

We have included emissions on a CO_2e basis. For activities where we have set targets, we have included emissions relating to GHGs which are relevant and material for the relevant sector.

One of the approaches that we can use to assess the extent to which our financing is aligned to a well-below 2 °C pathway is by calculating the extent to which our financed emissions reduction targets cover our full in-scope balance sheet.

Our 2030 financed emissions targets (and our UK Housing convergence point) covering Scope 1 and 2 emissions integrate 1.5°C-aligned scenarios and cover 43% of our full in-scope balance sheet financed emissions. We have also set 2030 financed emissions targets integrating a 1.5°C aligned scenario covering Scope 3 emissions for Upstream Energy, Automotive manufacturing LDVs, Aviation and UK Agriculture – Livestock and Dairy Farming.

Our coverage of emissions where we have set targets integrating a 1.5°C aligned scenarios decreased from 55% reported last year. This reduction was primarily driven by the decline in emissions from power generation following reductions in our total financing volumes within this portfolio as well as impacts from changes in company book value.

Implementing our Climate Strategy (continued)

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Financed emissions for activities with targets (as at December 2023)

	Scope 1,2 emissions ($MtCO_2e$)				Scope 3 emissions ($MtCO_2e$)			
Activities	On-balance-sheet lending	Undrawn commitments and contingent liabilities	Capital markets financing	Data Quality score[1]	On-balance-sheet lending	Undrawn commitments and contingent liabilities	Capital markets financing	Data Quality score
Mining and Quarrying								
Upstream Energy	0.7	3.7	0.3	3.1	5.1	29.3	2.8	3.1
Energy and water								
Power Generation	1.0	11.5	4.2	3.1	-	-	-	-
Agriculture, Food and Forest Products								
UK Agriculture	0.4	0.1	-	4.4	0.0	0.0	-	4.4
Manufacturing								
Automotive Manufacturing (LDV)	0.0	0.1	0.1	2.3	0.6	3.7	1.6	3.2
Cement Manufacturing	0.1	0.5	0.1	2.1	-	-	-	-
Steel Manufacturing	0.2	0.8	0.3	2.4	-	-	-	-
Mortgages								
UK Housing (Convergence point)	1.6	0.1	0.0	3.5	-	-	-	-
Materials and Building								
UK Commercial Real Estate	0.1	0.0	-	4.2	-	-	-	-
Transport								
Aviation	0.7	2.5	0.3	3.0	0.1	0.5	0.1	3.0
Total Portfolio	**4.9**	**19.4**	**5.2**	**-**	**5.8**	**33.6**	**4.5**	**-**

Financed emissions for other activities not covered by targets (as at December 2023)

	Scope 1,2 emissions ($MtCO_2e$)			
Activities	On-balance-sheet lending	Undrawn commitments and contingent liabilities	Capital markets financing	Data Quality score
Mining and Quarrying	1.3	1.6	0.3	2.8
Energy and water	1.2	2.8	0.7	2.7
Agriculture, Food and Forest Products	1.0	0.3	-	4.6
Manufacturing	1.5	6.6	1.3	2.8
Mortgages	0.2	-	-	5.0
Materials and Building	0.2	0.2	0.0	4.0
Transport	0.5	2.2	1.1	3.7
Other Sectors	3.8	6.0	2.5	4.0
Total Portfolio	**9.7**	**19.8**	**5.9**	**-**
Government and central bank	17.9	-	-	-
Government and central bank (excluding LULUCF[2])	19.2	-	-	-
Emissions covered under targets integrating 1.5°C scenarios (excluding Government and central bank)		**43%**		

Notes:
1 For further details on Data quality score please refer 'Data sourcing and data quality' section on page 81.
2 Emissions excluding land-use, land-use change and forestry.

Implementing our Climate Strategy (continued)

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Data sourcing and data quality

There are data quality challenges inherent in the calculation of financed emissions.

Climate data, models and methodologies are evolving – and are not yet at the same standard as more traditional financial metrics. Our financed emissions calculations rely on externally sourced data mapped to internal customer and client identifiers. The externally sourced data has various limitations for each sector, including lack of coverage, low resolution, consistency and transparency of company-reported data, as well as the time lag for external sources to report estimates or actuals. Time lags in our external data could be as much as two years for data such as company value, company revenue share, emissions, production capacity and capacity factors. As a result, our financed emissions metrics are at best an estimate of our clients' activities on a given date, using the external data available at that point in time.

We have scored the quality of the data we have used to estimate our financed emissions using PCAF's Global GHG Accounting and Reporting Standard. In the Standard, data quality score DQ1 and 2 relates to high quality from company disclosures, DQ3 to emissions estimated using physical activity data and DQ4 and DQ5 to deriving emissions estimated using revenue or asset-based emission factors. We disclose DQ score at an activity level.

For activities where we have set targets (and for our UK Housing convergence point), DQ is mostly concentrated across DQ1/2 and DQ3 signifying that most of the relevant estimated financed emissions are either company-reported or calculated using the company's physical activity data.

For activities where we have not set targets, activities have DQ score spread across the scale which signifies we have used a combination of Company reported emissions and revenue/asset fallbacks to calculate financed emissions.

Our data vendor does not provide a split for reported emissions between DQ1 and DQ2. Hence, where we have relied on reported emissions sourced from the data vendor, we have conservatively used DQ2 for calculating DQ scores at an activity level. This indicates that we need to consider the current estimate of financed emissions for these activities as highly preliminary and indicative only, and which can change materially as we improve data quality.

Our approach to reporting financed emissions data

Given the evolving nature of climate data, models and methodologies, past-period metrics may change to reflect updates. To manage the impact of these changes we have adopted a principles-based approach to guide whether prior metrics and baselines should be restated or re-baselined. Where information has been restated or re-baselined this will be identified or explained.

We will continue to review and evolve our approach as our processes mature and as accounting practices become clearer.

- A restatement involves updating the historical starting point for a period and, if the impact is greater than five percentage points, recalculating the historical performance.
- A re-baseline involves keeping the historical performance constant and recalculating the current period baseline to ensure consistency when reviewing performance. The indicative historical baseline will also be disclosed.

As a result, reported baseline metrics may change from one reporting period to another and direct like-for-like comparisons may not always be possible from one reporting period to another. Updates in external client data are captured in-year.

In line with our reporting approach for past period metrics, we have re-baselined the following metrics:

- Our Upstream Energy baseline absolute emissions metric from 75.4 to 74.1 MtCO_2e to de-scope two clients which were identified as non-active in energy extraction activities following internal assessment; and
- Our Power baseline physical intensity metric from 326 to 311 kgCO_2e/MWh primarily to also include the emissions associated with purchased power agreements for US municipal power generation clients.
- Our UK Agriculture metric has been re-baselined to reflect an enhanced methodology that uses internal data on customers' farming activity (where such data is available (DQ3)), with fallbacks to asset-based emission intensities (DQ5) for customers where we do not have such internal data available. The enhanced methodology led to a significant decline in baseline emissions reported last year (which were calculated using PCAF emission factors (DQ4-5)). Although our enhanced methodology represents an improvement in data quality, we still see limitations in the internal data on customers' farming activity including low coverage, lack of consistency and time lags. As we continue to address these data challenges and improve the coverage of internal data, we may see further re-baselining of the metrics in future years.

Please refer to page 85 for the re-baselined metrics for these sectors.

Within Cement, we have included an additional client in the portfolio baseline. Since the overall impact of this addition was not material (<1%), we have not restated the past period progress, instead reflecting the progress in 2024.

Implementing our Climate Strategy (continued)

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Our approach to reporting financed emissions data

Scenario		Our approach
Error identified in our internal finance data or methodology	**Restatement**	• Financed emissions metrics for all years impacted by the error will be recalculated including the baseline year • If the impact to portfolio progress over the reporting period is less than 5 percentage points (pp) we will reflect the updated progress in the current reporting period and update the baseline. If the impact is greater than 5pp we will restate prior progress.
Changes to our methodology and/or data sources to calculate financed emissions (for example, including additional GHGs)	**Re-baseline**	• The updated methodology will be applied from the start of the current reporting period • The last reported financed emissions spot metric will be recalculated using the new methodology/data source to provide the new baseline. This will ensure consistency of data and methodology when calculating our performance • The recalculated baseline and the progress achieved to date will be used to disclose the theoretical baseline for the year in which the targets were originally set • The cumulative progress will be for the current reporting period (using the new methodology) and the progress up until the last reporting period (using the old methodology).
Updates to external counterparty data driven by timing lags when data is reported (for example, counterparty valuations or emissions estimates)	**Capture in-year**	• The impact of updated external data will be included in the current period financed emissions data and the progress metric for the current reporting period • Data lags are inherent to the process and Barclays will endeavour to use the latest available data . Historically reported metrics will not be updated for data lags.

Financed emissions in scope of our targets

Our targets

We set our initial targets for our Upstream Energy[1] and Power portfolios in 2020, and since then have expanded the scope of sectors covered under a target to also include Cement, Steel, Automotive manufacturing, Aviation, UK Commercial Real Estate and UK Agriculture. We have also set a convergence point for the UK Housing sector.

We keep our targets, policies that support our progress towards them, and our year-on-year and cumulative progress under review in light of the rapidly changing external environment and our need to balance a range of factors when managing our portfolios including commercial objectives, effective risk management and the need to support governments and clients both in delivering an orderly transition and providing energy security. We expect progress towards our targets to be volatile and non-linear. As the external environment in which we and our clients operate shifts, and new information becomes available to us, we may need to update our approach to manage the effectiveness and impact of our efforts to reduce our financed emissions, while remaining focused on our ambition to be a net zero bank by 2050.

Measuring our progress

We have developed our BlueTrack™ methodology to measure and track our progress against our targets. The first step of our methodology is to use an external climate scenario to construct a Paris-aligned portfolio benchmark that defines how a given financing portfolio will need to reduce emissions over time. We estimate certain financed emissions within the selected boundary for a sector, then aggregate these into a portfolio-level metric, which is then compared to the benchmark. Our approach is explained in more detail below.

Our Financed Emissions Methodology paper (published in 2025) provides more details of our methodology and can be found within the ESG Resource Hub at: **home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/**

Sector boundaries

We have set targets on the segment of the value chain where either (i) it is generally recognised that decarbonisation efforts are likely to spur the rest of the sector value chain to fall into alignment or (ii) where financiers are likely to be able to engage with companies active in that segment. Our choice of segment is based on Barclays' own view, informed by guidance and recommended practice from portfolio alignment initiatives such as PACTA, SBTi and others.

Implementing our Climate Strategy (continued)

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Emissions scope

Within the boundary of our target we aim to capture the part of a company's value chain that generates most of their emissions, taking into account considerations including materiality, consistency to benchmark, level of control and whether the emissions can be abated by the company. The financed emissions covered under BlueTrack™ are therefore a subset of the total financed emissions for each customer or client, as they only include the portion of the client's activities that are within both the value chain we have chosen for the sector, and the scope and type of greenhouse gas emissions we deem material for that activity. For example, our Upstream Energy target includes Scope 3 emissions for carbon dioxide and methane – recognising they are significant for a company extracting fossil fuels.

Use of carbon credits

We do not allow company-purchased offsets such as carbon credits to reduce emissions, as we believe it is important to base a metric on operational activities under a company's control. We therefore do allow company-operated removals, such as on-site carbon capture at a plant. Given that company-operated removals are currently marginal in the context of emissions, they currently have no impact on our portfolio-financed emissions metrics.

Portfolio-level metrics

Barclays uses two financed emissions metrics:

1. Absolute Emissions: a measure of the absolute emissions generated, or fair share of the company's emissions over time;
2. Emissions Intensity: how much CO_2e (Carbon Dioxide Equivalent) is released on average for a certain amount of economic activity or material produced.

We use absolute emissions for the Upstream Energy and UK Agriculture sectors, whose decarbonisation pathways rely on a reduction in production volume as well as on a reduction in intensity. The Upstream Energy sector cannot reduce its carbon emissions intensity below a certain point – a barrel of oil cannot be decarbonised, for instance – and therefore a reduction in absolute carbon emissions is more appropriate. The Agriculture sector requires a shift away from the production of meat and dairy towards alternative protein sources, as farmers respond to changing diets, and therefore a reduction in absolute emissions is more appropriate. We use emissions intensity for the other sectors, whose decarbonisation pathways rely primarily on reduction in intensity rather than volumes. Both absolute and intensity metrics are sensitive to factors which are not directly related to real-world emissions. For example, absolute emissions are sensitive to changes in the book value of debt and equity, and intensity metrics are sensitive to changes in revenue share.

Reference scenario[2]

Each of our 2030 targets were developed with reference to a 1.5°C-aligned scenario. For the majority this was using the most recently available vintage of the IEA's Net Zero by 2050 (NZE2050) scenario. In calculating a convergence point for our UK Housing portfolio and a target for UK Agriculture, we use a UK-focused Balanced Net Zero Scenario developed by the UK's Climate Change Committee (CCC BNZ). For the UK CRE portfolio we use the CRREM scenario that provides decarbonisation pathways across different property types consistent with the NZE2050 scenario. For the Aviation sector we use the Mission Possible Partnership (MPP)'s 'Prudent' (PRU) scenario – a 1.5°C-compatible roadmap for the sector to achieve net zero emissions by 2050.

Baseline year

We measure our financed emissions for each portfolio against a baseline metric determined in the year we first assessed that target. The baseline year therefore varies across the nine sectors assessed to date, to ensure we are using the most up-to-date data available when we set our targets – or, in the case of UK Housing, a convergence point.

Use of target ranges

Our 2030 financed emissions targets for five sectors (Power, Cement, Steel, Automotive manufacturing, and Aviation) are expressed as ranges. The upper end of each range represents the reduction needed to align with the 1.5°C benchmark pathway at the time we set these targets. The lower end reflects our assessment of sector and client commitments at that time. Since these targets were set, the NZE2050 scenario we used to inform these targets has been updated and the scenario assumes slower progress to the transition up to 2030[3]. As a result, some of our target ranges now exceed the emissions reductions reflected in the latest 1.5°C scenario.

While we continue to seek to reduce our financed emissions in line with our ambition to be a net zero bank by 2050, our ability to achieve reductions within these ranges at any given point in time depends on a wide range of factors and scenario assumptions as explained in the Future target progress section on page 88.

Notes:

1 Originally called 'Energy', we updated the name in 2025 to 'Upstream Energy' to more precisely reflect the scope of the target.
2 When we first developed BlueTrack™, the best available scenario to develop Paris-aligned benchmarks for our financing portfolios was the International Energy Agency's Sustainable Development Scenario (SDS) which was aligned to a 1.7°C world. The 2025 targets set for the Upstream Energy and Power sectors were informed by the SDS scenario.
3 www.iea.org/reports/world-energy-outlook-2024

Implementing our Climate Strategy (continued)

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Overview of financed emissions targets and progress

Sector				Setting our targets					Monitoring our progress in 2024		
Sector	Sector boundaries	Emissions scope	GHG included	Reference scenario	Target metric	Unit of measurement	Baseline year	Target versus baseline	Cumulative change	Absolute emissions ($MtCO_2e$)	Physical intensity
Upstream Energy	Upstream Energy (producers of coal, oil, gas and NGLs)	1,2 & 3	Carbon dioxide and methane	IEA SDS IEA NZE2050	Absolute emissions	$MtCO_2e$ (absolute)	2020	-15% by end of 2025 -40% by end of 2030	-45%	41.1Δ	59.1 gCO_2e/MJ
Power	Power generators	1	Carbon dioxide	IEA SDS IEA NZE2050	Physical intensity	$kgCO_2e/MWh$	2020	-30% by end of 2025 -50% to -69% by end of 2030	-30%	14.0	219Δ
Cement	Cement manufacturers	1 & 2	All GHGs	IEA NZE2050	Physical intensity	tCO_2e/t	2021	-20% to -26% by end of 2030	-9%	0.8	0.576Δ
Steel	Steel manufacturers	1 & 2	All GHGs	IEA NZE2050	Physical intensity	tCO_2e/t	2021	-20% to -40% by end of 2030	-23%	0.9	1.492Δ
Automotive Manufacturing	Light Duty Vehicles manufacturers	1,2 & 3	All GHGs for Scope 1 and 2; carbon dioxide for Scope 3	IEA NZE2050	Physical intensity	gCO_2e/km[1]	2022	-40% to -64% by end of 2030	1%	3.8	176.3Δ
Aviation	Commercial Aviation (Air Travel) – Passenger (including belly cargo) and Dedicated cargo	1 & 3	Carbon dioxide for Scope 1; All GHGs for Scope 3	MPP Prudent	Physical intensity	gCO_2e/RTK	2023	-11% to -16% by end of 2030	0%	4.9	879Δ
UK Commercial Real Estate	UK Corporate Bank	1 & 2	Carbon dioxide, methane and nitrous oxide	CRREM II	Physical intensity	$kgCO_2e/m^2$	2023	-51% by end of 2030	-2%	0.1	29.5Δ
UK Agriculture	Livestock and dairy farmers	1, 2 & 3	Carbon dioxide, methane and nitrous oxide	CCC BNZ	Absolute emissions	$MtCO_2e$	2023	-21% by end of 2030	-11%	0.47Δ	N/A
UK Housing[2]	UK buy-to-let and owner-occupied mortgages, Social Housing and Business Banking	1 & 2	Carbon dioxide, methane and nitrous oxide	CCC BNZ	Physical intensity	$kgCO_2e/m^2$	2023	Portfolio convergence point vs. baseline -40% by end of 2030	-1%	1.7	31.8Δ

Notes:
1 Physical intensity (CO_2e emissions per v-km travelled by LDV produced), expressed in gCO_2e/km.
2 Barclays has identified a 2030 emissions intensity convergence point for UK Housing but has not set a formal target.
Δ 2024 data subject to independent limited assurance under ISAE (UK) 3000 and ISAE 3410. Current limited assurance scope and conclusion can be found within the ESG Resource Hub: home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/

Implementing our Climate Strategy (continued)

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Baselines at December 2024

Sector	Unit	Baseline year	Baseline metric (last reported)	Previously reported metrics: Financed emissions for December 2023	Previously reported metrics: Change at December 2023 (percentage change)	Recalculated metrics: Recalculated financed emissions for December 2023	Recalculated metrics: Theoretical baseline metric (re-baselined)
Upstream Energy	$MtCO_2e$ (absolute)	2020	75.4	42.5	-44%	42.0	74.1Δ
Power	$kgCO_2e/MWh$	2020	326	241	-26%	232	311Δ
Cement	tCO_2e/t	2021	0.626	0.573	-8%	0.574	0.631Δ
Steel[1]	tCO_2e/t	2021	1.945	No major impact of methodology changes			
Automotive Manufacturing[1]	gCO_2e/km	2022	174.8	No major impact of methodology changes			
Aviation[1]	gCO_2e/RTK	2023	882	No major impact of methodology changes			
UK Commercial Real Estate[1]	$kgCO_2e/m^2$	2023	30.0	No major impact of methodology changes			
UK Agriculture	$MtCO_2e$ (absolute)	2023	2.4	Re-baselining the UK Agriculture metric with an updated methodology			0.53Δ
UK Housing[1,2]	$kgCO_2e/m^2$	2023	32.1	No major impact of methodology changes			

Notes:

1 Baseline values have not changed in the current year and have previously been subject to limited assurance under ISAE (UK) 3000 and ISAE3410. Limited assurance conclusions can be found within the ESG Resources Hub: home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/

2 Barclays has identified a 2030 emissions intensity convergence point for UK Housing but has not set a formal target.

Δ 2024 data subject to independent limited assurance under ISAE (UK) 3000 and ISAE 3410. Current limited assurance scope and conclusion can be found within the ESG Resource Hub: home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/

Implementing our Climate Strategy (continued)

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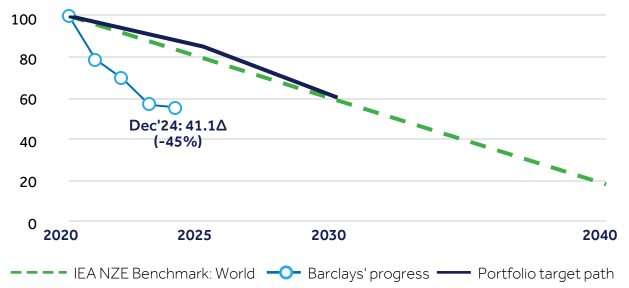
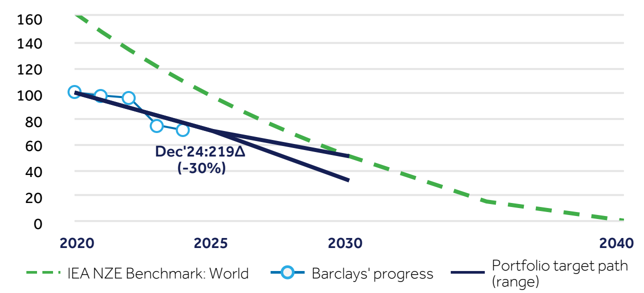
BlueTrack™ dashboard

Progress of our financed emission metrics

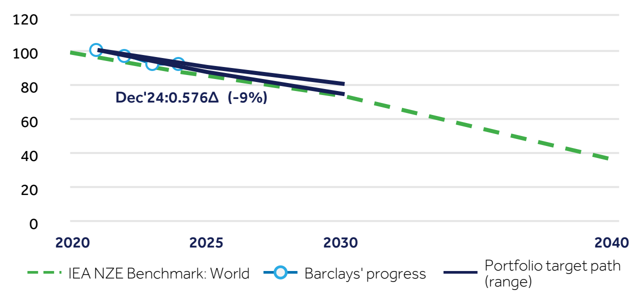
Upstream Energy
Absolute emissions $MtCO_2e$ (Indexed 2020 = 100)



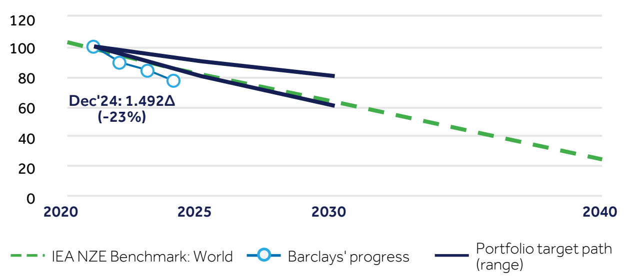
Power
Physical Intensity $kgCO_2e/MWh$ (Indexed 2020 = 100)



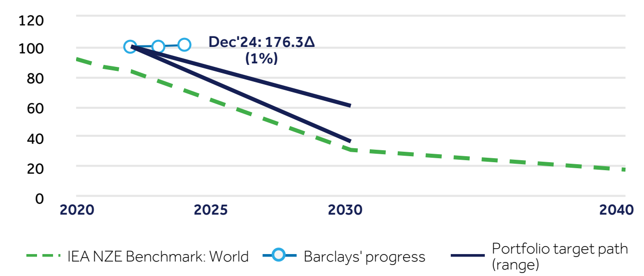
Cement
Physical Intensity tCO_2e/t (Indexed 2021 = 100)



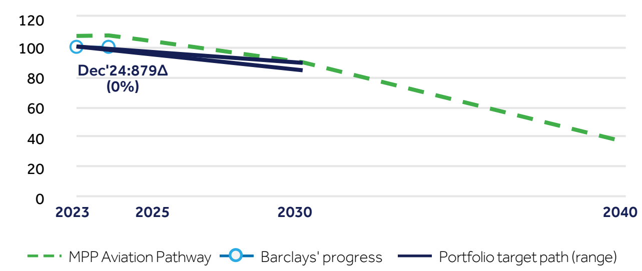
Steel
Physical Intensity tCO_2e/t (Indexed 2021 = 100)



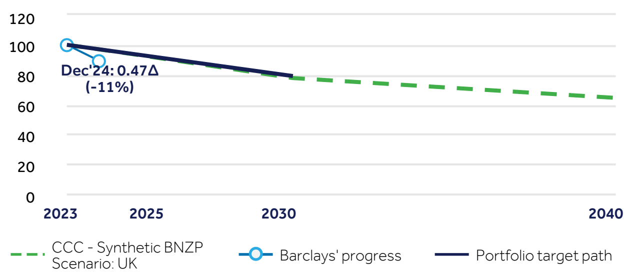
Automotive manufacturing
Physical Intensity (gCO_2e/km) (Indexed December 2022 = 100)



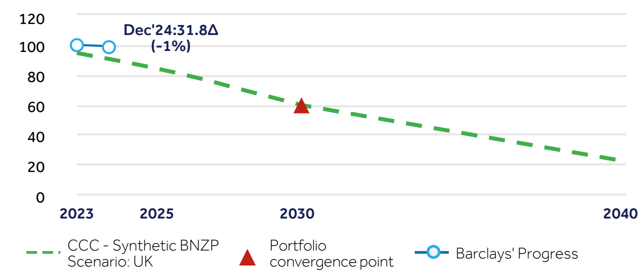
Aviation (Passenger and Cargo)
Physical Intensity (gCO_2e/RTK) (Indexed December 2023 = 100)



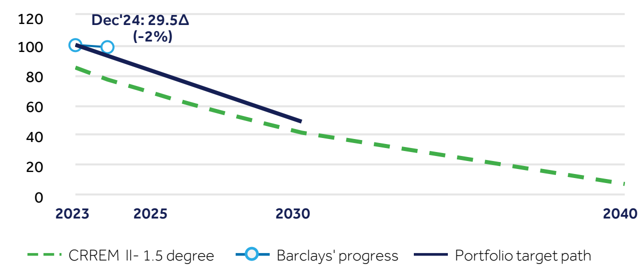
UK Agriculture
Absolute emissions ($MtCO_2e$) (Indexed December 2023 = 100)



UK Housing
Physical Intensity ($kgCO_2e/m^2$) (Indexed December 2023 = 100)



UK Commercial Real Estate
Physical Intensity ($kgCO_2e/m^2$) (Indexed December 2023 = 100)



Note:
Δ 2024 data subject to independent limited assurance under ISAE (UK) 3000 and ISAE 3410. Current limited assurance scope and conclusion can be found within the ESG Resource Hub:home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/

Implementing our Climate Strategy (continued)

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Update on progress against targets

This section of the report provides an update on our metrics and progress towards achieving our 2025 and 2030 targets. There are multiple drivers behind the changes in our portfolio metrics both in 2024 as well as cumulatively against the relevant baseline years. This includes changes in our financing across both our lending and capital markets financing activity, our clients' emissions, client data and metrics such as company valuation, and other data inputs and methodology updates as defined in our Financed Emissions Methodology paper (published in 2024). Our progress in 2024 and our future progress towards, and ability to meet, our targets will be influenced by a wide range of external factors in addition to the continued management of our portfolios, balancing between our commercial goals, risk management and other non-financial objectives in support of our strategy.

We expect to continue to see this impact our metrics in the future as data availability and quality, methodologies, guidance, and best practices for calculating our financed emissions metrics – all of which include differing levels of estimation continue to evolve and be refined.

Additionally, our Cement and Steel portfolios are comprised of a small number of clients. For these metrics we rely on data reported by the clients in those portfolios. Changes in the availability and quality of that data can have a material impact on our financed emissions metrics and progress towards our targets.

Our future progress towards our targets is highly sensitive to changes in our financing mix or in clients' emissions intensity data, including its quality and availability.

See future target progress on page 88.

As noted on page 81 in line with our reporting approach for past period metrics, we have re-baselined our Upstream Energy, Power, Cement and UK Agriculture metrics.

See 'Data sourcing and data quality' on **page 81** for more information on the data used to estimate our financed emissions

Upstream Energy

Our absolute financed emissions from our Upstream Energy portfolio have cumulatively decreased by 45% from our 2020 baseline. Our cumulative progress largely reflects reductions in our total financing volumes for this portfolio as well as impacts from changes in company book values which fluctuate year to year and thus impact progress (either positively or negatively) against our target. The 1% decrease in our financed emissions in 2024 from our recalculated 2023 metric was the net result of the impacts of client merger activity that reduced Barclays attributed share of client emissions partially offset by an increase in our capital markets financing activity. While our cumulative reductions continued to be above the levels of our 2025 and 2030 targets for this sector, as with all of our targets, there could be further volatility, which could lead to changes in our progress above or below our targets and the likelihood of achieving our targets could be significantly impacted by these variables and dependencies, as well as actions that we may need to take to manage our portfolio. Of our total financed emissions in 2024, c.79% was related to clients who have activities in oil, gas and natural gas liquids (NGLs) production, with NGLs being relatively immaterial. The remaining c.21% was attributable to clients who have coal production.

Power

Our Power portfolio emissions intensity has cumulatively reduced by 30% from our 2020 baseline the metrics for which were re-baselined in 2024 (see page 81). The 4% decrease in our portfolio emissions intensity in 2024 from our recalculated 2023 metric was primarily driven by our clients' continued progress in reducing their own emissions intensity partially offset by a net decrease in our lending volumes to low intensity clients as facilities matured.

Within our Power portfolio, our clients' ability to continue transitioning (and therefore our ability to further increase our green financing to Power portfolio clients which supports our progress towards our target) is dependent on supply chains for renewable energy, required investments in grid infrastructure, a stable and positive policy environment, and other factors beyond their and our control, as well as our clients' strategic and financing decisions, among other things. While our 2024 reported level is at our 2025 target, as with all our targets, there could be further volatility, which could lead to changes in our progress above or below our targets and the likelihood of achieving our targets could be significantly impacted by these variables and dependencies, as well as actions that we may need to take to manage our portfolio.

Cement

Our Cement portfolio emissions intensity has cumulatively reduced by 9% from our 2021 baseline, the metrics for which were re-baselined in 2024. In 2024, there was a 1% decrease in our portfolio emissions intensity from our recalculated 2023 metric which includes the impact of the inclusion of an additional in-scope client as discussed in our 'Our approach to reporting financed emissions data' section on page 81. Of the small number of clients in this portfolio our progress to date has been driven by increased activity with a very limited number of those clients.

Steel

Our Steel portfolio emissions intensity has cumulatively reduced by c.23% from our 2021 baseline. In 2024, our Steel portfolio emissions intensity reduced by -7%. This was primarily driven by changes in our financing portfolio.

Automotive manufacturing

Our Automotive manufacturing portfolio emissions intensity has cumulatively increased by c.1% from our 2022 baseline. In 2024, this was primarily driven by increases to the emissions factors used in our metric partially offset by changes in our financing portfolio.

Aviation

In 2024, our Aviation portfolio emissions intensity has largely remained flat as compared to our 2023 baseline. Decarbonising aviation remains dependent on both the price and availability of sustainable aviation fuel (SAF) and the continued production and delivery of lower emissions aircraft. These are key factors in determining how quickly emissions intensity can reduce in this sector.

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation B | Strategic Pillar 2

UK Agriculture

An improvement in data quality, achieved through the integration of farm-level data, has allowed us to enhance the Dairy & Livestock BlueTrack™ model now as an asset-based emissions model (see BlueTrack™ financed emissions methodology). Over time, this will enable us to better assess the impact of on-farm emissions reduction measures and where our clients are making positive change. We have re-baselined our 2023 Agriculture model on this basis. This does not impact the existing 21% reduction target from 2023-2030.

In 2024, our UK Agriculture portfolio absolute financed emissions have reduced by 11%. This reflects the alignment of our financing activity towards clients with lower emissions profiles and those taking positive action towards reducing on-farm emissions. We also consider impacts from changes in client company value, which can fluctuate year to year and is reported at a delay due to the size of clients in this portfolio.

However, we continue to face challenges to calculating emissions in the sector, notably a lack of data on the activities and practices of our agricultural customers, and modelling challenges around agricultural emissions intensity. To help advance approaches to Agriculture financed emissions measurement, we are engaged in a three-year collaboration with Oxford University to develop food type production datasets for the UK, with the aim of quantifying Barclays-financed emissions in more detail and consider additional transition risks.

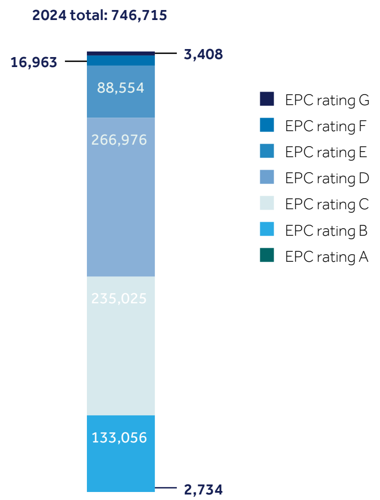
UK Commercial Real Estate

During 2024, our UK Commercial Real Estate portfolio emissions intensity has decreased by 2% from our 2023 baseline. This is against a backdrop of a 5% increase in new lending in our portfolio in 2024, reflecting that the new lending was orientated towards better EPC rated properties. The relationship-led nature of the UK Corporate Bank and our in-house asset management expertise enables a client-first approach to influence transition planning at a portfolio level. The decarbonisation of the UK built environment remains dependent on external changes and public policy interventions.

UK Housing

In 2024, we further expanded the scope of our UK Housing portfolio to include our Kensington Mortgage Company Limited book. Our UK Housing portfolio's emissions intensity decreased by 1% during this period. This reflects the dependence of the decarbonisation of this portfolio on external changes and public policy interventions. Without these external changes, Barclays cannot materially decrease the emissions intensity of its UK Housing portfolio, which is why we continue to measure our progress against a 2030 emissions intensity 'convergence point', but have not set a formal target at this time. We have made strong progress against our EPC ambition for 55% of in-scope properties and collateral with a known EPC to be rated band C or better by 2030, achieving 49.7% by the end of 2024.

EPC ratings of properties and collateral in scope of EPC ambition



49.7%
of properties and collateral rated A-C of available EPCs

Future target progress

Our progress towards our targets will be influenced by a wide range of external factors including shifts in capital markets, changes in client financing needs, and the need to support energy security and an orderly transition. Our progress will likely remain volatile and non-linear and will be affected by the complexity and significant uncertainties around the transition to a low-carbon economy as outlined in further detail in 'Implementing our strategy against a Shifting Landscape' on page 61 and by the examples outlined above in relation to specific financed emissions targets (including in relation to particular portfolio sensitivities such as those relevant to Cement and Steel). In addition, the data available to us continues to develop and as new information becomes available, we may need to update our approach.

We continue to manage our portfolios, balancing between our commercial goals, risk management and other non-financial objectives in support of our strategy. As part of this we take into account our relevant climate-related risks and considerations, including how our portfolios are performing against our financed emissions targets so this can be evaluated in context alongside other relevant business metrics.

We monitor our performance against our targets on a regular basis. Where we identify targets are potentially at risk of being missed – particularly as target dates draw nearer and the opportunities for us to take management actions narrow – we will continue to reassess our approach, taking into account broader business considerations including potential franchise impacts.

Further details of how climate risk-related considerations are managed can be found in the managing impacts in lending and financing section on **page 246**.

Notes:
1 EPC ambition scope does not currently include Private Bank due to EPC data reporting limitations.
2 Metric based on number of properties and collateral in portfolios that make up the EPC ambition scope as of 31 December 2024.
3 EPC data for Barclays UK mortgages and Kensington Mortgage Company Limited are as of 30 September 2024. Matched EPC data for Social Housing and Business Banking Real Estate are as of 30 November 2024.

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation B | Strategic Pillar 2

Client Transition Framework (CTF)

We continue to embed our Client Transition Framework (CTF) which is a tool we use to evaluate certain corporate clients' progress towards business models aligned with a transition to a low-carbon economy. We conduct annual assessments for Investment Bank clients that are in-scope in sectors with 2030 financed emissions targets. Clients who are assessed receive a CTF score of T1 (best) to T5 (worst) taking into account both ambition and credibility components of our CTF as well as sector-specific considerations.

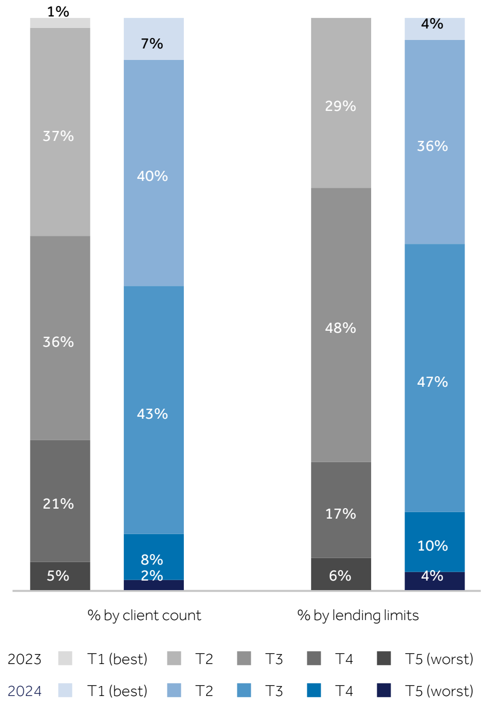
In 2024, we assessed transition plans and emissions trajectories for in-scope clients across our Power, Upstream Energy, Steel, Cement, Automotive Manufacturing, and Aviation portfolios. We have enhanced our data collection and scoring process, leveraging AI and other technology to improve the quality and speed of our review process.

CTF assessments continue to help to inform our approach to reducing financed emissions, and our client engagement and decision-making processes. Financing decisions remain transaction-specific and subject to standard committee reviews, including for credit risk, reputation, and capital impact.

Our CTF was assessed by Oliver Wyman, a leading management consultancy, who found the framework to be well designed, conceptually sound and to compare well to current peer and third-party approaches. We plan to continue to implement enhancements to the CTF during 2025.

The CTF relies on clients' public transition plans and other related disclosures. Any changes in the breadth or depth of these, often voluntary, disclosures could materially impact the results of our CTF assessments.

Aggregate CTF results



Note:
Charts and figures exclude clients determined to be out of scope for the CTF assessments. Clients may have scores in multiple sectors but are included only once to avoid double-counting.

In 2024 our assessments produced a net improvement in client CTF Scores, reflecting both enhanced transition plans and better data collection.

To illustrate this take for example one of our criteria as shown below using client counts.

Evidence of emissions reduction progress for Scope 1 and 2

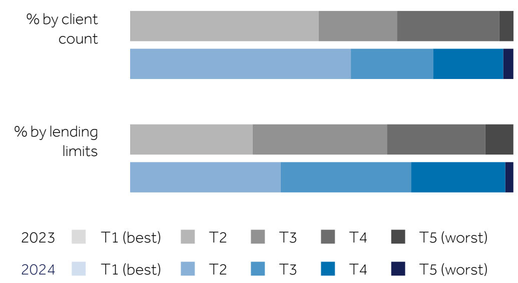
Note:
Analysis includes Scope 1 for Power and Aviation and Scope 1 and 2 for all other sectors. Where intensity-based emissions data was unavailable, absolute metrics were used as an alternative measure. Where insufficient disclosure history is available the worst score is assumed.

In 2024, more data to assess this criteria was available as clients continued reporting on their emissions metrics over time. This showed that more clients have decreased their Scope 1 and 2 emissions than increased them.

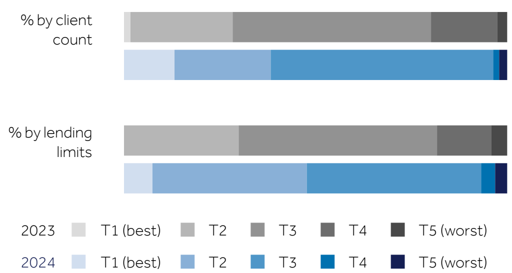
Other findings, by client count, from our assessments include:

- 83% have a short or medium-term public emissions reduction target, a 2% increase from 2023
- 85% have explicit board oversight of their transition plan, a 3% increase from 2023
- 63% disclose that they have quantified at least portion of their forward-looking capex plans that align with their climate and sustainability objectives, a 5% increase from 2023.

Upstream Energy portfolio CTF results



Power portfolio CTF results



Note:
Charts and figures exclude clients determined to be out of scope for the CTF assessments.

Incorporating nature into the CTF

In 2024, we piloted nature-related questions within our CTF assessment for Power portfolio clients. The evaluation covered four areas: governance, strategy, policy approach, and disclosure. Initial results showed that around one-third of clients have Board-level nature oversight, while most reference nature in their policy commitments and in their sustainability strategies. We plan to expand these nature questions across CTF evaluations in 2025.

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation B | Strategic Pillar 2

Sensitive sector and area policies

In addition to setting sector-specific emission reduction targets, consistent with our Purpose and driven by consideration of all relevant risks and other factors, we have outlined our approach to financing certain sensitive sectors and areas in our policies, each of which contains various conditions, restrictions and other provisions relevant to how we apply them. These policies are listed below and set out in detail within our policy statements.

Our sensitive sector and area policies are regularly reviewed and updated in light of the rapidly changing external environment, including changing laws and regulations, and are informed by engagement with our stakeholders, including shareholders, clients, subject specialists and civil society groups.

Our Climate Change Statement sets out our positions and approach to certain sensitive sectors, with tightening policy criteria and increasing expectations over time. In 2024 we have updated the Climate Change Statement to include requirements for upstream oil and gas and restrictions on the type of exposures and risk we will finance going forward, as well as additional restrictions on financing in relation to the Amazon Biome, ultra-deep water and extra heavy oil and enhanced due diligence requirements for biomass.

Barclays will continue to support an energy sector in transition in line with our strategy and associated policies. Requirements may be affected (positively or negatively) by external factors, including, for example, the public policy and regulatory environment, technological advancement, geopolitical or regional developments, energy security, cost of living and just transition factors.

We intend to continue to work with and support our clients as they transition their business and to monitor and engage with them on their progress and the impact of external factors over time, including through our enhanced due diligence (EDD) and Client Transition Framework (CTF).

Further details on Enhanced Due Diligence can be found on **page 246** and Client Transition Framework on **page 89**

We anticipate that companies which are unable to effectively manage their sustainability and climate-related risks may find it increasingly difficult to access financing, including through Barclays. Additional positions and approach to financing sensitive sectors and areas are set out in our policy statements relating to Forestry and Agricultural Commodities as well as Protected Areas (previously World Heritage Site and Ramsar Wetlands), with the latter being updated in February 2025.

Our Forestry and Agricultural Commodities Statement aims to address the potential deforestation, land conversion and human rights impacts associated with our financing of the forestry and agricultural commodities sectors.

We will keep our policies, targets and progress under review in light of the output of both EDD and CTF reviews, the rapidly changing external environment and the need to support governments and clients, in our efforts to meet our ambition of being a net zero bank by 2050.

Sensitive sector policies

Climate Change

- **Upstream oil and gas**
- **Unconventional oil and gas**
  - Oil sands
  - Fracking
  - Arctic oil and gas
  - Amazon oil and gas
  - Ultra-deep water
  - Extra heavy oil
- **Thermal coal mining**
- **Thermal coal power**
- **Biomass**

Forestry and Agricultural Commodities

- **Timber, pulp and paper**
- **Palm oil**
- **Soy**
- **Beef**

Further details can be found at:
home.barclays/sustainability/esg-resource-hub/statements-and-policy-positions/

Protected Areas Statement

Protected Areas are known for including areas of high biodiversity value, and have a crucial role to play in tackling the global biodiversity crisis, as well as helping to mitigate and adapt to climate change.
The need to conserve protected areas was recognised in the Global Biodiversity Framework, which includes a target to ensure the conservation and management of at least 30 per cent globally of land areas and of sea areas, by 2030.

In February 2025, we broadened the scope of the Barclays World Heritage Site and Ramsar Wetland Statement (now renamed the Protected Areas Statement) to include a restriction in relation to the provision of project finance to support the development or expansion of a material project in a Protected Area[1] and/or its buffer zones.

In addition to the Protected Areas Statement, there are also restrictions in relation to a number of sensitive locations, which may include Protected Areas, in our Climate Change Statement and Forestry and Agricultural Commodities Statement. These include restrictions related to oil and gas projects in the Amazon Biome and the Arctic Circle.

Our policy statements, including the Protected Areas Statement, can be found on the Barclays ESG Resource Hub at: **home.barclays/sustainability/esg-resource-hub/statements-and-policy-positions/**

Note:
1 A Protected Area is a clearly defined geographical space, recognised, dedicated and managed, through legal or other effective means, to achieve the long-term conservation of nature with associated ecosystem services and cultural values. Source: https://iucn.org/our-work/topic/effective-protected-areas

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation B | Strategic Pillar 3

Financing the transition

Reaching net zero means finding low-carbon ways of doing necessary activities – including electricity generation, transport and heating.

The world needs to accelerate and scale the supply of renewables and climate tech solutions to reduce reliance on fossil fuels.

Barclays is committed to help finance the energy transition and to help do this we set a target to facilitate $1trn of Sustainable and Transition Financing between 2023 and and the end of 2030.

We are also focused on investing and scaling the climate technologies – hydrogen, carbon capture, batteries, among others – needed by society and our clients to transition, generate economic growth and create a new wave of green jobs.

We have a mandate to invest up to £500m of Barclays' own capital by the end of 2027 in global climate tech start-ups, with an aim to bridge financing gaps and support the acceleration of solutions to environmental challenges.

Facilitating $1trn of Sustainable and Transition Financing

At Barclays we are clear that addressing climate change is a complex challenge that demands a transformation of the global economy. Low-carbon technologies, infrastructure and capacity must be scaled up to meet growing energy demands and for the world to reach net zero. The financial sector has an important role to play in supporting the transition and we are determined to play our part. We are deploying financing to help scale-up the necessary activities needed in the transition to net zero.

For further details on climate-related opportunities see **page 67**.

Our $1trn Sustainable and Transition Financing target encompasses the green, social, transition and broader sustainability-linked financing requirements of clients including corporates, governments and the public sector, financial institutions and consumers. This includes financing of climate and environmental solutions including green mortgages, energy efficient technology and renewable energy, as well as financing for broader social and sustainability work – including sustainability-linked structures and areas such as affordable housing. We are also facilitating funding into green technologies and low-carbon infrastructure projects, as well as using our advisory capabilities, product sets and financial expertise to help our customers and clients realise their own transitions to a low-carbon economy.

The inclusion of transition financing in this target reflects our recognition of the importance of supporting the decarbonisation of hard-to-abate sectors that are carbon intensive. In 2024, we announced our Transition Finance Framework (TFF), which outlines the criteria for transactions to qualify as transition financing and sits alongside our Sustainable Finance Framework (SFF) to define what can be included against this target.

Our ability to meet the $1trn target and progress towards it from year to year will be dependent on a number of factors and variables outside our control. Factors such as market conditions, policy, laws, regulation, geopolitical developments and stakeholder expectations – including approaches to product labelling and regulatory scrutiny of green, sustainability-linked and social products – could impact lending and capital markets appetite and our approach to risk management, and therefore present a risk to our progress against, and delivery of, the target.

Additionally, new climate and decarbonisation technologies may scale at varying rates, including being reliant on the supply and demand of raw materials, which may impact financing volumes. We will continue to review and adapt our approach to Sustainable and Transition Financing in response to the evolving market environment.

Examples of qualifying transactions can be seen in our case studies on **pages 31, 107** and **108**.

Progress against our $1trn target

During 2024 we facilitated $94.4bn$^{\Delta}$ of Sustainable and Transition Financing, of which $88.7bn was sustainable financing, up on 2023 of $67.4bn, and $5.7bn$^{\Delta}$ was transition financing, up on 2023 of $0.4bn. The 39% year-on-year increase in financing facilitated demonstrates our continued focus on supporting our clients on their transition journeys. Bond issuance[1] was the largest product category in 2024, accounting for 69% of total Sustainable and Transition Financing while loans and equity accounted for 22% and 5% respectively. This mix showed a small shift towards loan and equity activity and away from bonds compared to the mix of our 2023 Sustainable and Transition Financing, which comprised 76% bond issuance, 19% loans and 3% equity. As at the end of 2024 we had facilitated a cumulative $162.2bn$^{\Delta}$ against our $1trn Sustainable and Transition Financing target.

Sustainable finance

Sustainable financing, aligned to our Sustainable Finance Framework, consists of financing for dedicated use of proceeds, financing for clients with an eligible business mix in relevant environmental and social categories, and sustainability-linked financing which refers to general purpose funding.

Social financing

Raising finance for clients including supranational, national and regional development institutions was a key driver of the $46.2bn$^{\Delta}$ of social financing facilitated in 2024 (2023: $32.4bn). In 2024, we continued to see issuers aligning their financing commitments to social use of proceeds bonds which allocate funds to categories such as access to healthcare, affordable housing and essential services.

Environmental financing

In 2024, we facilitated $30.6bn$^{\Delta}$ of environmental financing (2023: $24.1bn). This performance reflected continued demand from our clients and our strategy to work with them to help facilitate their transitions to a low-carbon economy.

Sustainability-linked financing

Sustainability-linked bonds (SLBs) and sustainability-linked loans (SLLs) are forward-looking, performance-based debt instruments issued with specific sustainability performance targets. Our sustainability-linked financing totalled $12.0bn$^{\Delta}$ in 2024 (2023: $10.9bn). The sustainability-linked market continues to be of importance to both investors and issuers alike who use these instruments to embed their sustainability targets into financing commitments and we look forward to continuing to work with our clients to innovate the product set.

Notes:

Δ 2024 data subject to independent limited assurance under ISAE (UK) 3000 and ISAE 3410. Current limited assurance scope and conclusion can be found within the ESG Resource Hub: home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/

1 Bond issuance includes Bonds (DCM), CMBS, Securitization, Munis and PCM Debt.

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation B | Strategic Pillar 3

Transition financing

In 2024, we published our Transition Finance Framework outlining the criteria for transition finance transactions that will contribute to our $1trn Sustainable and Transition Financing target.

2024 marked the first full year of utilisation of the Framework. Over the year, we facilitated $5.7bn$^{\Delta}$ of transition finance compared to $0.4bn in 2023.

While new technologies are still emerging, we are identifying opportunities to finance pathways across high-emitting sectors, including energy, power, chemicals, and metals & mining. We are looking to play a role in supporting a range of carbon and emission reduction projects – from the manufacturing of blue hydrogen and related infrastructure for end-use sectors with limited decarbonisation alternatives, to the electrification of compressor units, resulting in the elimination of natural gas use, as well as the adoption of low-carbon technologies, As emerging technologies scale and continue to develop, we are committed to leveraging our expertise to further identify opportunities for transition financing.

We participated in the financing for the Northern Endurance Partnership (NEP), the CO_2 transportation and storage provider for the East Coast Cluster.

Once constructed, the NEP infrastructure will initially serve the Teesside-based carbon capture projects – NZT Power, H2Teesside and Teesside Hydrogen CO2 Capture from 2027– that were selected for first connection to NEP by DESNZ in March 2023 as part of the UK's cluster sequencing process for CCUS.

NEP was granted the first Carbon Dioxide Transport and Storage Licence in the UK under the Transportation and storage Regulatory Investment (TRI) regime – a regulatory regime that unlocks private investment in long-term infrastructure by providing incentives and protections to support the development of the nascent CCUS market in the UK.

The infrastructure includes a CO_2 gathering network, onshore compression facilities, a 145km offshore pipeline and subsea injection facilities in to the Endurance saline aquifer located around 1,000m below the North Sea seabed. It is expected to permanently store up to an initial four million tonnes of CO_2 per year.

Barclays Bank PLC acted as IRS Hedge Execution bank, Mandate Lead Arranger and IRS hedge bank to NEP.

We also supported Net Zero Teesside Power (NZT) in the UK, a new build, first of a kind fully integrated combined gas cycle gas turbine (CCGT) power plant with post-combustion amine-based carbon capture technology.

The captured CO_2 will be received by the NEP project infrastructure which will compress, transport and store the captured CO_2 in the Endurance geological store under the North Sea.

Once operational NZT could produce up to 742MWs of flexible, low-carbon power, with up to two million tonnes of CO_2 per year expected to be captured at the plant. NZT is supported by the UK Government's Dispatchable Power Agreement which enables natural gas power plants with carbon capture technology to play a mid-merit order role in meeting electricity demand, displacing unabated thermal generation plants.

Barclays Bank PLC acted as Mandated Lead Arranger and IRS hedge bank to NZT.

For further details on our Sustainable Finance Framework and Transition Finance Framework see page 93

Barclays Climate Ventures (BCV) portfolio: Invest up to £500m into climate tech start-ups

We firmly believe that innovation is key to tackling climate change and we are committed to supporting transformative change by investing our own capital in entrepreneurial companies. In 2020 Barclays announced that it would invest up to £175m equity capital in pioneering climate technology companies by 2025 – helping support our clients to transition to a low-carbon economy, scale solutions to environmental challenges, and fill their growth-stage funding gaps. In evidence of the success of this strategy, in December 2022 we announced an increase of the investment mandate to invest up to £500m by the end of 2027. To date we have invested £203m into more than 20 innovative companies.

These investments have supported many aspects of climate tech innovation, from property retrofit solutions to long-duration energy storage and hydrogen technologies. Barclays acts as an engaged partner in a portfolio company's growth, offering value-added support to these companies.

This engagement contributes towards wider commercial and strategic opportunities for Barclays UK, Corporate Banking and Investment Banking with those companies. We continue to focus on decarbonisation technologies supporting transition within carbon-intensive sectors, particularly where Barclays has meaningful client exposure – such as Buildings, Energy, Transport, Agriculture and Industry – including solutions delivering carbon capture, carbon dioxide removal and green hydrogen.

Notes:

1 In 2024, Sustainable Impact Capital was rebranded to Barclays Climate Ventures (BCV) to better reflect our focus and mandate.

Δ 2024 data subject to independent limited assurance under ISAE (UK) 3000 and ISAE 3410. Current limited assurance scope and conclusion can be found within the ESG Resource Hub: home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/

Implementing our Climate Strategy (continued)

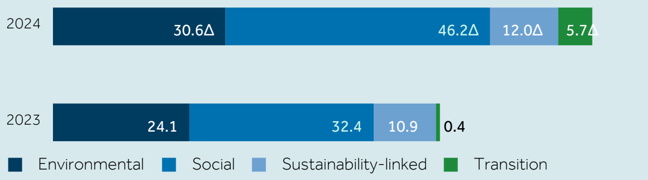
TCFD Strategy Recommendation B | Strategic Pillar 3

Sustainable finance dashboard

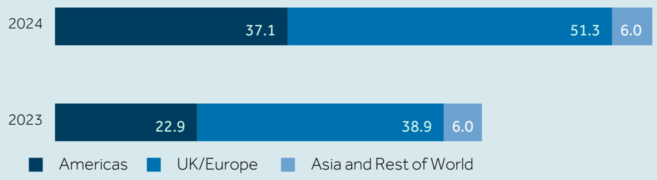
$1trn Sustainable and Transition Financing facilitated (2023-2030)

Achieved to date $162.2bn^Δ

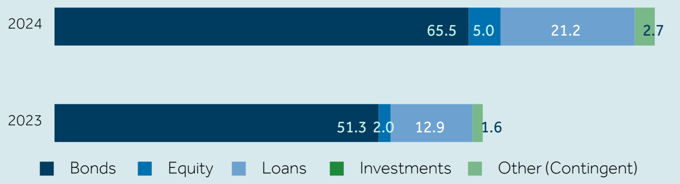
Annual breakdown by category
($bn)



Annual breakdown by region
($bn)



Annual breakdown by product
($bn)



Note:
Δ 2024 data subject to independent limited assurance under ISAE (UK) 3000 and ISAE 3410. Current limited assurance scope and conclusion can be found within the ESG Resource Hub.

Further details of the data provided, including further granularity of decimal points can be found in the ESG Data Centre located within the ESG Resource Hub at **home.barclays/sustainability.esg-resource-hub/reporting-and-disclosures/**

Barclays' Sustainable and Transition Finance Frameworks

Sustainable Finance Framework

We seek to be transparent about our approach to reporting against our sustainable finance targets. Our sustainable financing is tracked using the methodology set out in the Barclays Sustainable Finance Framework (SFF). This framework defines the criteria we use for social financing, sustainable financing, green financing and sustainability-linked financing. This includes 'dedicated purpose' green and social financing, 'general purpose' financing based on eligible company business mix and sustainability-linked financing, and sets out applicable criteria drawing on industry guidelines and principles.

It should be noted that the methodology is reliant on a range of data sources including Dealogic and Bloomberg transaction listings and league tables, as well as other third-party data and verification sources including company disclosures to aid the classification of financing into eligible green and social categories.

We recognise that the quality, consistency and comparability of the data relied upon is not yet of the same standard as more traditional financial metrics and presents an inherent limitation to the performance reported. We will continue to review available data sources and enhance our methodology and processes to improve the robustness of the performance disclosed.

The legal and regulatory landscape relating to sustainable financing – including the naming and categorisation of products as 'green', 'social', 'sustainability-linked' and otherwise – is rapidly evolving with differing regulations across jurisdictions. We may wish to revisit our approach in that context in the future.

There is currently no globally accepted framework or definition (legal, regulatory or otherwise) governing what constitutes 'ESG', 'green', 'sustainable', or similarly labelled products – nor is there unanimous agreement on what attributes a particular investment, product or asset should have to be labelled as such.

Furthermore, no assurance can be given that a globally accepted definition or consensus will develop over time. We will continue to monitor and comply with applicable jurisdictional regulatory taxonomy definitions and product labelling obligations as they emerge.

As innovation in sustainable finance continues to accelerate, we will continue to review and update our SFF, our measurement of our performance against targets, and keep our general approach under review.

We published version 4.2 of the SFF in February 2025, which will apply prospectively from 2025 onwards, to capture market evolution on nature themes and added new financing products. We have enhanced nature-related eligibility criteria on existing and new themes such as Sustainable Food, Agriculture and Forestry, Pollution Prevention and Control, Resource Efficiency and Circular Economy, Sustainable Water and Nature-based Solutions.

Barclays' Sustainable Finance Framework can be found online in our ESG Resource Hub at: **home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/**

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation B | Strategic Pillar 3

Transition Finance Framework

Our transition financing is tracked using the methodology set out in the Barclays Transition Finance Framework (TFF).

We first published the TFF in February 2024, with version 1.1 published in 2025, for classifying financing as 'transition' for the purpose of tracking and disclosing our performance against our target to facilitate $1trn of Sustainable and Transition Financing between 2023 and the end of 2030. This framework will apply prospectively from 2025 onwards.

The inclusion of transition financing in this target reflects our recognition of the importance of lending, facilitating funding and investing in technologies and activities that support GHG emissions reduction, directly or indirectly, in high-emitting and hard-to-abate sectors.

The TFF is complementary to our Sustainable Finance Framework, The TFF sits alongside Barclays' SFF and determines the eligibility of transition activities that are outside the green and social sustainable finance criteria already covered by the SFF.

As there is no universal consensus as to how to define 'transition' activities, Barclays has developed its own definition of transition finance as follows:

Our definition of transition finance

Transition finance is any financing including lending, capital markets and other financing solutions provided to clients for activities – including technologies – that support GHG emissions reduction directly or indirectly in high-emitting and hard-to-abate sectors towards a 1.5°C pathway.

The TFF outlines the criteria for eligible transactions with a set of defined principles to guide us in the application of our definition of transition finance as we support high-emitting clients and finance real economy decarbonisation.

Version 1.1 of the TFF includes enhancements to the categorisation of transition activities/ technologies (such as 'pink hydrogen') and further expansion to include eligible social and just transition expenditures for corporate and public sector issuers.

As innovation and market principles in relation to transition finance continue to accelerate and evolve, we will continue to consider and develop our definition of transition finance and the coverage under the TFF.

The importance of transition finance is recognised in the findings in November 2024 by the United Kingdom's Transition Finance Market Review (TFMR) report (https://www.theglobalcity.uk/tfmr) that has usefully set out recommendations on scaling a robust transition finance market. Barclays participated in the TFMR and supported the final report's findings and recommendations. We also released a policy paper which spotlights three focus areas where policymakers should take action and will facilitate the delivery of the TFMR's recommendations, including developing a National Transition Plan with clear sector decarbonisation pathways, a stronger suite of internationally competitive incentives for companies looking to raise financing, and financing mechanisms to de-risk and facilitate the growth of transition finance in the UK. We also recommend the development of a supportive and balanced regulatory and policy framework. https://home.barclays/news/press-releases/2024/10/three-actions-to-bolster-the-uk-s-transition-finance-efforts-/

Barclays' Transition Finance Framework can be found online in our ESG Resource Hub at: home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation B | Strategic Pillar 3

Financing nature

As we continue to implement our sustainable finance strategy, we aim to identify opportunities to play a role in supporting the financing of nature – in particular by bringing together our combined retail, corporate and investment banking activities.

We recognise that nature financing is still a nascent area across the industry and further work is required to systematically identify and capitalise on nature-related opportunities. We have continued to build institutional capacity to enable us and the broader industry to tackle the technical challenges involved in scaling nature-positive financing.

In October 2024, Barclays launched a first of its kind collaboration with the Environment Bank. This collaboration aims to help Barclays' UK farming clients in England understand opportunities in the Biodiversity Net Gain (BNG) market. It also aims to help Barclays UK Corporate Bank clients, including UK-based housebuilders that are seeking to fulfil their BNG scheme obligations, to explore opportunities and their options in the biodiversity net gain market . Recognising Barclays' market presence in the Agriculture and Housing sectors, this collaboration supports clients across Barclays UK and UK Corporate Bank to explore new revenue opportunities emerging from the transition to a low-carbon economy.

Private finance in National Biodiversity Strategies and Action Plans

National Biodiversity Strategies and Action Plans (NBSAPs) play a fundamental role in identifying funding needs and priorities that would enable governments to fulfil their commitments under the Kunming-Montreal Global Biodiversity Framework (GBF). They also represent an opportunity for private finance. To capture this opportunity, Barclays, alongside other members of the Sustainable Markets Initiative's Financial Services Task Force (FSTF), has been working with the UN Environment Programme World Conservation Monitoring Centre (UNEP-WCMC) to identify entry points, best practice, and options for private finance to support NBSAPs.

This has resulted in the production of a series of Country Outlooks which explore the key opportunities that the process of updating, and subsequently implementing, NBSAPs might open for private finance institutions in these countries. They also look at the wider national policy landscapes that could contribute to this ambitious global agenda.

Early insights from Country Outlooks for the UK, Brazil and Mexico were presented by UNEP-WCMC at side events during the Convention on Biological Diversity (CBD) COP16 in October 2024. Following a period of consultation, the final Outlooks are planned to be published in 2025 alongside an overview of the research findings and further country-level analysis. The research is also timed to inform understanding ahead of COP30 in Brazil, given the importance of nature in achieving climate goals.

Nature in Capital Markets

In May 2024, Barclays served as Joint Bookrunner and Joint Structuring Advisor to VERBUND AG's €500m 7-year Green bond which included biodiversity-related use of proceeds components.

As at the date of the issuance, the security included the largest nominal allocation of proceeds to biodiversity of any singular bond within the Power and Utilities sector.

VERBUND intends to use up to 90% of the proceeds to finance the construction of the 380 kV Salzburg high-voltage line, a key section of the 380 kV high-voltage ring in Austria which forms the basis of the country's electricity supply, connecting renewable energy generated in eastern Austria to pumped storage power plants in Western Europe. The remaining 10% of proceeds will be used to finance the company's Riverscape Lower Inn and Blue Belt Danube-Inn projects. These biodiversity projects are part of VERBUND's programme to improve the ecology and biodiversity around hydroelectric power plants in Austria and Bavaria.

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation B | Strategic Pillar 3

How our sustainable financing supports the Sustainable Development Goals (SDGs)

The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet – now and into the future. At its heart are the 17 SDGs, which are a call for action by all countries – developed and developing – in a global partnership. Barclays is pleased to play its part, working in partnership with our stakeholders to support the delivery of the SDGs.

Since 2018 we have tracked our annual contribution to the SDGs through our financing activities. An illustrative breakdown of how our 2024 social and environmental financing contributes to the SDGs is provided in the chart opposite.

Our financing covers a range of activities including debt and equity capital markets, corporate lending, trade finance and consumer lending. It helps to generate positive social and environmental outcomes through financing of activities such as, but not limited to, energy efficiency, renewable energy, affordable housing, basic infrastructure and services. Financing of activities set out in our SFF in turn supports progress towards achieving the SDGs.

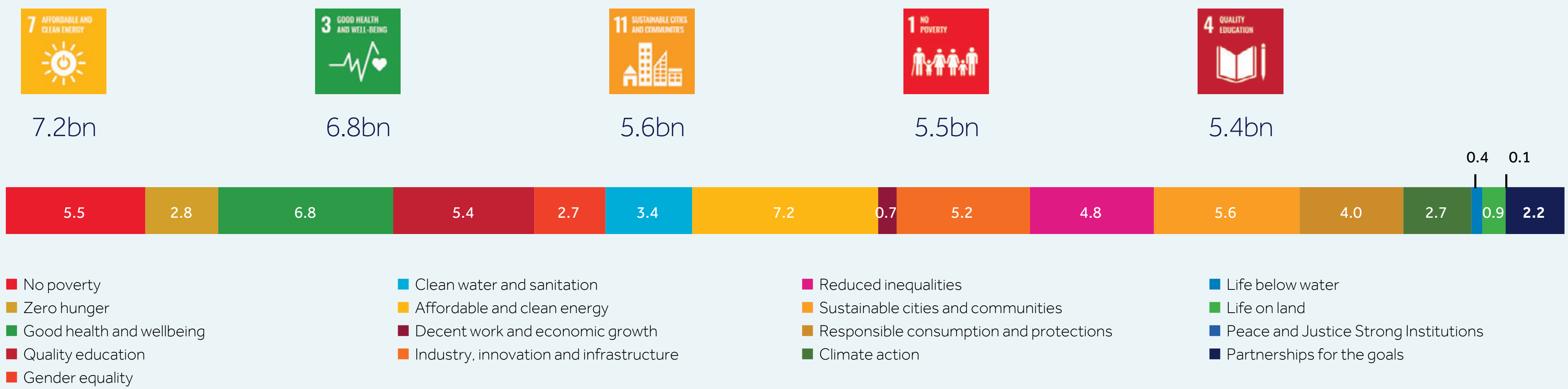
For a full list of eligible social and environmental activities see the SFF, which shows how eligible social and environmental activities contribute to individual SDGs – supported through an analysis of the underlying SDG targets. As we evolve our understanding of how our financing contributes to the SDGs, we will refine our methodology accordingly.

Beyond our financing activities, our community programmes contribute to Goal 8: decent work and economic growth.

Barclays has set targets in line with some of our significant impact areas to drive alignment with the goals and timelines of the Paris Agreement and aligned to the UN Principles for Responsible Banking.

For further details, our PRB disclosure can be found online in our ESG Resource Hub at: home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/

SDG illustrative breakdown of 2024 social and environmental financing
(£m)



Note: Includes 2024 social and environmental financing and excludes sustainability-linked financing.

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation B | Strategic Pillar 3

Working with our clients

We want to be by our clients' side as they transition their businesses to operate in a low-carbon economy. We are helping to provide the sustainable finance necessary to transform the economies, customers and clients we serve and are developing products and services that can support clients as they navigate this period of change.

Supporting our clients as they transition

The transition to a low-carbon economy is a defining opportunity for innovation and growth and as a large global financial intermediary we believe that Barclays can help to make a difference by supporting our clients as they transition. We proactively engage with our clients on the risks and opportunities for their businesses arising from the transition to a low-carbon economy, enabling us to identify how we can best support them through our advisory and financial expertise. We are looking to ensure that our customers and clients have access to the capital they need to grow and transition their businesses, including from the capital markets and through our own investments and network of accelerators.

Given the scale and breadth of our business, we are able to support a range of clients and customers across a broad spectrum of activities - from consumers and small/growth-stage businesses through to mid-sized and larger businesses and institutions, including governments.

This includes improving the energy efficiency of our housing stock through our green mortgage proposition, facilitating capital raising and initial public offerings for emerging climate technology start-ups and helping to mobilise the vast amounts of capital required to fund low-carbon infrastructure projects. We believe that our sustainable finance franchise can be differentiated by factors including our ability to provide an end-to-end offering through our breadth of retail, corporate and investment banking services and our colleagues working together collaboratively, sharing knowledge and expertise to build capabilities to support our clients through their transition journeys. The Barclays Climate Tech Escalator is one example of the strength of this model; as a connected pathway across the bank, we provide support for scaling early-stage climate technology companies who benefit from our network of connections, our ecosystem of products and our position within the global economy, helping to provide access to capital at applicable stages of their growth from idea to IPO.

Engaging with our clients

Engaging with our clients to ensure we understand their businesses, the challenges they face and the risks and opportunities they are seeking to address is critical to our ability to support them as they transition.

Across our business, we continue to develop our approach to engaging with our clients in the most effective and innovative way, including:

- We are supporting our clients with their transition journeys by providing financing and deep industry expertise. In the UK Corporate Bank, we do this through our regional engagement model and broad set of sector teams as well as undertaking an internal categorisation for a large number of clients in relation to their decarbonisation journeys and approach to sustainability, which has enabled us to better meet their financing needs and facilitated improved client interactions. In Barclays UK, we support our customers and clients to make more sustainable choices through various products and services, with a particular focus on home energy efficiency measures and tailored financing options for SMEs and clients in the Agriculture sector.

Further details on how we are supporting our clients in UKC and BUK respectively can be found on pages 104 and 101.

- In the Investment Bank, the Client Transition Framework (CTF) allows us to monitor and measure the decarbonisation progress of our in-scope clients and assess the implications for our own financed emissions targets, thereby allowing us to be targeted in our engagement efforts and provide clients with clear communication on our guidance for transition planning. It also helps inform our guidance on how clients best take advantage of transition finance opportunities.

For further details on our Client Transition Framework see **page 89**

- We engage with the financial sector, policymakers, NGOs, academia and local communities to help unlock value for our clients through insights and connectivity. In 2024, we were present at key industry events including London Climate Action Week, Climate Week New York, COP16 and COP29. Further details on page 120.
- We provide thought leadership to support our clients using our in-house Sustainable and Thematic Investing research capabilities. Clients who have access to our research publications tell us that it prompts greater evaluation of their business needs which generally leads to broader conversations about the transition to a low-carbon economy, the ways investors can support the transition and how Barclays can support.

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation B | Strategic Pillar 3

Products and services offered across our client base

Consumer | **Small and growth stage** | **Mid-size corporates** | **Large corporates and governments** | **Investors**

Barclays Group Innovation and Partnerships

Working to champion innovation and enable sustainable growth – bringing new ideas to life is central to the way we support people, businesses, communities and the wider economy, through initiatives and programmes such as the Experimentation Hub, Barclays Eagle Labs and Unreasonable Impact.

Barclays UK Consumer and Business Banking

Engaging with our Consumer and Business Banking customers to make more sustainable choices, providing support through financial products, services, informative content and partner offers.

UK Corporate Bank

Supporting our corporate clients with their transition journeys through strong client engagement - deepening our relationships through delivery of insights and strategic priorities, while we continue to embed and develop our suite of sustainability-related products to provide an enhanced offering to clients.

Private Bank and Wealth Management

Barclays Private Bank and Barclays Investment Solutions Limited (BISL) offer a wide range of investment solutions, including discretionary portfolio management and managed funds. Our investment solutions span from traditional approaches to certain sustainable offerings that incorporate material ESG considerations – among others – to promote responsible investing.

Investment Bank

Providing our clients with financing and investment solutions, as well as strategic advice, as they transition to a low-carbon economy – through our specialist Sustainable Finance teams.

Barclays Climate Ventures (formerly Sustainable Impact Capital)

Investing up to £500m into climate tech start-ups by the end of 2027, helping facilitate our clients' transition to a low-carbon economy.

Green Bond Investment portfolio

Purchase of green bonds through Barclays' liquidity pool.

Key: Programmes | Business units

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation B | Strategic Pillar 3

Barclays Group Innovation and Partnerships[1]

Group Innovation and Partnerships works to leverage its innovation capability and ecosystem of partners to support the delivery of the Barclays climate strategy – and to contribute to the growth of climate fintech. We believe that climate fintech has the potential to make the transition to a low-carbon future simpler, easier to implement and more affordable.

Strategic initiatives

Initiative	Goal
Experimentation Hub	*30 Rapid vendor evaluations by 2025*
Eagle Labs	*Provide* up to 1,500 mentorship hours, 17 Growth Programmes and one Ecosystem Partnership Programme in 2024
Unreasonable Impact	*Support an additional 200 businesses solving social and environmental challenges from 2023-27*

Further details on Barclays' Innovation can be found at: **home.barclays/who-we-are/innovation/**

The figures in the table above reflect innovation across all fintech disciplines, not exclusively Climate fintech companies.

Innovation has always been core to Barclays. We have sought to implement new technologies and ways of thinking with a view to transforming the financial industry and improving experiences for customers and clients. A decade ago, Rise was established as a fintech community with an ambitious mission to connect technology, talent, and trends to accelerate innovation and growth in the industry. Fast-forward to today, the fintech community is an integral part of the financial ecosystem. As the fintech community has evolved, so has the strategic role that Barclays plays, therefore we've made the decision to wind down Rise, while continuing to focus on innovation across our five divisions, reflecting the way we serve our customers and clients. We remain committed to the global fintech ecosystem and will continue to play an important role scouting, partnering and investing, in fintech companies.

Barclays Experimentation Hub

The Barclays Experimentation Hub – a business and technology sandbox-as-a-service offering – enables business units across the globe to rapidly test and evaluate third-party vendor solutions, while also providing a platform to influence industry through collaborative events and hackathons. Since 2022 the Experimentation Hub has enabled Barclays to explore new technologies such as Generative AI, while also bringing together industry experts across topics such as digital currencies – exploring the application and business benefits of key innovations within technology and fintech. Experimentation has also supported Barclays teams in keeping pace with the rapidly changing landscape within ESG technologies and will continue to support Barclays' climate goals throughout 2025.

Barclays Eagle Labs

Barclays Eagle Labs look to help incubate, inspire and educate UK founders, start-ups and scale-ups to help them succeed and grow through virtual support and a network of 42 physical sites across the UK. In 2024 Eagle Labs has expanded into nine new locations and has supported over 4,439 businesses through propositions, programmes, and businesses engaged with our network. Eagle Labs also launched an online learning platform to help support founders with the knowledge and skills needed to launch and grow a tech business as part of the Digital Growth Grant activity funded by the UK Government. In 2024 Eagle Labs opened applications for 22 growth programmes including the Black Founders Accelerator programme designed to champion inclusion in entrepreneurship and showcase Black Founder-led businesses.

Cambridge Eagle Lab

Cambridge Eagle Lab was relaunched in October 2023 as a dedicated centre for scale-ups and start-ups who are leading in climate innovation. Since the relaunch the Cambridge Eagle Lab has focused on growing the community and now has 19 climate focused businesses residing out of the lab including Carbon 13 and Sustainable Ventures.

Carbon 13 Venture Launchpad

The Carbon 13 Venture Launchpad in partnership with Barclays Eagle Labs supports early stage start-ups to launch high-potential, global impact climate tech ventures. This climate tech accelerator helps supports early-stage founding teams to work intensively on their carbon impact, investment readiness and go-to-market strategy.

Sustainable Ventures partnership

Eagle Labs ongoing work in the climate tech ecosystem has led to a partnership with Sustainable Ventures at their flagship site in London, where it has a dedicated Ecosystem Manager providing their members with access to Eagle Labs. In parallel, Sustainable Ventures has joined Cambridge Eagle Lab to add value to Eagle Labs' members.

17,221[2]

Total businesses supported through propositions, programmes, and businesses engaged with our network since 2015

Notes:
1 The content on this page reflects innovation across all disciplines, not exclusively climate companies.
2 Covering all businesses supported by Eagle Labs through propositions, programmes, and ESE since 2015 (as of December 2024).

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation B | Strategic Pillar 3

Barclays Group Innovation and Partnerships (continued)

Unreasonable Impact

Through its Unreasonable Impact programme, a partnership between Barclays and Unreasonable Group, Barclays has supported 348 high-growth entrepreneurs that seek to address pressing social and environmental challenges by connecting them with a network of mentors and industry specialists, including experienced colleagues from across Barclays. Through regional gatherings, at which the entrepreneurs can engage with this network, and other virtual and in-person events, the Unreasonable Impact programme is designed to help participating entrepreneurs to build strategic relationships and quickly solve key challenges facing their business to help them scale. To date, the Unreasonable Impact ventures have raised more than $14bn in financing and employ more than 31,000 people globally.

In 2023, Barclays renewed its support for the programme with a goal to support an additional 200 entrepreneurs over the next five years. These entrepreneurs are offering solutions across a variety of industries from food and agriculture to energy and manufacturing.

A number of Unreasonable Impact ventures have also been supported through Barclays Climate Ventures, and some are used in Barclays' own operations today. In addition, as part of Barclays' partnership with Wimbledon, we brought Unreasonable Impact company CLUBZERØ's innovative technology to The Championships, serving Barclays customers with ice cream in their reusable pots to enable a circular-economy service.

Further details on Unreasonable Impact can be found at:
home.barclays/sustainability/supporting-our-communities/unreasonable-impact/

Supporting Land Life as they scale technology-driven reforestation

Entrepreneur Rebekah Braswell was one of 2024's Unreasonable Impact programme participants, receiving support from Barclays and Unreasonable Group to help scale the business that she leads, Land Life.

Land Life specialises in sustainable reforestation and supports companies to invest in nature for the long-term, with a goal to restore degraded land at scale. Partnering with local stakeholders, they leverage cutting-edge technologies and innovative approaches at every stage of the restoration process – from identifying suitable land using advanced mapping tools to deploying precision planting techniques and monitoring tree growth with state-of-the-art data systems. Their focus is on building resilient ecosystems that improve biodiversity, help to mitigate climate change and benefit local communities.

By participating in this year's programme, alongside 11 other high-growth impact driven companies, Rebekah was able to connect with Barclays and external mentors during a week in residence and participate in a series of masterclasses. The entrepreneur also had the opportunity to meet with investors and Barclays' clients at the programme's Exclusive Forum.

Further details on Land Life can be found at: https://unreasonablegroup.com/ventures/land-life

Note:
1 Further details on Barclays Climate Ventures found on page 109.

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation B | Strategic Pillar 3

Barclays UK Consumer and Business Banking

In 2024, we have made progress to deliver our sustainability strategy for Barclays UK. We have continued to enhance our suite of sustainability-related products and propositions to support Barclays UK customers to make more sustainable choices. We are focused on driving performance of these products and propositions via customer insights, targeted marketing, and enhanced sustainability skill sets within Consumer and Business Banking teams, integrating much of the day-to-day operations of sustainability within the business.

However, we also recognise dependency on external factors, such as cost, public policy and supply chain readiness, to drive customer demand. We remain committed to supporting our customers to transition to net zero and growing our sustainable finance business in the UK, aligned with Barclays' three-year plan to grow its UK market.

Colleague training and engagement

Barclays UK continues to upskill and engage colleagues on sustainability to build our capability, encouraging colleagues to integrate sustainability considerations into their work. In 2024 we introduced Group mandatory training on Sustainability, ESG and Climate Risk, as well as a Barclays UK-specific sustainability module completed by over 16,000 colleagues. We also launched bespoke senior leader training in Barclays UK to support our sustainability directive.

Consumer Bank

Sustainability Hub

Barclays UK continues to engage consumers through our online Consumer Sustainability Hub, which provides information on our financial products, services, informative content and partner offers that may support them in making more sustainable choices. In 2025, we will launch our in-app Sustainability Hub for current account customers, in order to drive greater engagement and visibility of our products, services and partner offers, to better support our mobile app customers.

Further details on the consumer-facing Sustainability Hub can be found at: **barclays.co.uk/sustainability/**

Greener homes

An important driver to decarbonise the UK Housing sector is improved energy efficiency of the housing stock. We support our retail mortgage customers to retrofit their properties and reduce their energy consumption by providing financial products, services, and partner offers.

Green Home Mortgage

We continue to support customers purchasing EPC A- and B-rated new-build homes with our Green Home Mortgage, launched in 2018 and expanded to buy-to-let in 2022. Our Green Home Mortgage continues to perform strongly, with £1.1bn lent to Green Home Mortgage customers in 2024. Since inception, Barclays UK has lent over £4.7bn to Green Home Mortgage customers.

Further details on Barclays Green Home Mortgages can be found at: **barclays.co.uk/mortgages/green-home-mortgage/**

Further details on Barclays Green Buy-To-Let Mortgages can be found at: **barclays.co.uk/mortgages/green-buy-to-let-mortgage/**

Green Home Mortgage completions

Number of completions

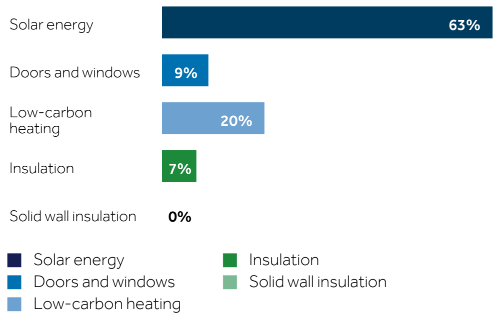
Value of completions (£m)

Greener Home Reward

We continue to support eligible residential mortgage customers to install eligible energy-efficiency-related measures in their homes, offering a cash reward of up to £2,000 via our Greener Home Reward offer.

In 2024 we simplified the registration process and will expand the scheme to include Microgeneration Certification Scheme (MCS) accredited installers in 2025. Microgeneration continues to be the most popular installation since launch, with 63% of reward payments for solar panels and solar battery storage, followed by low-carbon heating at 20%.

Retrofit type at claim



Note:
1 Data based on retrofit type at point of claim since launch in 2023.

Further details on Barclays Greener Home Reward can be found at: **barclays.co.uk/mortgages/greener-home-reward/**

Greener Home Loan

In 2024, we piloted our Greener Home Loan, offering a cashback of up to £250 for eligible current account customers who take out a loan and use the money for energy-efficiency home improvements. We continue to monitor take-up and retrofit type, with solar being the most popular installation with 62% of claims.

Partnership offers

We continue to develop our partnership offers to support customers' home energy efficiency measures. This includes our offer of 50% off the purchase of a Home Health Check for eligible residential mortgage customers in collaboration with British Gas, and our offer of a six-month free trial of the Hugo Pro for eligible residential mortgage customers in collaboration with Hugo Energy to provide insights into home energy usage. We also offer a free to use home energy tool through Energy Saving Trust, which supports residential mortgage customers to understand how energy efficient their homes are and improvements they could make.

Further details on the Home Health Check can be found at: **barclays.co.uk/sustainability/greener-homes/home-health-check/terms-and-conditions/**

Further details on the Hugo Pro can be found at**:** **barclays.co.uk/sustainability/greener-homes/home-energy-tool/**

Further details on the Home Energy Tool can be found at**:** **barclays.co.uk/sustainability/greener-homes/**

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation B | Strategic Pillar 3

Barclays UK Consumer and Business Banking (continued)

Business Bank

Embedding sustainability across the Business Bank

We continue to evolve our colleague training around sustainability, to better support our Business Bank clients. In 2024, 94% of our Relationship Managers completed sustainability-related training, including modules on EPC ratings and green assets that are in scope of our green lending offering. In addition, our Net Zero Specialists team, established in 2023, continue to support clients to explore the steps they can take to support their decarbonisation journey.

Green Loans for Business

Business Bank is supporting SMEs to invest in low-carbon technologies as they transition to net zero. Our Green Loans for Business offers discounted interest rates when customers finance eligible green assets. In 2024, we expanded our Green Loans for Business with several additional eligible loan products; namely, our Green Commercial Mortgage, Green Buy-to-Let Mortgage, SIPP & SSAS Green Property Loans, and Green Agricultural Mortgage. We have also updated our Eligible Green Asset Guide, which lists over 65 eligible green assets for our Green Loans for Business, to improve client access to our green financing options. In 2024 we continued to offer Green Asset Finance via our partner Propel.

SaveMoneyCutCarbon

Common barriers to SMEs transitioning are the perceived cost of change and time to develop required action plans. SMEs will often start by making changes directly within their control. Recognising this, in 2024, we launched a pilot with SaveMoneyCutCarbon to help clients explore energy, water and carbon-saving opportunities, with the aim of helping them transition to net zero in a cost-effective manner.

External engagement

We recognise the opportunity to support the transition to net zero for SMEs via external engagement with policymakers and industry bodies. In 2024, Barclays became a co-chair of the Willow Review, an independent government-backed review aiming to underline the financial benefits of sustainability for small businesses across the UK. We also became a member of Perseus, which aims to allow individual businesses to securely share their consumption data to create sustainability reports with personalised recommendations. We remain a member of the UK Business Climate Hub advisory board, through which we were a partner in the UK Net Zero Business census released in September 2024.

Climate tech

We set-up the Barclays Climate Tech Escalator in 2024, a connected pathway dedicated to growing climate tech companies. The Climate Tech Escalator supports scaling by providing tailored, dedicated support as the companies grow and helps them to harness the power of capital markets. We established a Technology & Creatives vertical in our Business Bank, which provides financial services to early-stage climate tech companies. Through Eagle Labs we support these companies with mentorship, webinars, workshops, and provide programmes such as the Carbon13 Venture Launchpad and UK Government funded Sustainability Bridge to help them scale.

We recognise the funding challenge inhibiting the success of growth-stage climate tech companies, particularly those at the Series B+ investment stage. In 2024, Barclays published a paper on the role of UK public finance to bridge the financing gap for growth-stage climate tech companies, as well as the common challenges they face. In 2025 we will explore new products which can help address these financing gaps.

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation B | Strategic Pillar 3

Barclays UK Consumer and Business Banking (continued)

Boosting the energy efficiency of UK homes

Retrofitting homes with the aim of reducing carbon emissions in line with UK net zero targets is a challenge Barclays believes requires a collaborative response. This year we published a paper setting out a recommended action plan to support the UK Government in its efforts to accelerate home energy upgrades and support its net zero ambition. The paper brings together consumer and behavioural insights, case studies and historical analysis of how the UK has succeeded in energy transition in the past to provide a comprehensive perspective on the challenge of decarbonising homes. It underlines the need for a bold, collaborative approach from government and the private sector to unlock home energy efficiency upgrades on a wider scale, including five recommendations that would support implementation as part of the government's manifesto commitment to deliver a Warmer Homes Plan.

Read more here: **home.barclays/insights/2024/11/Boosting-the-energy-efficiency-of-UK-homes/**

Agriculture

In 2024, we launched a Green Agricultural Mortgage to support UK farming clients to undertake more sustainable practices and implement energy-efficiency improvements.

We continue to engage with farmers to explore the challenges and opportunities that may emerge from the decarbonisation of the agricultural sector. In 2024 we undertook two surveys of our UK farming clients to better understand the challenges they face in progressing towards net zero, and published a policy position paper on the opportunity of biodiversity net gain (BNG). We also collaborated with Environment Bank, England's largest provider of off-site biodiversity units, to help England-based farmers understand opportunities from the BNG market.

Read more here: **environmentbank.com/registry/barclays**

Environment Bank

In October 2024, Barclays launched a first of its kind collaboration with the Environment Bank. This collaboration aims to help Barclays' UK farming clients in England understand opportunities in the Biodiversity Net Gain (BNG) market. It also aims to help Barclays UK Corporate Bank clients, including UK-based housebuilders that are seeking to fulfil their BNG scheme obligations, to explore opportunities and their options in the biodiversity net gain market. Recognising Barclays' market presence in the Agriculture and Housing sectors, this collaboration supports clients across Barclays UK and UK Corporate Bank to explore new revenue opportunities emerging from the transition to a low-carbon economy.

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation B | Strategic Pillar 3

UK Corporate Bank

Our commitment to supporting clients' climate strategies aligns to our UK Corporate Bank's (UKCB) ambitions of deeper client relationships and expanding our offering of products and services. Net zero and sustainability are becoming an increasing priority for clients, who perceive these benefits as having a positive impact on their organisations. We are constantly adapting to meet their needs by delivering insights and strategic engagement as well as tailored solutions from across UKCB.

Embedding sustainability across UKCB

To enhance our sustainability efforts for clients, in 2024, we have established teams of dedicated sustainability specialists. We have also formalised our network of in-business champions, who can leverage the expertise of these specialists and a broader forum of sustainability leaders. Together, these colleagues will drive the delivery of insights, develop propositions, and help colleagues in facilitating deeper client engagement.

Further details on Barclays' industry expertise in UKCB can be found at: **barclayscorporate.com/industry-expertise/**

More broadly, the UKCB has upskilled and engaged colleagues. Following a successful pilot in 2023, the Sustainability Academy launched in 2024, with over 1,000 UKCB colleagues completing this training. Additionally, specialist sustainability training has been developed for the Real Estate sector given the industry-specific considerations and our BlueTrack™ commitments.

Further detail on all training can be found on **page 114**

Throughout 2024, nearly 60% of UKCB clients discussed their ESG agenda with us

To deliver targeted client support and solutions, we've developed a series of methodologies for the relationship teams, to recognise where a client is on their journey, based on their known attributes. In some business areas we've piloted dashboards to help our colleagues understand the full breadth of the client's sustainability data points and have piloted sustainability prompts in our Customer Relationship Management system.

Recognising the need to nurture new technologies to support the transition to net zero, we have hired a new team of experts dedicated to the Innovation ecosystem, and those clients operating in high-growth industries such as climate tech. Our new Head of Climate Tech will play a pivotal role in Barclays' Climate Tech Escalator – a programme specifically designed to support climate tech businesses innovate, accelerate and scale, providing connectivity across the breadth of our organisation and across our client base.

The National Wealth Fund

In October, we launched a partnership with the National Wealth Fund (NWF) to accelerate the decarbonisation and delivery of quality improvements across social housing in the UK. Our term loan, 70% guaranteed by the NWF, is available to UK private not-for-profit registered providers of social housing with the specific purpose of retrofitting their housing stock. Eligible retrofit measures under this facility are aligned with Barclays' Sustainable Finance Framework; examples of expenditures include the equipment and installation of technologies that improve energy efficiency (e.g. insulation) and reduce heating emissions.

Engaging clients through convening and collaboration

We have advanced our partnership with Save Money Cut Carbon (SMCC), providing referrals to our clients, and creating a library of sustainability focused content to help businesses navigate their transition journeys.

Further details on the series of content created with SMCC can be found at: **barclayscorporate.com/sustainability/smcc-partnership/**

We continue to work closely with industry bodies to convene and share knowledge by hosting roundtables across sectors including nature and property technology (PropTech), delivering thought leadership across climate tech, sustainable retrofit, biodiversity net gain (BNG) and collaborating with partners such as The Times and the UK Business Climate Hub.

From these opportunities we have created innovative solutions, such as the Environment Bank collaboration, to support clients, especially those those in the housebuilding sector, in understanding and accessing the BNG market.

Further details on our collaboration with the Environment Bank on **page 103**

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation B | Strategic Pillar 3

UK Corporate Bank (continued)

On the social agenda, Barclays has worked with the University of Greenwich and 10 other universities to help over 650 students become more career-confident and prepared for real-life assessment centres. From the inception of this collaboration, the goal has been simple yet transformative: equip students with the tools and confidence to succeed in real-world job assessment centres. The Greenwich Mock Assessment Centre has been a platform looking to break into competitive industries and walk away with valuable knowledge, increased confidence, and a clearer understanding of what it takes to succeed in the corporate world.

Innovative client products and services

We continue to support a wide range of clients, delivering a full suite of sustainability-aligned corporate banking services, helping to contribute towards Barclays' $1trn Sustainable and Transition Financing target between 2023 and the end of 2030. We have led multiple sustainability co-ordination roles, working with our clients to help reflect their sustainability ambitions to stakeholders in their financing. We also continue to support industry-specific needs such as the housebuilding sector with the Sustainable Residential Development Framework.

Workspace Group PLC

Workspace Group PLC (Workspace) is a leading provider of flexible work spaces in London, UK, offering a variety of commercial properties to businesses of all sizes – from fast-growing to established brands. Workspace has a strong focus on sustainability and provides flexible, well-connected workspaces that foster creativity and productivity within communities, and a public commitment to becoming a net zero business supported by science-based targets. During 2024, Barclays acted as agent, sustainability co-ordinator, and documentation coordinator for a £135m sustainability-linked revolving credit facility (with a £120m accordion option) and an £80m term loan. Playing a leading role on the transaction, Barclays helped create a multi-banked facility that demonstrates how financing strategies can support decarbonisation strategies for commercial real estate. This sustainability-linked facility recognises Workspace's sustainability ambition, linking the financing to stretching key performance indicators (KPIs) that align with social value, net zero ambitions and improved EPCs, This supports Workspace's ongoing commitment to meeting the evolving needs of its 4,000 SME customers, whilst creating lasting environmental and social impact.

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation B | Strategic Pillar 3

Investment Bank

Evolving our business for the benefit of our clients

In 2024 we continued to evolve our business and invest in our team with a focus on supporting our clients as they transition their businesses.

At the start of the year, we announced a new team structure with the creation of our Energy Transition Group – bringing together our traditional Energy and Power businesses with our Renewables and Climate Tech franchises. Through this team we believe that we are better placed to serve as lead advisers to clients in the Energy and Power sectors, exploring energy transition opportunities.

We also announced the creation of our new Sustainable Banking Group within Capital Markets, combining our Sustainable Capital Markets and ESG Advisory team.

We continued to develop our approach to our colleagues working together to identify opportunities to support our clients. For example, reflecting one of the strategic objectives of the Investment Bank, we are increasingly collaborating across Global Markets and Investment Banking to deliver sustainable securitisation solutions for our clients. In 2024 Global Markets worked to identify our top asset management clients with a strong sustainability focus and identified opportunities for them to work with our clients in the Investment Bank who are seeking debt capital. We have also worked to identify how to bring innovative financial structures used in the US into European client situations, including leading the first Green Data Centre ABS in Europe and being part of the first Solar ABS in Europe in 2024.

We continued to invest selectively in our sustainable finance capabilities in 2024 with key senior and specialist hires, who have strengthened our existing teams and supported the expansion of our sustainable finance product offering. This included hiring a Head of Sustainable Markets, a co-Head of Energy Transition Group EMEA and a Head of Sustainable Transaction Banking. We have also strengthened our ability to advise our clients through hiring technical specialists in areas such as transition fuels and nature, who provide detailed subject matter expertise that help enrich our engagement with clients.

Given the significant pace of change in sustainable finance, we recognise the importance of investing in our people and ensuring they have the skills, expertise and knowledge to support our clients. In 2024 we began the roll-out of a tailored sustainable finance training programme for colleagues in the Investment Bank.

Please see further details about our sustainable finance training programme on page 114.

Through this investment in our team, we are helping to support our clients and facilitate the energy transition across the breadth of our offering, from financing solutions to research.

At the end of 2024, we had in excess of 90 sustainable finance-focused colleagues in the Investment Bank, reflecting our commitment to the execution of our strategy.

Building relationships through engagement with stakeholders

We believe in the power and benefits of engagement with a range of stakeholders in sustainable finance and in 2024 we continued to seek opportunities to play our part in fostering and promoting that engagement.

In March 2024, we held our second annual flagship Sustainable Finance conference in New York, under the theme 'Powering the Transition: AI, Climate Tech and Geopolitics', convening 300+ CEOs, investors, policymakers and industry leaders.

We had a strong presence at Climate Week New York where we hosted 450+ stakeholders across 10 events over three days including partnership panels with the Wall Street Journal and Microsoft on 'Powering the Transition' and 'Investing in Nature' respectively.

In September 2024, we hosted our 37th annual CEO Energy-Power conference in London that brought together 200+ public and private companies.

Embedding sustainability in our business

We are focused on ensuring our sustainable finance business is well managed and governed as it scales. In 2024, we evolved our financial reporting by developing a detailed sustainable finance dashboard, shared on a regular basis with senior management of the bank to track performance, progress against our sustainable finance targets and support better decision-making. As part of our approach to embedding sustainability in the business, we are translating key metrics tracked on the dashboard into qualitative objectives for our senior management, which are then being cascaded to front-line colleagues.

As we see further growth in sustainable finance, our focus on controls remains critical to enable our business to operate in a precise and scalable way. We continue to establish governance and controls within the Investment Bank to provide oversight of and manage greenwashing and other sustainability risks. As part of this, during 2024 we established the Sustainability Review Committee with oversight of these risks.

Climate risk is embedded in the risk appetite setting process and climate-related financial risks, performance against financed emission targets and transition finance metrics are monitored in the IB Risk Committee and Sustainability Review Committee. In addition, the Sustainable Finance team is represented on the Group Climate Risk Committee and sustainable finance considerations are being embedded in financial risk management frameworks.

Energy Transition Group

The Energy Transition Group provides clients with holistic and cohesive strategic advice and financing solutions throughout the energy value chain, with a strong emphasis on decarbonisation.

The team combines the expertise of our traditional Energy and Power businesses with our Renewables and Climate Tech franchises, to enhance connectivity to established power and energy companies who are leading the energy transition through their incumbency, technological adoption and access to capital, and provide differentiated climate tech and energy transition advice.

The Energy Transition Group aims to be a centre of excellence providing a broad spectrum of expertise regarding the energy transition – including renewable power generation, nuclear, battery storage technologies, carbon capture, biofuels, hydrogen and many other areas of energy transition finance.

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation B | Strategic Pillar 3

Investment Bank (continued)

Sustainable Banking Group

The Sustainable Banking Group supports the sustainability needs of our clients across all industries through a tailored approach to coverage, advice and execution across M&A, risk management, equity and debt.

The team focuses on covering the range of sponsors and investors with dedicated sustainability capital, advising clients on sustainability matters and offering a broad range of sustainable capital markets products.

Sustainable Project Finance

The Sustainable Project Finance team provide tailored project financing solutions for clients aiming to decarbonise their business, accelerate the development of low-carbon technology and monetise the associated transition-related revenue opportunities.

The team specialise in arranging debt financing across our infrastructure, industrial, energy and digital client base. They are flexible in their deal structuring, offering a range of financing options including tax equity, global debt arrangement and structuring, as well as offering strategic M&A, rates and capital market expertise.

The team is experienced in co-ordinating complex due diligence processes, enabling them to implement capital structures for projects carrying technical or performance risks.

Sustainable Product Group

The Sustainable Product Group provides structuring services and advice to clients in Investment Banking and UK Corporate Banking focused on executing green and sustainability-linked financing for clients.

The team works with clients to review ESG strategies and provide insight into appropriate solutions to align financing with borrower clients' strategic priorities.

Lightsource bp

Barclays and Lightsource bp committed in 2024 to a $140 million tax equity deal, which has now been successfully financed, enabling the construction of the Prairie Ronde 180MWdc solar project in St. Landry Parish, Louisiana. Barclays acted as the sole external equity investor on the tax equity deal. Lightsource bp plans to build, own, and operate the solar farm, which is estimated to abate 231,800 metric tons of carbon emissions each year and create 250 new jobs during construction. Lightsource bp has also committed to increasing biodiversity on the land, working in partnership with local experts to grow a variety of beneficial plants under and around the solar panels.

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation B | Strategic Pillar 3

Investment Bank (continued)

Hometree

Hometree, a residential energy services company with an ambition to decarbonise more than one million homes in the United Kingdom by 2030, secured a £250m asset-backed debt facility from Barclays in June 2024. At the time, the facility marked the United Kingdom's inaugural residential renewable securitisation deal. Hometree is using the facility to finance over 28,000 residential solar panel systems, batteries and heat pumps across the United Kingdom over 2025 and 2026.

Global Markets

The Global Markets team channel investments into sustainable activities, through a comprehensive range of solutions across asset classes.

The team offer specialised securitisation and credit solutions for emerging climate technologies and sustainable investments more broadly. The team intermediates capital requirements that are central to the carbon transition, matching institutional investor capital with corporate and scale-up business models that are focused on emerging climate technologies and more broadly those that are best positioned to navigate the transitions' risks and opportunities.

In 2024, we continued to grow our Global Markets financing business backed by assets that match our Sustainable Finance Framework and Transition Finance Framework and support the long-term green, transition and broader sustainable financing requirements of our clients, with a focus on securitised products in residential and solar, heat pumps and electric vehicles.

Green & Social Notes programme

The Barclays Bank PLC Green & Social Notes programme covers Barclays'-issued products in the Equities and Rates space, leveraging use of proceeds assets including renewable energy and energy-efficient real estate, in line with the requirements set out in our Green & Social Notes Framework.

Sustainable Investing Research

Our approach to Sustainable Investing research is differentiated through broad-based engagement with ESG issues and higher-quality insights with our investor clients. The Sustainable Investing Research team collaborates with Equity and FICC research teams to identify and analyse material ESG opportunities and risks, and to integrate ESG into their analysis and recommendations. The team also analyses how investors measure and consider ESG factors in the investment process, helping asset managers structure their portfolios and investment decisions.

Over 330 ESG-focused research reports were published in 2024. Our expectation is that topics such as climate, transition and nature – as well as other sustainability themes and specific ESG attributes – will remain in focus for investors. The Sustainable Investing Research team actively monitors and analyses market developments, from fund flows to the ESG-labelled bond market to thematic trends to policy developments, to understand how the sustainable investing market is developing and evolving. During 2024 Sustainable Investing Research hosted and contributed content to over 230 client events around the world – including Barclays' second Sustainable Finance Conference in New York, its second Sustainable Finance Conference in Hong Kong, and its ESG Emerging Market Corporate Days.

Further details on Sustainable Investing Research can be found at: **cib.barclays/research**

Thematic Investing Research

The Thematic Investing Research team focuses on long-term thematic disruption. Its reports are produced in conjunction with sector analysts, with the aim of identifying multi-year sector trends that could help shape the future business environment. Typically the team identify topics with a five- to 10-year horizon, with investment opportunities spanning both public and private companies.

To aid both thematic and ESG investors, the team maintains an investment framework known as the '2030 Thematic Roadmap: 150 Trends' – and has published reports on various trends relating to disruptive technology, sustainability and demographic change. The team has also developed a range of investment tools including trend momentum scores, UN SDG mapping and company revenue tagging.

Relevant 2024 publications include Powering AI, Green Data Centers, Grid Infrastructure, Water Technology, Earth Observation, Biodiversity, Behavioural Health and Fertility.

Further details on the Sustainable and Thematic Investing Research team can be found at: **cib.barclays/our-insights**

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation B | Strategic Pillar 3

Barclays Climate Ventures portfolio by Barclays Principal Investments

Barclays' Treasury plays a key role in helping Barclays meet its climate goals by allocating, managing and governing its financial resources effectively and executing sustainable principal investments and transactions, supporting businesses to advance strategic climate objectives in the transition to a low-carbon economy.

Barclays Climate Ventures

In 2024, Sustainable Impact Capital was rebranded to Barclays Climate Ventures (BCV) to better reflect our focus and mandate. BCV has a mandate to invest up to £500m into climate tech start-ups by the end of 2027 with the Barclays Principal Investments team driving the plan towards delivering on the commitment and helping support our clients' transition to a low-carbon economy.

Further examples of our green innovation financing can be found at: **home.barclays/sustainability/our-position-on-climate-change/accelerating-the-transition/sustainable-impact-capital/**

Our aim is to bridge financing gaps and support the acceleration of solutions to environmental challenges, which may include nature-positive outcomes as with ECOncrete, one of BCV's portfolio companies, delivering high-performance ecological concrete technologies that enhances marine biodiversity.

During 2024, we continued to strategically provide support and capital to innovative early-stage climate tech companies pioneering breakthroughs in clean energy technology. We have made meaningful progress towards building a portfolio of strategic investments. £203m of our £500m investment mandate has been deployed since 2020, with £65m invested in 2024 – up 31% from 2023.

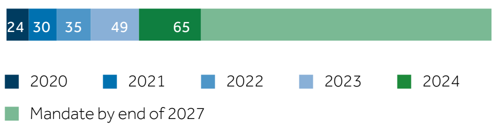
We continue to focus on decarbonisation technologies supporting transition within carbon-intensive sectors, particularly where Barclays has meaningful client exposure – such as Buildings, Energy, Transport, Agriculture and Industry – including solutions delivering carbon capture, carbon dioxide removal and green hydrogen.

Further examples of our entrepreneur and innovation programmes can be found on **page 99**

£203m

Achieved to date

Our portfolio of investments since 2020
(£m)



LuxWall

LuxWall's vacuum insulated glass, Enthermal™, offers better energy performance compared to conventional windows by significantly reducing convective, conductive and radiative heat gain and heat loss in buildings. Five times more insulating than double-paned glass, Enthermal™ reduces building heating costs by up to 45% and can be retrofit into existing window frames, which reduces re-glazing costs by up to 50% for end users.

Barclays' investment will enable LuxWall to scale up production at their existing factory, build a second factory, and scale research and development.

Implementing our Climate Strategy (continued)

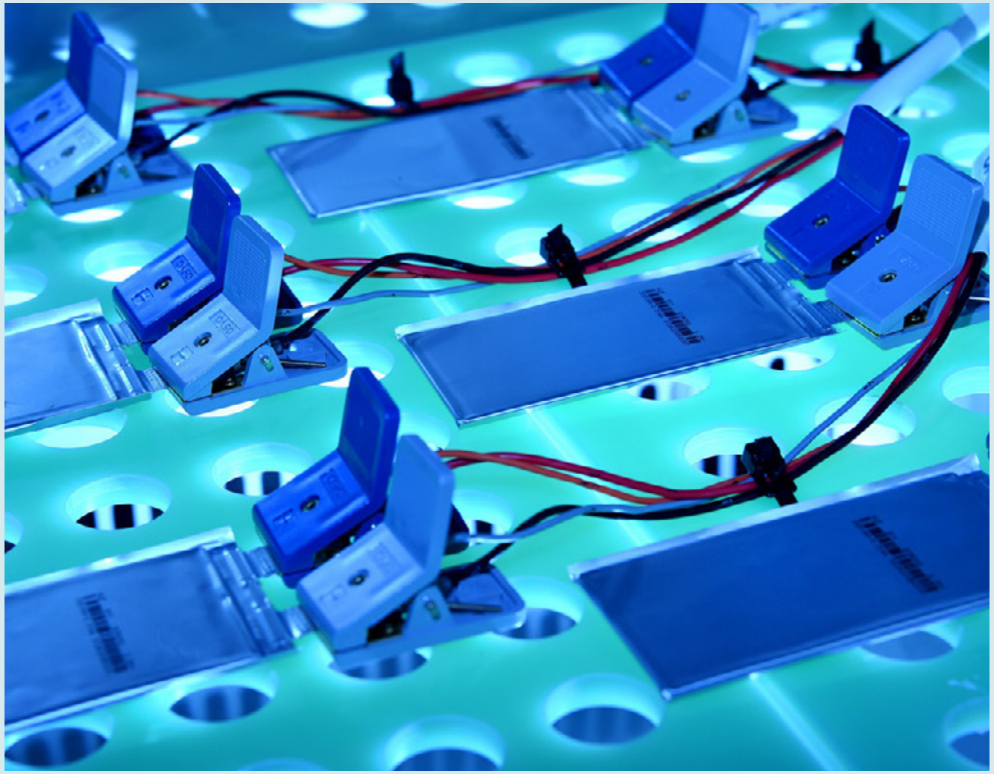
TCFD Strategy Recommendation B | Strategic Pillar 3

Barclays Climate Ventures portfolio by Barclays Principal Investments (continued)

ELM Mobility

ELM Mobility, a joint venture between Prodrive Advanced Technology and Astheimer Design, is a UK company specialising in fit-for-purpose last mile delivery vehicles. Their debut vehicle has a larger and easy to access load bay than a compact van but is half the weight and has a 40% smaller footprint. This makes the vehicle easy to manoeuvre and park enabling faster deliveries. The result is a step change in efficiency, reducing the cost per delivery whilst also significantly reducing its impact on the cities.

Barclays' investment will support the next phase of vehicle development, maturing the design prior to certification and production starting in 2028. In the nearer term, ELM Mobility will create a number of vehicles for engineering signoff and client testing, which will involve trials with logistics companies.



Echion Technologies

Echion Technologies supplies its niobium-based anode material, XNO®, to cell manufacturers looking to build lithium-ion batteries for heavy-duty vehicles, offering safety, long cycle-life, and fast-charging capabilities. Echion's XNO® niobium-based anode material enables lithium-ion (Li-ion) batteries to safely fast charge in less than 10 minutes, maintain high energy densities even at extreme temperatures, and deliver high power across a cycle-life of more than 10,000 cycles.

Recently, Echion opened its niobium-based anode production facility, capable of producing 2,000 t/year of XNO®, equivalent to 1 GWh of Li-ion cells. In a time where battery technologies are crucial, Barclays' investment in Echion Technologies will enable the company to accelerate the speed at which its network of partnered cell manufacturers is able to produce commercially available cells which utilise Echion's innovative niobium-based XNO® anode material.

Implementing our Climate Strategy (continued)

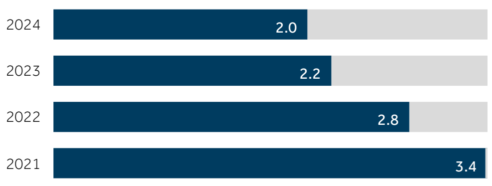
TCFD Strategy Recommendation B | Strategic Pillar 3

Treasury green programmes

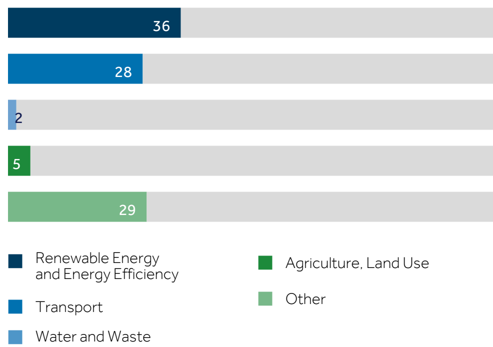
Green bond investment portfolio

Treasury invests in green bonds as part of the liquidity pool. As an investor we undertake work to ascertain the ESG credentials of proposed investments. We engage with green, social and sustainability bond issuers to understand how their frameworks and goals align with our investment approach. The proceeds of our green bond investments fund projects in areas such as renewable energy and clean transport. We continue to consider new investments in supranational organisations and government-issued green bonds as they become available, with the aim to invest £4bn over time.

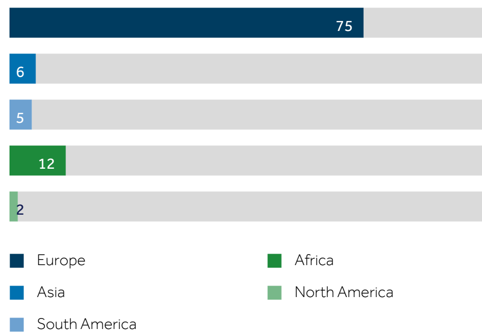
Green bond investment portfolio size by year (£bn)



Green bond investment portfolio impact by sector (%)



Green bond investment portfolio impact by region (%)



Private Bank and Wealth Management

Responsible investing

Private Bank and Barclays Investment Solutions Limited (BISL)

Private Bank operates businesses in Ireland, the UK, Jersey, Guernsey, Isle of Man, Switzerland, India, Dubai, Monaco and Singapore. BISL provides services to UK residents.

We support our clients' decisions to invest to meet their financial and non-financial goals, which includes conventional products and specific areas such as responsible investing.

In the Private Bank and BISL, responsible investing[1] means integrating material ESG considerations – among others – into our investment decisions and fulfilling our stewardship responsibilities through engagement and voting. This is a contributing element in meeting our fiduciary duties towards our clients.

As a long-term investor, we believe material ESG considerations can impact portfolio returns, and so are one of the important relevant considerations in managing risk effectively and delivering successful investing outcomes for our clients.

In 2024, we worked to align the Private Bank and BISL responsible investing approaches and we expect to continue to align these approaches further going forward.

Private Bank and BISL offer a range of investment options, with core services including discretionary portfolio management (DPM) services and managed funds. DPM services are offered across both the Private Bank and BISL.

Private Bank and BISL DPM traditional strategies include Global Multi-Asset Class strategies, Equity strategies and Fixed Income strategies. Private Bank DPM Sustainable strategies are the Multi-Asset Class Sustainable Total Return Strategy and the Sustainable Global Equity Strategy.

BISL has several ranges of managed fund solutions, including multi-asset funds and single-asset class funds.

Some of these funds may exclude certain companies that generate revenues over our internally defined thresholds such as adult entertainment, armaments, gambling, fossil fuels, alcohol, tobacco and/or controversial weapons[2].

Both Private Bank and BISL factor responsible investing into their DPM services. For our traditional strategies, we maintain a set of exclusions that do not allow us to invest in businesses we view as being involved in the manufacture of controversial weapons[2], and we may also take into account material ESG considerations as part of the investment process[3].

Our Private Bank DPM Sustainable strategies seek to invest in businesses that will not only generate competitive, risk-adjusted returns, but also those that provide products and services that will help move us towards a more sustainable future.

We identify entities we believe are able to mitigate material ESG risks from an investment perspective, demonstrate high standards of non-financial ESG quality[4], and whose economic activities contribute to at least one of the United Nations Sustainable Development Goals (UN SDGs).

Our Sustainable strategies also exclude certain companies that generate revenues over our internally defined thresholds from adult entertainment, alcohol, tobacco, gambling, armaments, controversial weapons[2], and fossil fuels[5].

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation B | Strategic Pillar 3

All our DPM strategies seek to deliver competitive investment returns for our clients and create long-term value for stakeholders. We believe responsible investing helps us achieve this.

For BISL, a majority of the assets we manage on behalf of our clients are invested indirectly, through third-party fund managers. The BISL Funds team aims to assess those managers based on their ESG approach among other relevant factors. This includes assessing managers on how ESG is embedded across each of five key areas: the Parent company; the People managing the assets; the investment Philosophy employed; the robustness of the Process; and the Performance achieved.

Further details on the Private Bank's approach to responsible investing can be found at: **privatebank.barclays.com/what-we-offer/investments/responsible-investing-engagement-and-voting-activities**
Further details on BISL's approach to responsible investing can be found at: **barclays.co.uk/wealth-management/important-information/responsible-investing-statement**

Industry initiatives

Private Bank and BISL

Barclays Private Bank Investment Management became a signatory to the Principles for Responsible Investment (PRI) in 2022. BISL became a signatory to the PRI in 2023. BISL also became a signatory to the UK Stewardship Code in 2023.

Engagement and voting

Private Bank and BISL

We recognise that in the Private Bank and BISL, our role as responsible investors is to aim to integrate material ESG considerations into our investment decisions and stewardship responsibilities, by positively influencing companies' long-term management of material ESG risks through engagement and voting. This is consistent with our business objectives and aims to deliver competitive investment returns for our clients and to create long-term value for stakeholders.

Stewardship through engagement and voting is an important part of our approach to responsible investing. We view engagement and voting as an important mechanism through which to hold management to account, and act as a lever to promote change in investee companies on material ESG issues where appropriate. We believe companies that can better manage material ESG issues could be less prone to severe incidents such as fraud, litigation or reputational risks.

Both the Private Bank and BISL undertake engagement and voting in partnership with our stewardship services provider, EOS at Federated Hermes Limited (EOS), in respect of certain holdings relating to specific services[6]. We believe that via our partnership with EOS, we can have more influence to engage with investee companies on long-term risks and opportunities.

Voting forms part of the Private Bank and BISL's overall stewardship strategy. Based on various metrics, BISL funds[7] filter EOS's voting recommendations in relation to company holdings and, if deemed necessary, our BISL Fund selection team may deviate from EOS's recommendation.

At Private Bank DPM and BISL DPM, for our direct equity holdings, we use our rights as shareholders to seek to drive our desired changes. Following receipt of EOS's voting recommendations, our Equity portfolio managers meet to discuss this information for a select number of voting issues in advance of making the voting decision on behalf of our clients. Our Equity portfolio managers are ultimately responsible for making voting decisions.

All voting activities sit alongside engagement practices, reflecting both the Private Bank and BISL approach of promoting constructive dialogue with investee companies by building long-term relationships to seek to influence ESG and other practices that may impact our clients' investments. This is mostly undertaken by EOS, which engages on behalf of clients, including Barclays with a wide range of stakeholders – including companies, government authorities, trade bodies, unions, investors and NGOs – to seek to identify and respond to both company-specific and market-wide and systemic risks.

Both the Private Bank and BISL make engagement and voting activities publicly available to all stakeholders on the Barclays website. We believe such transparency is an integral part of good governance.

Further details on engagement and voting can be found at:
Private Bank: **privatebank.barclays.com/what-we-offer/investments/responsible-investing-engagement-and-voting-activities**
BISL: **barclays.co.uk/wealth-management/important-information/responsible-investing-statement**

Responsible lending

Private Bank and BISL

To support clients in making more sustainable lending choices, our Greener Mortgage Discount[8] is available for UK properties, offering a reduced arrangement fee for new-build properties with an EPC rating of A-B – incentivising clients to seek more energy-efficient properties and to encourage homebuilders to achieve maximum energy efficiency from their projects.

Clients will also be given guidance around the energy efficiency of their existing properties – we have previously released publications on this topic for Swiss clients[9] and have during 2024 done the same for clients globally[9]. This falls into the wider work we have undertaken on creating educational content and guidance[10] for clients in relation to ESG in the Real Estate space and beyond. Our key focus for 2025 will be improving our access to data regarding the carbon footprint of our Real Estate portfolio and working with clients and peers in the wider Real Estate landscape to identify which product and proposition changes will have the most uptake and therefore the most impact on our carbon footprint.

Notes:

1 Applies to Private Bank DPM and BISL DPM and BISL funds. ESG integration and engagement and voting are not undertaken in India, these strategies are developed for the local market.
2 Barclays have no appetite for providing any Financial Proposition (financial services including but not limited to banking, advisory or investment services) to companies known to trade in, or manufacture, nuclear, chemical, biological or other weapons of mass destruction.
3 Please note approaches may differ across Private Bank DPM and BISL DPM. We may also have portfolios with specific requirements where we need to vary our approach to our core strategies.
4 The inclusion of ESG considerations into investment due diligence can provide an indication of the operational quality of an entity, and its ability to mitigate risk to future cash flow that may arise from ESG considerations. Our sustainable strategies seek to invest in entities that we believe are able to mitigate ESG risks from an investment perspective and also demonstrate high standards of non-financial ESG quality (e.g. high-quality environmental standards, safe working environment). The portfolio managers determine this based on their proprietary research and understanding of the instruments we seek to invest in.
5 Private Bank DPM Sustainable strategies exclude direct equity or fixed income holdings in entities within the energy and utilities sectors, and the metals and mining sub-industry, that have proved and probable fossil fuel reserves for energy purposes or derive revenue from activities associated with the energy application of fossil fuels.
6 It is our intention to exercise voting in all markets, although at times our ability to do so may be hindered by regulatory and practical considerations as well as internal restrictions. Engagement on select material ESG issues and voting activities are being exercised in relation to:
For Private Bank: Private Bank DPM investment strategies globally with the exception of services provided in India. Engagement activity is undertaken for our direct fixed income and equity holdings in companies, while voting activity is only undertaken for our equity holdings. Engagement and voting activities are undertaken for portfolios managed in the UK, Jersey, Ireland, Switzerland and Monaco.
For BISL: Direct holdings within BISL DPM investment strategies and on holdings within segregated mandates that form part of BISL funds.
7 Holdings within segregated mandates that form part of BISL funds.
8 This is how we are now describing the Green Private Bank Mortgages referenced in the 2022 Barclays PLC Annual Report.
9 Please see privatebank.barclays.com/content/dam/privatebank-barclays-com/en-gb/private-bank/documents/what-we-offer/real-estate-financing/B631_Energy%20efficiency%20factsheet_UK_CD.pdf .
10 This content is available to clients and colleagues. We have also trained colleagues on how to better deliver this guidance to clients.

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation B

Embedding climate and sustainability into our business

We are embedding climate and sustainability throughout Barclays, taking into account the impact of climate-related risks and opportunities on our businesses, strategy and financial planning.

Impact of climate-related risks and opportunities on our business, strategy and financial planning

Barclays' 2024 financial planning process included a review of our strategy, its implementation, and tracking of our progress against climate-related targets – as well as capturing a view of climate-related risks and opportunities.

During 2024 we continued to enhance our monthly reporting framework to cover a view of the balance sheet and revenue from Sustainable and Transition Financing. This supports our ability to review our Sustainable and Transition Financing portfolio at greater granularity and improve relevant business engagement through the financial planning process. Enhancements were made to help us further evaluate the portfolio's performance and identify opportunities to maximise revenue generation activities.

These outputs have been incorporated in our financial planning process for 2024. Our planning process also considered current climate policies to ensure they are included in the base scenario.

We also considered impairment over the horizon of the financial plan. At this point in time, there are no associated material amendments required to the financial plan.

All key businesses and applicable functions are involved in integrating climate-related risks and opportunities into our financial planning process. Implementing our climate strategy is managed through central Sustainable Finance teams under the Group Head of Sustainable and Transition Finance.

For example:

- The three pillars of our climate strategy are key drivers of our finance planning process with a pathway towards aiming to achieve this as well as risks and opportunities reviewed with business heads.
- We continue to develop our sustainable and transition finance to ensure that we have a full offering for our clients and customers.
- We strive to continue to decarbonise our own operations, reducing our Scope 1 and 2 emissions and our Scope 3 operational emissions.
- We are tracking progress towards portfolio alignment of our financed emissions with the goals and timelines of the Paris Agreement through BlueTrack™, which includes a number of portfolio alignment metrics and levers available to manage the portfolio against these targets while understanding their financial implications. The metrics are subject to second-line review to assess the strategy against the targets. We have developed an internal approach to track and monitor progress against our targets.
- We conduct portfolio reviews to monitor whether business activities are conducted within Barclays' mandate and aligned with our expectations, and whether they are of an appropriate scale relative to the risk and reward of the underlying activities. Mandate & Scale Exposure Controls form part of our overall Risk Appetite Control Framework and climate risks have been integrated into annual credit portfolio reviews for elevated risk sectors since 2020. We continue to monitor against mandate and scale limits linked to scoring within our Client Transition Framework.

The 2024 financial planning process used a five-year baseline scenario to consider the impacts of climate risks. The baseline scenario considered the impact of current and agreed climate policies across the UK, US and EU on macroeconomic variables such as GDP and unemployment. This was done via a detailed assessment of climate policy impacts, likelihood of implementation and current level of policy progress. The outcome of this assessment led to a conclusion that there is currently a de minimis impact on the macroeconomic variables used to project financial performance. We will continue to review how climate risks manifest in the economy through a baseline scenario.

Workstreams specifically related to finance have been further embedded within our overall global financial planning processes, including dedicated climate management reporting information. Further details of how this work has served as an input in our five-year financial planning process and are set out below – including our approach to Sustainable and Transition Financing, targets and capital investments.

During the 2024 financial planning process we assessed the financial impact of embedding individual parts of our climate strategy, new initiatives and targets across our businesses.

A range of scenario analyses was undertaken during 2024 with the aim to further uncover areas of risk and opportunity, as well as integrate climate scenario analysis into our strategic and financial planning. This included a climate aware internal stress-test with the results allowing Barclays to also understand resilience to climate risks in this scenario.

Implementing our Climate Strategy (continued)

TCFD Strategy Recommendation B

The strategic review of sustainable financing was also refreshed during the year across key businesses. The review built upon both new and previously identified commercial opportunities. The output was considered in the financial planning process, including incremental revenue, cost and capital. For further detail on the strategy, please see the 'Sustainability and climate-related opportunities identified over the short, medium and long term'.

Key opportunities continue to reside within Debt Capital Markets, Equity Capital Markets, Transaction Banking and lending, and some smaller new markets.

The planning process included an assessment of our financed emissions portfolios for the eight high-emitting sectors where we have set absolute emissions or emissions intensity targets: Upstream Energy, Power, Cement, Steel, Aviation, Automotive manufacturing, UK Commercial Real Estate and UK Agriculture, as well as our UK Housing portfolio for which we have set a convergence point. The impacts of our current plans to achieve these targets (where applicable) have been integrated into our financial planning process.

Barclays continues to engage with our clients to support their transition to a low-carbon economy. Our current emissions targets are not currently forecasted to materially impact financial performance over the next five years.

The financial planning process also covered a review of our net zero operations strategy.

We have formed key teams and continued to hire to grow our existing talent with a focus on expanding our product capabilities as we continue to drive performance against our selected targets. An example is the Energy Transition Group. The Energy Transition Group seeks to provide holistic and cohesive strategic advice and financing solutions through the energy value chain, with a particular emphasis on decarbonisation. Those teams will allow us to further implement our climate strategy and increase co-ordination, with a focus on how we can help our customers and clients with their individual transitions to a low-carbon economy.

We will continue to endeavour to further enhance how Barclays' climate strategy is embedded into the way we think about financial planning over the coming years – reflecting on the progress we made during 2024.

Skills, culture and training

Building our expertise

In 2024 we continued to educate colleagues on sustainability and climate change risk and opportunities, their impact on society and Barclays, and Barclays' strategy and response.

As we strengthen our sustainability capability and culture, our colleagues continue to build insights and expertise to help execute Barclays' climate strategy. We have made online learning available and created upskilling for specific areas in line with strategic priorities – including mandatory training and targeted development for certain teams relevant to their roles and responsibilities.

Our suite of Sustainability training resources is supporting wider awareness across the organisation, comprising of videos and eLearning. The topics covered include addressing climate change, principles of sustainability, how we support our communities, greenwashing risk and modern slavery.

During 2024, a mandatory training module on Sustainability, ESG and Climate Risk was delivered to circa 60,000 colleagues across Barclays including Investment Bank, UK Corporate Bank, Private Bank & Wealth Management, US Consumer Bank, Barclays UK and Chief Operating Office & Functions (Barclays Internal Audit, Compliance, Public Policy and Corporate Responsibility, Finance, Legal and Risk) – further developing colleagues' knowledge of the core elements of ESG. This module focused on how Barclays manages Climate Risk as a Principal Risk, greenwashing risk, Barclays' approach to nature and respecting human rights. Furthermore, the module covered our Group sustainability-related statements and internal standards and how they should be applied.

Further details on Barclays' sustainability statements and policy positions can be found from **page 41**.

We collaborated with external suppliers to deliver accredited development programmes for teams seeking to build specialist sustainability knowledge. For our UK Corporate Bank colleagues, in 2024, we invested in a Sustainability Academy to develop their climate and sustainability knowledge.

We will continue to support colleagues to enhance their knowledge in 2025 including a programme for our real estate specialists which focuses on sustainability in the context of the built environment.

During 2024, we began the rollout of a sustainable finance training programme focused on our Investment Banking, International Corporate Bank and UK Corporate Bank colleagues. The programme is designed to support their engagement with our clients' sustainability objectives and progress towards our $1trn Sustainable and Transition Financing target. The programme included training modules, sector focused videos and live webinars covering topics such as how to avoid greenwashing, concepts of climate and sustainability, including nature and social considerations, and our approach to sustainable and transition finance.

Implementing our Climate Strategy (continued)

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In Barclays UK, we have grown our Sustainability Champions community, bringing together colleagues to share best practice regarding sustainability across the business and access specialist training. We launched a Sustainability Influencer programme, with selected colleagues championing sustainability within their teams, to further embed sustainability in Barclays UK. In 2024 we also delivered a Barclays UK-specific training module to over 16,000 colleagues, delivered bespoke senior leader training, delivered role-specific training to colleagues in Business Banking, and launched our inaugural Sustainability Apprenticeships cohort in 2024, made up of colleagues from across Barclays UK who are obtaining a Level 4 course with an external provider which aims to educate people to understand and develop ways to support the transition to a low-carbon economy.

During 2024, we delivered nature-related education and awareness training sessions to colleagues in Barclays Europe, across the first and second line of defence, as well as the Barclays Bank Ireland PLC Board Risk Committee. The sessions covered the foundations of nature-related risk, as well as its assessment and application.

We continue to train colleagues on greenwashing – during 2024, interactive sessions were delivered to targeted colleagues across Global Markets, Compliance, Public Policy and Corporate Responsibility and Marketing, covering the FCA Greenwashing Rule and how to identify and mitigate greenwashing risk.

In 2024, with the support of external speakers, we delivered training on human rights (including external context and focus on salient human rights issues identified by Barclays) to the Group Sustainability Committee and Board Sustainability Committee.

Throughout September 2024, Sustainability September – a communications campaign across the organisation – helped engage colleagues on key sustainability-related topics, including Barclays' approach to respecting human rights and approach to financing the transition to a low-carbon economy, as well as how Barclays is transforming its own operations and reducing its financed emissions to achieve net zero. This included short videos, interactive panel events and associated reading materials.

Incentives

For the Executive Directors of Barclays PLC, an element of each of their 2024 annual bonus and 2024-2026 Long Term Incentive Plan awards was driven by non-financial performance measures, including measures relating to climate and sustainability.

Barclays' performance against non-financial measures, including climate and sustainability-related measures, was also explicitly considered in the determination of the incentive pool for 2024 performance, impacting pay levels across the workforce. Individual bonus outcomes are determined based on Group, business, and individual performance. Performance for all colleagues, including the Executive Directors and other Executive Committee members, is assessed against colleague-specific performance objectives, which are aligned to the five lenses of the consistently excellent standard. The lenses include world-class service, precision, focus, simplicity, and diversity of thought, with sustainability considerations included as part of our objective to deliver world-class service. The Group Executive Committee members responsible for Barclays' five business divisions have specific business-related sustainability-related objectives included in their performance assessment. For all other employees, sustainability-related objectives will be role dependent. For example, within the Public Policy and Corporate Responsibility function, objectives for relevant roles will include measures to support the delivery of our climate strategy, or for relevant roles in the Investment Banking energy transition team objectives will include progress towards our financed emissions targets.

Non-financial performance for the Executive Directors' 2024 annual bonus and the 2024 incentives pool was assessed against four categories: Customers & clients; Colleagues; Climate & sustainability, and Risk & operational excellence. The Climate & sustainability category assessment included measures such as performance against our Sustainable and Transition Financing target, financed emissions reduction targets, targets relating to achieving net zero operations – as well as measures relating to our investment in communities.

Further details can be found in our Remuneration report from **page 186**

Implementing our Climate Strategy (continued)

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Our approach to nature

We have continued to develop our work on nature, which is intrinsically connected to our efforts to mitigate and adapt to climate change.

Banks have an important role to play in contributing to nature-positive finance and managing their nature-related risks.

Nature is a key sustainability focus for Barclays, given that nature and its ecosystem services fundamentally underpin economies and societies. Nature is also important to the financial sector due to its interlinkages with climate change and social impacts, with disclosure requirements moving towards a more holistic approach to nature, climate and social risks and opportunities. During 2024, nature loss continued to be recognised within new and emerging industry guidance. Notably, the Taskforce on Nature-related Financial Disclosures (TNFD) provided additional guidance for financial institutions to assess and disclose nature-related risks and opportunities. Furthermore, discussion papers were published by the TNFD on nature transition planning, and by the Glasgow Financial Alliance for Net Zero (GFANZ) on the role of nature in net-zero transition plans. Barclays provided input into a paper launched by the Transition Plan Taskforce (TPT) regarding the future for nature in transition planning as part of our membership of the TPT's Nature Working Group. We intend to publish Barclays' Transition Plan later this year which will seek to incorporate our developing thinking on nature.

In 2024, we established the Nature Programme, a formal programme of work focused on continuing to enhance and embed the Group's approach to nature across our business. It brings together expertise from Climate Risk, Group Sustainability, Sustainable Finance, Finance, Data & Technology and others and it provides a governance structure and platform for businesses and functions to collaborate and to take strategic decisions relevant to nature with a firm-wide impact. Key outputs of this programme have included two LEAP assessments summarised in the 'Building our understanding of nature-related risk' section on page 67 and a preliminary assessment of nature-related opportunities of four key sectors summarised in the 'Identifying nature-related opportunities' section on page 68.

We have also determined our areas of strategic focus for 2025 and beyond, in support of the Global Biodiversity Framework (GBF) goals and contributing toward our clients' nature-positive transition. The first relates to our approach to nature-related impact and risk management, where we plan to build on our work undertaken in 2024 to conduct a pilot engagement exercise with a selection of Barclays Mining and Barclays Europe Power clients, to share insights and – where applicable – to explore their strategic and financing requirements, as well as to undertake a further sectoral LEAP assessment. We also plan to further embed nature considerations into existing client assessment tools such as the Client Transition Framework. Another area of focus is internal capability building to support our clients with their own nature-related strategies, including roll out of nature training to key colleagues. Finally, we are continuing to contribute to external initiatives to seek to identify common nature challenges for the sector, better understand the complexity of implementing the GBF, and to consider potential opportunities to close the financing gap.

Nature-related risk in financing

We include financing restrictions that seek to address nature-related risk within our position statements on Forestry and Agricultural Commodities, Protected Areas, and Climate Change. We continue to review and monitor how we can strengthen our approach. In 2024, we undertook a significant update of our Protected Areas Statement (formerly known as World Heritage Site and Ramsar Wetlands Statement) to expand the scope of existing restrictions relating to project finance to include all designated Protected Areas and their buffer zones.

We have continued to develop our approach to evaluating nature-related risk in financing. In 2024, we applied the TNFD 'LEAP' framework to our Barclays Mining and Barclays Europe Power portfolios.

Our policy statements can be found on the Barclays ESG Resource Hub at: **home.barclays/ sustainability/esg-resource-hub/**

Further details on our policy positions can be found in the 'Environmental-related policy statements' section on **page 42** and in the 'Sensitive sector and area policies' section on **page 90.**

Nature-related financing

Nature-related financing presents future opportunities for the financial sector, given the capital requirements to address and reverse nature loss. The biodiversity financing gap is estimated to be $700bn per year[1].

We will continue to work towards meeting our $1trn Sustainable and Transition Financing target, which includes financing relevant to nature as set out in our Sustainable Finance Framework (SFF). The SFF includes categories such as Sustainable Food, Agriculture and Forestry, Pollution Prevention and Control, Resource Efficiency and Circular Economy, Sustainable Water, and Nature-based Solutions, which we have mapped to nature-related UN SDGs – including SDG14, Life Under Water and SDG 15, Life on Land. We have updated our SFF to version 4.2, published in February 2025, including enhanced nature-related green eligibility criteria.

For more details of our sustainable and transition financing see the 'Financing the transition' section from **page 91**, including 'Financing nature' on **page 95**.

Engagement

We see appropriate collaboration and engagement across industry as essential for sharing learnings across the sector and a successful nature-positive transition. For more information on how we engage with industry and cross-sector groups see the 'Engagement with industry' section on page 120 and the Private finance in National Biodiversity Strategies and Action Plans case study on page 95.

Nature disclosure directory

The table below shows our nature-related disclosures on the topics of governance, strategy, risks and opportunities and metrics.

Note:
1 cbd.int/doc/decisions/cop-15/cop-15-dec-04-en.pdf

Implementing our Climate Strategy (continued)

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Nature action roadmap

The below roadmap highlights key actions and policies on nature to date and our plans for 2025 and beyond.

2018
- Published the World Heritage Sites and Ramsar Wetlands Statement

2019
- Published the Forestry and Palm Oil Statement

2020
- Launched a three-year partnership with the Blue Marine Foundation
- Published the Forestry and Agricultural Commodities Statement[1] including new financing restrictions for the Soy sector
- Added restrictions for Arctic Oil and Gas to the Climate Change Statement

2021
- Joined the TNFD[2] Forum

2022
- Initiated pilot TNFD LEAP[3] assessment led by UNEP FI[4] of the UK and European Food and Agriculture portfolios

2023
- Developed nature heatmap for key sectors
- Provided nature-related training to Barclays' Board
- Disclosed credit exposures to nature priority sectors for the first time
- Updated the Forestry and Agricultural Commodities Statement, including through addition of financing restrictions for South American beef
- Co-led development of a paper on Financing Coastal NbS[5] as part of the SMI[6]
- Engaged with the TNFD on Financial Services sector recommendations and guidance

2024
- Conducted TNFD LEAP assessments of the Barclays Mining and Barclays Europe Power portfolios
- Conducted a Nature Exploratory Stress Test for Barclays Europe
- Launched pilot nature questions in the CTF[7] for the Power sector
- Updated the Climate Change Statement, including through addition of financing restrictions for the Amazon Biome and biomass EDD[8] requirements
- Published policy paper 'Cultivating a nature market that works for UK farmers[9]
- Announced collaboration with the Environment Bank on biodiversity net gain
- Continued assessment of our real estate operations informed by the TNFD LEAP framework
- Delivered nature-related training to colleagues in Barclays Europe and the Barclays Bank Ireland PLC Board Risk Committee

2025 and beyond
- Published[10] the Protected Areas Statement[11]

Looking ahead
- TNFD LEAP assessment of an additional sector
- Targeted client engagement informed by the LEAP assessments
- Roll out of nature training to key colleagues
- Nature questions to be expanded across CTF evaluations
- Publish whitepaper on our approach to applying the LEAP framework

Notes:
1 Formerly known as Forestry and Palm Oil Statement. | 2 Taskforce on Nature-related Financial Disclosures. | 3 Locate, Evaluate, Assess, Prepare. | 4 United Nations Environment Programme – Finance Initiative. | 5 Nature-based solutions. | 6 Sustainable Markets Initiative. 7 Client Transition Framework. | 8 Enhanced Due Diligence. | 9 https://home.barclays/insights/2024/10/the-opportunity-of-biodiversity-net-gain/ | 10 Expanded existing financing restrictions for project finance to include all Protected Areas and their buffer zones. | 11 Formerly known as World Heritage Site and Ramsar Wetlands Statement.

Implementing our Climate Strategy (continued)

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Just transition

We have continued to develop our work on just transition, which is intrinsically connected to efforts to mitigate and adapt to climate change.

Barclays aims to contribute to a just transition that seeks to manage the negative social impacts of the transition on people, maximise socioeconomic opportunities for people, and engage with affected people on these impacts and opportunities. When doing so, Barclays considers all its stakeholders, including its workers, communities, customers, and supply chains. This is anchored in external best practice and guidance, including the UK TPT guidance on a just transition.

Barclays is committed to respecting the rights of people and communities in the context of the transition.

The impacts of climate change and the transition was identified as a salient human rights issue in our 2023 saliency assessment and is one of our five human rights Focus Areas for Progress.

For more details see the 'Human rights' section from **page 248**

In 2024, key activities we engaged in included:

We are working to better understand how our clients are managing just transition topics, and strengthen our client engagement around this. This includes how they manage the impacts of the transition on people through their human rights policies and due diligence processes and their plans for workforce transition. This also considers the extent to which just transition factors may have wider commercial ramifications for the pace or cost of a client's transition in the markets in which they operate.
Barclays undertook just transition assessments for high-emitting sectors where just transition is a consideration, for example, energy, power and utilities, and food and agriculture. We assessed social risks that could disrupt the cost or pace of the transition, potential adverse social or human rights impacts on people, and potential socio-economic opportunities for people. These assessments will help inform our understanding of risks, impacts, and opportunities in the context of sustainable and transition finance.

Barclays Climate Ventures portfolio companies were engaged to build their understanding of how they can contribute to a just transition. As a result, one portfolio company was supported to enhance social and human rights considerations in its supply chain due diligence processes, including aligning questions more closely with relevant social risks.

We continued our work to understand the importance of place-based considerations in the just transition and are collaborating with Aberdeen City Council, bp, Shell UK, and SSE to consider ways of supporting a just energy transition for local communities and workers in Aberdeen. In 2024, with funding from participating companies, Aberdeen City Council led a procurement process to appoint a third-party partner to take the project forward in 2025 and develop potential interventions.

We have also continued to contribute to the development of a just transition approach for the financial sector through engagement with initiatives and the organisation of thought leadership events and discussions:

- As part of the TPT Just Transition Working Group, Barclays contributed to the publication of the advisory paper 'Putting People at the Heart of Transition Plans' providing guidance for issuers on key steps and metrics for just transition.
- We continued our engagement with the LSE, Grantham Institute and Just Transition Finance Lab, of which we are Founding Funder.
- Barclays hosted a roundtable on 'Realising a Just Energy Transition' at London Climate Week with SSE and the Just Transition Finance Lab.

Motability Operations

In 2024, Barclays acted as joint-lead manager on two triple-tranche EUR and GBP-denominated Social Bonds for Motability Operations Ltd (MO). Both deals represented the largest trades for MO at the time of pricing, in addition to extending the tenor of their existing EUR and GBP Social Bond curve. MO makes an important contribution to the UK economy, with a £4.3 billion contribution to UK GDP in 2022/23 and a social impact on customers' lives valued at £11.2 billion over the same period, primarily through improved customer wellbeing.

MO is dedicated to delivering smart, sustainable solutions that enhance the mobility of their customers and supporting them through the transition to electric vehicles (EVs). MO supports its customers' transition to electric vehicles by offering a wide range of EVs, facilitating home charging installations or providing public charging credits, simplifying costs through inclusive services such as insurance, educating users, and addressing range anxiety to ensure a smooth and accessible shift to sustainable mobility. By the end of 2023, MO had supported over 35,000 customers in transitioning to an EV.

MO delivers the Motability Scheme to over 800,000 disabled people across the UK. Since its founding in 1978, MO has grown to become the largest leasing company in the UK. Over this time, they have provided more than five million customers with affordable transport solutions.

Implementing our Climate Strategy (continued)

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Engaging with industry

By working with our partner organisations, memberships and industry initiatives, while gathering views and priorities from clients and industry stakeholders, Barclays is seeking to enable knowledge building and sharing to help shape our sustainable and transition finance ambitions.

In 2024, we worked with many of these bodies to examine the interdependencies facing the global energy transition, including the need to work across companies' full value and supply chains to maximise impact and support a just transition.

By leveraging the relationships we hold with our stakeholders and bringing together the financial sector, real economy, policymakers, NGOs, academia, and local communities, we believe that Barclays can enable knowledge sharing to support the delivery of impactful outcomes, and more informed decision-making.

In 2024, the themes we explored, through these engagements, included:

- Scaling commercial pathways for decarbonisation technologies in hard-to-abate sectors.
- The critical need for grid optimisation and planning.
- How to make nature-based solutions projects more bankable with the support of insurance.
- How to support farming communities in implementing regenerative practices while improving livelihoods.
- Directing capital towards climate resilience.
- Creating enabling environments through policy regimes.
- Working across companies' full value and supply chains and supporting a just transition

We also participated in a number of industry events, including London Climate Action Week, Climate Week New York, COP16 and COP29, where we explored topics such as opportunities to scale transition finance across sectors, with a particular focus on de-risking the technologies and projects that are most likely to catalyse progress.

Please see some of our key partnerships, memberships, and industry initiatives on the following pages. Our involvement in external organisations is determined by our strategy and advocacy positions and will continue to evolve over time as we remain committed to our ambition to be a net zero bank by 2050.

At Climate Week New York, Barclays co-hosted a roundtable with RMI and the UK Transition Finance Market Review (TFMR) discussing the barriers and levers to unlocking transition finance, and the role of policy and other stakeholders in bridging gaps that exist within the market. The event reinforced the importance of building collaboration and ambition across all sectors and jurisdictions, and creating a policy environment that provides the clarity and consistency needed to scale private finance for the transition.

Implementing our Climate Strategy (continued)

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External initiatives, signatories or memberships		Additional information
Multi-thematic		
Ceres	**Ceres**	In 2024, Ceres conducted a stakeholder engagement to drive insights for Barclays relating to the food and agriculture sector's decarbonisation opportunities. Further, the research highlighted the nexus between decarbonisation and just transition practices within the sector.
IETA	**International Emissions Trading Association (IETA)**	Barclays became a member of IETA, the primary business association for global carbon markets, in October 2024. IETA will enable enhanced alignment with best market practices and up-to-date insights on policy evolution and market design.
IIF Institute of International Finance	**International Institute of Finance (IIF)**	Barclays is a member of the Institute of International Finance (IIF) and contributed to the recent IIF staff paper on 'Resetting the debate on the role of private finance in the net-zero transition.' This paper examines the necessary enablers that must be in place to support the financial sectors' efforts on decarbonising hard-to-abate sectors Additionally, Barclays is a member of the IIF Nature Expert Group and has contributed to industry consultations on nature alongside other FIs.
PERSEUS	**Perseus**	In 2024 Barclays became a member of Perseus, aiming to allow individual businesses to securely share their consumption data to create sustainability reports with personalised recommendations.
Sustainable Markets Initiative	**Sustainable Markets Initiative**	Barclays is a member of the Sustainable Markets Initiative's (SMI) Financial Services Task Force (FSTF). We were part of a number of working groups addressing nature themes, including a group focusing on the role of private finance in National Biodiversity Strategies and Action Plans (NBSAPs). In November 2024, Barclays Group CEO, C.S. Venkatakrishnan, was announced as the new Chair of the FSTF.
	Transition Plan Taskforce (TPT)	The Transition Plan Taskforce (TPT) was launched by HM Treasury in March 2022 with a mandate to bring together leaders from industry, academia, and regulators to develop good practice for transition plan disclosures for the finance sector and the real economy. In 2024, Barclays continued to contribute to the work of the Transition Plan Taskforce (TPT), which published the final versions of their sector-specific guidance documents – adopted by the International Financial Reporting Standards (IFRS) – and Nature and Just Transition advisory papers. We participated in the Banking, Metals & Mining, Food & Beverage, Nature and Just Transition working groups, and provided expert reviews for the Oil & Gas working group.
UN environment programme finance initiative	**United Nations Environment Programme – Finance Initiative**	Barclays has been a member of the United Nations Environment Programme – Finance Initiative (UNEP FI) for over 20 years and was a founding signatory of the UN Principles for Responsible Banking (PRB) as well as joining the Net-Zero Banking Alliance in 2021. Barclays is also a member of UNEP FI PRB's Nature Working Group, through which we have contributed to industry thought leadership on nature.
Just transition		
	Aberdeen Just Transition Collaboration	We are collaborating with Aberdeen City Council, bp, Shell UK, and SSE to consider ways of supporting a just energy transition for local communities and workers in Aberdeen. In 2024, with funding from participating companies, Aberdeen City Council led a procurement process to appoint a third-party partner to take the project forward in 2025 and develop potential interventions.
LSE Grantham Research Institute on Climate Change and the Environment	**LSE/Grantham Research Institute**	Barclays is a Founding Funder of the London School of Economics' Just Transition Finance Lab, which launched in 2024. We held an internal workshop with the lab to explore the key challenges and levers to delivering a just transition, including the critical need for credible and transparent metrics and innovative financial solutions that captures the impacts of social risks and opportunities on the ability to transition effectively.

Implementing our Climate Strategy (continued)

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External initiatives, signatories or memberships		Additional information
Nature		
	Taskforce on Nature-related Financial Disclosures (TNFD)	Barclays is a member of the Taskforce on Nature-related Financial Disclosures (TNFD) Forum, a consultative network of institutional supporters who share the vision and mission of the TNFD. Throughout 2024 we engaged directly with TNFD, both bilaterally, as part of our membership of the TNFD Forum and through industry groups in relation to the finalisation of the TNFD recommendations and to subsequent guidance, such as the financial services sector supplement.
	UK Business & Biodiversity Forum (UK BBF)	The UK Business & Biodiversity Forum (UKBBF) aims to accelerate the mainstreaming of biodiversity in business operations and public decision-making in the UK. In 2024 we participated in meetings and working group sessions with the forum, culminating in contributions at the organisation's event at COP16 alongside other UK businesses.
	World Economic Forum (WEF)	In 2024, Barclays participated in a bank-specific working group aimed at addressing risks and opportunities in the agricultural sector. The working group is convened by the World Economic Forum's Tropical Forest Alliance (TFA) finance sector engagement team.
Climate and sustainability		
	Center for Climate and Energy Solutions (C2ES)	Barclays remains a member of the Center for Climate and Energy Solutions (C2ES) Business Environmental Leadership Council (BELC), which we joined in 2022. In 2024, our continued involvement with the BELC enabled us to collaborate with C2ES by co-hosting a roundtable and Climate Week New York event focused on the interdependencies and barriers of the energy transition and the impact on transition plans. We are also active in their technology working groups.
	Climate Financial Risk Forum	The Climate Financial Risk Forum (CFRF) brings together UK regulators and senior financial sector representatives to share their experiences in managing climate-related risks and opportunities. During 2024, Barclays chaired the Climate Financial Resilience Working Group.
	Equator Principles	The Equator Principles establishes a financial industry benchmark for determining, assessing, and managing environmental and social risk in projects. Barclays was one of the four banks which collaborated in developing the principles, ahead of their launch in 2003, and remains a signatory. Barclays policies and procedures are aligned to the fourth iteration of the Equator Principles (EP4, 2020).
	Glasgow Financial Alliance for Net Zero	In 2024, Barclays joined GFANZ's Mobilizing Capital to Emerging Markets and Developing Economies Workstream and continued to participate in GFANZ's Transition Finance & Real Economy Transition Workstream. The latter workstream aims to develop voluntary methodology for firms to calculate decarbonisation contributions across transition finance strategies.
	Net-Zero Banking Alliance	Barclays joined the Net-Zero Banking Alliance in 2021 and has contributed to the development of NZBA guidelines.

Implementing our Climate Strategy (continued)

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External initiatives, signatories or memberships		Additional information
	Oxford Sustainable Finance Group & the UK Centre for Greening	As part of Barclays' three-year partnership with Oxford University, in 2024, we made progress towards developing datasets and methodologies for measuring emissions, in particular dairy methane, in the agriculture sector. In addition, the collaboration has enabled Barclays to further develop internal data capabilities and understanding of farm-level emissions.
	Partnership for Carbon Accounting Financials	Barclays has been a member of PCAF since 2020 and has co-chaired the Capital Markets Working Group of eight global banks since 2021. The work of this group resulted in the publication of the PCAF Facilitated Emissions Standard (The Standard, Part B) at the end of 2023.
	RMI's Center for Climate Aligned Finance	Barclays became a Strategic Partner of RMI's Center for Climate-Aligned Finance, which acts as an implementation partner to banks to align their investments with a net zero future, in 2022. In 2024, we leveraged RMI's multi-disciplinary abilities across climate science, policy, economics, and transition finance via the UK Alignment Forum, which informed our own Transition Finance Framework. Throughout the year, we regularly engaged with RMI to support the expansion of Oil Climate Index plus Gas (OCI+) – a public tool that uses a transparent, standardised methodology to estimate GHG emissions, including methane, from equivalent barrels of oil and gas.
	UK Business Climate Hub	We recognise the opportunity to accelerate the transition to net zero for SMEs via external engagement with policymakers and industry bodies. To that end, Barclays has partnered with the UK Business Climate Hub since Q4 2023 – an online portal supporting SMEs on their journey to net zero. We remain a member of the advisory board, through which we were a partner in the UK Net Zero Business Census, released in September 2024.

Barclays' register of our engagement with industry initiatives, working groups and memberships can be found at: **home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/**

Implementing our Climate Strategy (continued)

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Barclays' approach to public policy

We have a responsibility to engage with governments and policymakers constructively and remain politically neutral.

Transparency and governance

Barclays is a major economic and societal contributor to the communities in which we operate, through the products we offer, the customers and clients we serve, the colleagues we employ, and the contribution we make through our community investment programme. We believe it is important to contribute to relevant public policy debates where we have an interest, and we seek to engage constructively with policymakers in jurisdictions where the firm operates, including governments, legislatures, regulators and other organisations.

In our discussions we seek to make contributions that are accurate, honest and evidence-based. Barclays' advocacy and engagement activities, including direct and indirect lobbying, must also be undertaken in line with our internal controls – including Barclays' code of conduct (The Barclays Way), which requires that 'where we engage with governments and regulators on issues relevant to our business, we are honest and transparent in our communication with them'. The Barclays Way also provides detailed guidance on speaking up and raising concerns, directing employees to speak up if they see 'behaviours and practices that are not in line with our Barclays Values' – making clear that speaking up, whether formally or informally, will not come at a consequence to them. We also believe that Barclays should only engage on issues where we have a legitimate interest – for example where there is a consequence for our business, our customers and clients, or our colleagues. Our Group Policy Development team creates public policy thought leadership content, which draws on the bank's expertise, data and insights and is intended to inform the design and application of public policy solutions in response to pressing challenges. Barclays' Group Head of Strategic Policy is responsible for the co-ordination and oversight of public policy advocacy.

Barclays retains the services of public affairs agencies in certain jurisdictions. These agencies primarily assist with political monitoring and strategic advice. We work very closely with these agencies, to help ensure that the Strategic Policy Group has oversight of the work being undertaken for Barclays.

Advocacy with public officials in the US is publicly reported, as required by the Lobbying Disclosure Act. Barclays discloses its EU advocacy activities on the European Commission's Transparency Register and on applicable national registers.

In addition, Barclays is a member of a number of trade associations globally. These associations work to represent their members, and for many this involves undertaking work to shape industry's collective response to various public policy issues. We seek to be an engaged and productive member of all associations in which Barclays participates, predominantly through the committees and working groups formed by each. Active participation in the discussions and working groups facilitated by these trade associations helps encourage the adoption of policy positions consistent with Barclays' public policy objectives. Where we identify divergence on key policy matters we seek to engage and influence these positions. The Strategic Policy Group also supports senior executives occupying trade association board positions, as appropriate.

As part of our commitment to transparency we publish a range of information on our Public Policy Engagement website, including certain details regarding the aforementioned agencies and trade association memberships. We also publish details of Barclays' bilateral responses to material government and public policy consultations on certain issues with which we are principally engaged, in the UK and EU, either in full summary or part. In other jurisdictions, including across Asia and the US, responses to public consultations are published on the respective government websites.

Our Public Policy Engagement website can be found at: **home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/public-policy-engagement/**

Climate policy engagement

In certain jurisdictions where we operate, Barclays participates in climate and sustainable finance-related public policy conversations and development, directly and indirectly, consistent with our strategy – including our commitment to supporting our clients in their transition, our ambition to be a net zero bank by 2050 and, within signatory countries, our commitment to aligning our financing with the goals and timelines of the Paris Agreement.

We provide feedback, as an individual institution and via trade associations, to relevant consultation processes launched by standard setters, multilateral organisations and NGOs, including those that could inform future policy recommendations. Where relevant, we also engage with governments and other key stakeholders to promote policies that facilitate greater investment in innovation and climate solutions that support our clients. This includes participating in key international and domestic forums – such as the United Nations Climate Change Conference (COP29) and the UK's International Investment Summit 2024 – to promote net-zero-aligned public policy at senior levels.

Barclays participates in relevant trade association working groups in certain jurisdictions, where we seek to promote positions consistent with our ambition to be a net zero bank by 2050. We engage with many trade associations on climate issues and will continue to do so to promote our net zero objectives. Reflective of the pace of developments and regional differences in approaches to sustainability, there can be diverging views within trade associations. Many of these trade associations also do not focus exclusively on sustainability, but rather engage across the full breadth of financial services-related policy – and do not have stated positions in relation to net zero.

Where misalignment between an association's advocacy position and Barclays' own ambition to be a net zero bank by 2050 is identified, we seek to manage this appropriately by addressing it through proactive engagement where possible. Where there is a material and ongoing difference identified through our routine engagement, Barclays may publicly dissent from a trade association's position. Should a trade association adopt a material position that, following engagement, remains irreconcilable with our Values or strategy, we can exercise the option to end our membership.

In 2024 we undertook another internal review of the climate policy positions of certain material trade associations, including their alignment with our ambition to be a net zero bank by 2050 and our commitment to aligning our financing with the goals and timelines of the Paris Agreement. A list of these trade associations in scope can be found on our Public Policy Engagement web page. This review was informed by publicly available information on each trade association's website, which could include climate policy position statements and, where directly related to climate, consultation responses, commissioned reports and statements from an association's senior leadership. For a number of trade associations in-scope of the review, we were unable to identify a clearly articulated position on net zero. Of those with a clear position, the majority were considered to be aligned or partially aligned with our net zero by 2050 ambition. We proactively engage with trade associations to better understand their climate policy positions and activities, and we will continue to keep our approach under review.

Resilience of our strategy

TCFD Strategy Recommendation A:

Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.

TCFD Strategy Recommendation B:

Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.

TCFD Strategy Recommendation C:

Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

Resilience of our strategy

TCFD Strategy Recommendation C

Scenario analysis

Climate scenario analysis forms a key part of Barclays' approach to assessing and quantifying the impact of physical and transition climate risks on the bank's portfolios[1]. We use this to better understand the significant uncertainty that arises from how climatic weather patterns will change, as well as the rapidly evolving nature of the climate transition from government policies, new technologies and changing individuals' sentiment.

Through climate scenario analysis, these risks and uncertainties can be translated into financial impacts to the bank, allowing Barclays to better understand the resilience of its business strategy. The scenarios explored in this section are under a stressed pathway.

Barclays uses climate scenario analysis primarily for (1) understanding Barclays' resilience to climate scenarios, (2) as a consideration within its financial planning process, (3) assessing the financial impacts from Barclays meeting its sectoral BlueTrack™ targets consistent with limiting the increase in global temperatures to 1.5°C, and (4) as a consideration within its assessment of Expected Credit Losses reported under IFRS 9. More detail on the use of BlueTrack™ targets and the Expected Credit Losses uses can be found on pages 87 and 325, respectively.

History and evolution

Since 2018, Barclays has progressively developed its internal scenario analysis capabilities, developing new climate assessment methodologies, running internal targeted exercises with external subject matter experts, and participating in regulatory climate stress testing.

In the 2024 Internal Stress Test, a single scenario was designed to assess Barclays' financial resiliency to both climate and traditional macroeconomic risk– and the extent to which Barclays would remain within risk appetite. This was an enhancement to 2023 where climate was an add-on to the Internal Stress Test.

To further explore climate risks, a Reverse Stress Test was run to assess climate risks over a longer-term time horizon (2040). Finally, a Nature Stress Test was executed to assess the resilience and vulnerabilities of Barclays Europe to environmental shocks.

Barclays continues to build its use of scenario analysis to explore and further understand the evolving landscape – identifying areas of risks and opportunities – to challenge existing assumptions of future climate pathways and measure the risks that climate change poses to the bank.

Note:
1 Informed by the Basel Committee on Banking Supervision's 2021 'Climate-related financial risks – measurement methodologies' report, Barclays considers climate scenario analysis as forward-looking projections of climate risk outcomes, with climate stress testing a subset of this where the exercise is designed to evaluate financial resiliency to a severe but plausible scenario.

2018

External case studies through UNEP FI
- Case study exercises covering Power, Utilities, Oil and Gas and Residential Real Estate.
- Scenario assessment based on REMIND 2°C scenario, assessing a specific client set in each sector.
- Judgement-led and simplistic approach to calculate climate probabilities of default.

2019

Internal short-term transition scenario
- Short-term assessment exploring the potential transition risk impact of a 'Climate Minsky Moment' with a rapid market correction, followed by broader macroeconomic shocks.
- Scenario narrative and shocks informed by external publications such as the PRA insurance climate stress and DNB energy transition stress test.

2020

Internal climate scenarios informed by NGFS
- Long-term climate internal stress test.
- Scenario narrative and shocks informed by NGFS Disorderly Transition, combined with internal scenario of comparable sensitivity (pre-COVID IFRS 9 Downside 1).
- Second assessment considered incremental physical risk impact from the Hot House World scenario.

2021

Exploratory climate scenarios by the Bank of England (BoE)
- Barclays participated in the BoE's Climate Biennial Exploratory Scenario.
- Stress test covers three long-term scenarios: Early Action, Late Action and No Action.
- Assessments focused on credit risk impacts to wholesale and retail portfolios.

2022

Framework, regulatory and internal scenario analysis
- Barclays participated in regulatory stress tests such as ECB CRST.
- Conduction of bespoke internal scenario analysis exercise.
- Development of an internal framework to structure scenario-based climate risk measurement exercises.

2023

Stress testing and integration
- Quantitative integration of stress testing results into internal capital adequacy and CET1 assessments.
- Conducted two short-term climate stress tests, including a physical tipping point (H1) and full macroeconomic expansion (H2).
- Development of new climate-aware models and methodologies.

2024

Further embedment of climate risks into stress testing framework
- Climate further integrated as part of the Internal Stress Test; single scenario produced which accounted for climate risk drivers.
- Reverse Stress Test run assessing the impact of transition and physical risks over a long period of time (2040), to understand impacts from extreme tail events.
- Nature Exploratory Stress Test to assess resilience and vulnerability of Barclays Europe to environmental-related shocks.

Resilience of our strategy (continued)

TCFD Strategy Recommendation C

Barclays' resilience to climate scenarios

Two stress tests which incorporate climate risk have been conducted during 2024, each with their own scenario which are aligned to a less than 2°C pathway, to assess the bank's financial resiliency to transition and physical risks. Firstly, a single scenario which contained climate risk drivers over a five-year time period was designed for the 2024 Internal Stress Test and was executed utilising the Bank's stress testing framework. This year, the approach was enhanced to that taken in 2023 as climate risk was incorporated into our main internal stress test, rather than being an add-on to the macroeconomic internal stress test last year. Secondly, a reverse stress test was run to assess climate risks over a longer-term time horizon (2040), to understand the impact from extreme tail events and plausible triggers that could lead to these events unfolding sooner.

Furthermore, to assess climate-related and environmental risks that the institution is exposed to, in 2024 the Bank has designed a Nature Exploratory Stress Test to assess the resilience and vulnerabilities of Barclays Europe to environmental shocks. The overall impact of the exercise is manageable within the Bank's existing risk profile.

Based on the results of the scenario analysis performed to date, our understanding is that Barclays' strategy remains resilient to climate scenarios. Given the evolving climate landscape, we seek to further enhance our capabilities and modelling to refine our understanding of the Bank's resilience to various climate scenarios, particularly given high uncertainty in this area.

Internal Stress Test

The 2024 Internal Stress Test was designed as a bank-wide exercise, conducted over a five-year time period and the climate aspect of the scenario was designed to assess an accelerated transition and specific climate vulnerabilities to the bank's business plan. The exercise includes an assessment of the financial impact to our clients of a structural decline in fossil fuel demand and consumption and shift towards low-carbon products and services. For 2024, the assessment of climate risks has been extended to be aligned with Barclays' existing stress testing approach.

Scenario

The 2024 Internal Stress Test scenario has been internally designed with consideration of Barclays' specific portfolio vulnerabilities. External scenarios such as those provided by the Network for Greening the Financial System (NGFS), while offering granular and detailed scenario information for financial institutions, tend to focus on longer trends and display limited volatility, with assumptions that may be less relevant to our specific businesses. As such, we have designed scenarios with a greater focus on short-term tail risks and volatility to assess Barclays' resilience.

The scenario narrative was designed over a five-year timeframe aligned with the bank's Medium Term Planning and Internal Stress Testing scenarios. Specific variables were expanded using a combination of models and subject matter expert judgement by Barclays' internal Scenario Expansion Team to assess both physical and transition climate risks.

The exercise is designed to complement conventional Barclays macroeconomic stress testing, and seeks to understand:

1) How climate can influence conventional macroeconomic stressed environment pathways and severity; and
2) The incremental impact of climate above macroeconomic stressed pathways.

The climate scenario includes initial policy announcements that trigger immediate asset repricing, while more stringent policy requirements unfold over a longer time horizon – dampening recovery in the outer years as depicted in the below chart through Stages 1, 2, and 3. Against this backdrop the scenario also includes consideration of physical risk.

Implications and policies of the three stages are outlined below:

Resilience of our strategy (continued)

TCFD Strategy Recommendation C

Stage 1:

1 Consumer preferences shift toward greener products and practices while consumption is cut to cope with the recessionary environment. Behavioural shifts are pronounced at sector level as consumers turn away from firms who finance carbon-heavy industries.

2 Investors reassess their participation with certain firms. Those with heavy exposure to brown income and/or assets, combined with poor transition plans, are negatively impacted in equity markets – with capital reallocated to greener firms.

3 In the UK, existing proposals to tighten EPC minimum standards are accelerated, bringing forward the compliance date for Buy-to-Let, Social Housing, and UK Commercial Real Estate buildings to be at EPC C or above.

Stage 2:

1 As the economy moves past peak recession, large parts of it start to consider how it can build back greener. Under continued behavioural pressure from consumers and investors, large-scale plans for transitioning to a more sustainable business model occur where possible.

The return of capital on these plans and the associated delay to recovery leads to a slight prolonging of the stress, but the creation of a transition plan leads to confidence in financial markets by investors.

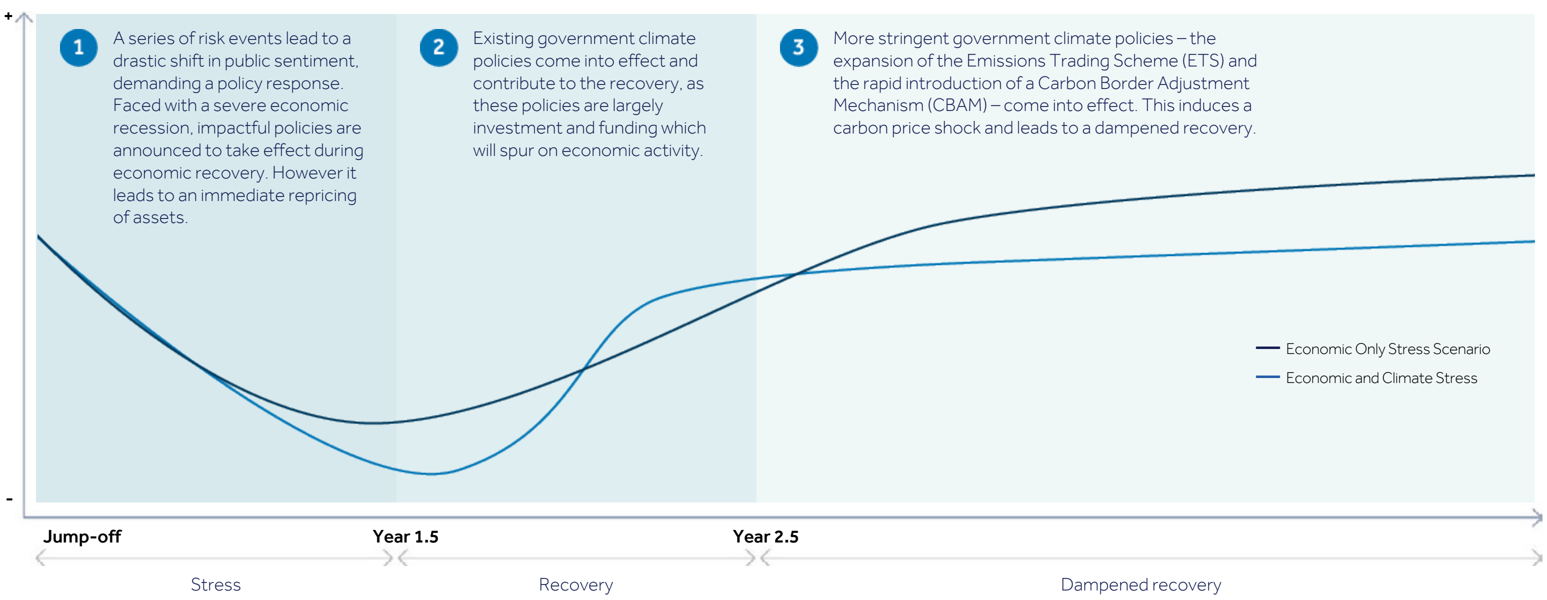
2 Additional policies in the UK and US are accelerated or announced. For example, the government will rapidly increase the investment and deployment of EV charging infrastructure to support faster transition in the automotive sector.

Stage 3:

1 The EU and UK governments ramp up their existing emissions trading schemes to achieve 1.5°C, with a carbon price shock increasing \$141/tCO_2 within 12 months from 2027 and continuously increasing. This dampens economic recovery and leads to prolonged higher inflation as production costs are higher due to increased energy costs. However, to some extent, this is offset by both public and private investment to enable faster transition.

2 Introduction of Carbon Border Adjustment Mechanisms, resulting in supply-side shocks, a reduction in exports, and other trading frictions.

Scenario impact (Illustrative only)



The scenario will have significant impacts on Barclays, including:

1) **Amplified market shocks:** additional to existing macroeconomic shocks, there will be further equity and credit shocks for brown industries and financiers, as a result of immediate repricing.

2) **Amplified credit deterioration:** additional credit risk on brown industries as a result of lower earnings expectations and refinancing risks.

3) **Increase in frequency of physical risk events:** throughout the time horizon, there is an increase in the occurrence of physical hazards such as flood, hurricanes and droughts.

Following the above narrative, scenario variables are provided with varying levels of granularity. For example, global variables – notably demand in climate-sensitive sectors such as Energy, Power and Automotive – national variables – including unemployment rates, GDP, HPI, CPI, government legislation on EPC with further distinction between commercial and residential real estate – and property level variables, including subsidence and flood. Calibration is guided by the narrative with consideration for compounding effects of existing economic downturn and climate stresses, informing the shape and magnitude of variable calibration over the scenario horizon.

Material technological development has not been assumed within the economic projections, given the immediate and short time horizon of the scenario.

Resilience of our strategy (continued)

TCFD Strategy Recommendation C

Results and insights

Over the five-year period, the results of the exercise indicate a 10% impact on cumulative attributable profit in line with prior exercises. Whilst these are significant, they remain manageable within the bank's existing risk profile.

In the Investment Bank and UK Corporate portfolio, losses were driven mostly by companies operating in heavily emission intensive industries due to rising carbon prices ($349/t$CO_2$e) over the scenario, or those within sectors where demand for products and services is rapidly falling due to consumer behaviour shifts or wider decarbonisation of the economy. For the Oil and Gas sector, whilst many companies were able to withstand the five-year stress given strong balance sheets post high prices in 2022, over longer time frames, non-linear increases in defaults are likely to be observed as carbon costs severely cut into the industry's profits, alongside increasingly uneconomical assets due to market shifts caused by transition risk and increased frequency of physical risk. In addition, market pressures and government policies on low-energy-efficiency Commercial Real Estate leads to deterioration in these markets, both in the UK and US.

The impact of increased frequency of acute events is most obvious to our BUK business, where real estate and agricultural assets are susceptible to physical risks such as drought and flood. Despite this, the portfolios remain resilient due to availability of household insurance and the strong loan-to-value profile of the lending. However, considering the increasing challenges and concern with ongoing availability of insurance, a sensitivity on zero household insurance availability was conducted to better understand portfolio resiliency. Results indicated that a small population would be subjected to disproportionate impacts, though on average, resultant impacts to customer affordability and property value across the portfolio was limited. For future exercises, we will continue to refine and adapt our insurance assumptions to reflect ongoing changes in market expectations.

Transition policies on emissions reductions and energy efficiency improvements do yield greater impacts, notably as customers begin to price energy performance more explicitly in their decisions. However, the resultant impact on annual profits remain manageable.

For our Unsecured portfolios, the resultant GDP trajectory of the scenario notably gives rise to higher unemployment rates across Barclays' major operating geographies, with negative impacts on consumer affordability through the loss of jobs and a weakened macroeconomic environment. Nevertheless, Barclays remains resilient and current risk management practices for these macroeconomic factors are sufficient.

Results from the exercise have been integrated into Barclays' internal capital adequacy assessment process to ensure Barclays remains sufficiently capitalised to both climate and macroeconomic stresses.

We acknowledge however that further advances in modelling capability and data availability are needed. For example, the scenario does not capture compounding and interaction effects between physical and transition risks that could potentially amplify such losses. As such, Barclays' annual stress testing cycle is in place to better our understanding, by testing our business under different climate scenarios, to continuously enhance our methodologies.

Reverse Stress Test

A climate-based Reverse Stress Test was conducted during 2024 with the objective of understanding specific extreme climate events that would make the Group's business model no longer viable. The exercise considered a breakdown of the insurance/reinsurance market following heightened physical risks over a longer period going into 2040, along with elevated financial stress of customers and clients unable to transition within this timeframe.

The narrative was designed internally (with reference to the IEA's Announced Pledges Scenario (APS)). The associated climate events position the world in 2040, where economies have transitioned in line with APS, however the transition is uneven and fragile, leaving many companies and sectors unable to adjust and therefore still highly vulnerable to transition risks. In this context, while the world has significantly reduced its reliance on fossil fuels, certain segments of the economy were unable to reduce their carbon footprint and use of fossil fuels for electricity generation continued due to higher demand for electricity. In this scenario, we assumed that the clients with slow and delayed progress on their transition plans and lower creditworthiness to be most affected.

For physical risk, the narrative considered increased frequency and severity of physical perils leading to consecutive years of losses in the insurance industry. Heightened secondary perils (more frequent, but with lower severity, such as flooding and wildfire), would lead to repeated loss claims, leading to significant shifts in the insurance industry and adjustment of their risk appetite, reducing insurance availability in the areas most exposed to physical risks. Additionally, it was assumed that governments do not intervene in the insurance markets and the UK Government's Flood Re scheme expires in 2039 as currently planned. This resulted in many customers and clients, either not insuring, self-insuring or facing significantly higher insurance premiums, driving affordability constraints and significant asset devaluation.

Results and insights

Three sensitivities related to increasing the proportion of the portfolio impacted were tested for the Corporate, Mortgages and Structured Lending and Financing portfolio, reflecting the high level of uncertainty of the scenario. The Group's business model could reach non-viability in the two most extreme cases which tested our vulnerability to profit and Risk Weighted Assets. The exercise highlighted how the portfolios could be the major driver of losses in a climate scenario, particularly due to physical risk.

For UK mortgages in particular, the exercise provided valuable insights of the potential effects of the Flood Re reinsurance scheme expiring, particularly in customers that currently see a lower insurance premium due to the scheme.

For the Corporates portfolio, results highlighted how the portfolio is exposed to both fast and slow transition risks, and for physical risk, how secondary perils could strain the portfolio if they drive repeated loss claims that insurance companies struggle to price and model.

For our Structured Lending and Financing portfolio, the exercise pointed out that extreme tail risk is driven by commensurately severe devaluation of properties in certain US states.

Nature Exploratory Stress Test

During 2024, the Bank undertook a Nature Exploratory Stress Test (NEST) to assess the vulnerability and resilience of Barclays Europe's portfolio to environment-related shocks. The NEST exercise was conducted as an incremental exercise to the internal stress test and focused on credit, market, liquidity and operational risk categories. The nature scenario narrative and five-year horizon aligned to the Internal Supply chain scenario published by Green Finance Institute in February 2024. The scenario also leveraged the Network for Greening the Financial System recommendations on selected risk drivers and transmission channels.

Results and insights

Over the five-year period, the results of the exercise indicated an adverse impact to Barclays Europe, due to clients operating in TNFD nature priority sectors such as Automotive, Chemicals, Food, Bev and Tobacco. However, these impacts are manageable within the bank's existing risk profile.

Resilience of our strategy (continued)

TCFD Strategy Recommendation C

2024 Enhancements

During 2024, Barclays have made several key enhancements across climate scenario development, climate risk modelling, and the ways in which we embed climate learnings into our risk management.

- Climate scenarios are designed and developed with our internal specialist scenario expansion team, leveraging the tools and approaches of the existing scenario expansion processes and supplementing these with specific climate analysis. This ensures consistency in climate scenario design alongside existing regulatory scenarios, as well as detailed and granular climate scenario expansion.
- Our climate scenarios are gradually becoming more embedded within our existing stress testing procedures, producing climate aware stressed scenarios. Climate has been integrated into the Internal Stress Test; with a single scenario produced which accounted for climate risk drivers.
- A suite of qualitative and quantitative models have been developed and enhanced to be able to analyse the risk due to physical and transition drivers specifically across large corporates, mortgages, agriculture and real estate.
- Further embedment of climate risk into capital risk appetite, via climate-informed stress loss limits and supporting climate stress loss riggers, to control the bank's activity within its CET1 capital constraint.
- The Corporate Model was redeveloped this year to become a production-based model (more cognisant of company business activity), as well as linking to the Barclays' Client Transition Framework such that companies that have insufficient transition plans fare worse under the stress scenario.
- The model also introduces asset-level modelling where carbon policies are applied taking into consideration the different jurisdictions that companies operate in. This takes into consideration both a differential carbon tax policy as well as the risk a company is prone to from acute and chronic physical risk.
- We have continued to enhance our modelling capabilities in the UK Residential Mortgages space by considering additional transmission channels as well as streamlining the execution process through technological platforming, to allow results to flow more seamlessly for downstream consumption. The model now captures properties which do not have an EPC certificate using an EPC fall-back.
- For Real Estate portfolios, while the model remains qualitative this year, in addition to loan to value impacts, rental impacts were also assessed as the 2024 Internal Stress Test scenario called for upgrading properties to Minimum Energy Efficiency Standards. The approach was also adapted to allow for better downstream integration for this portfolio.
- For our Agriculture portfolio, impacts of methane tax were a key consideration. The scenario narrative this year had a consistent view of carbon and methane tax. It included for the first time calibration for methane tax as a tax on sales on beef, lamb and dairy in line with the UK Standard VAT rate. For physical risk, the likelihood of drought was assessed on a broader population.

Challenges and limitations

Barclays is continuing to better its understanding of the interlinking relationships between climate, particularly transition risk, and macro variables, a lack of adequate historical data being a key limitation to progress.

Data

There are inherent challenges in climate modelling due to limitations in data quality and availability, given the short history of climate assessments within the financial services industry.

- Data coverage is often lacking, where a subset of assets may not have the appropriate information publicly disclosed. Climate scenario risk analysis requires approaches and tools that are more granular (e.g. focus on company-level analysis), which differs from more traditional stress-testing exercises conducted at portfolio or sector level. This creates a need for more granular data.
- While high data granularity is desirable to model client specific features, the balances between high data granularity and the additional insights provided must be investigated to assess the appropriate level of modelling.
- Data coherence issues may present inconsistencies in modelling. Emissions data is often one-year lagged, thus where the latest quarter/year financials are available, the emissions data may not be reflective of the company's operations, especially where there has been substantial growth or decline, mergers and acquisitions or other special activities.

Scenario

There are inherent uncertainties with scenario design largely attributed to limited history of the interactions between climate risks and the economy.

- Timing and interactions of physical and transition risks can impact the bank's assessment of capital adequacy and resilience. Assumptions around such compounding effects, while nuanced, are critical to our loss assessment and subsequently risk management processes and business strategy.
- There is a significant level of uncertainty with climate stress-testing projections in (i) how the scenario will manifest; (ii) how customers and clients will react; and (iii) the final loss quantification.
- An understanding of compounding risks and feedback loops between financial systems, the economy, and climate risks remains a challenge, given the lack of historical precedent of such interactions. Over longer time horizons, it becomes increasingly difficult to capture the range of second-order effects as physical and transition risks evolve, assess the rate in which risks manifest or subside, or identify inflection points.
- The Nature scenario and outcomes are more uncertain than climate-equivalents, in part driven by the absence of publicly available scenarios, such as the IEA or NGFS in climate (the Green Finance Institute publication being the first of its kind). There is also likely to be interplay between climate and nature outcomes which has not been considered as part of the Nature Exploratory Stress Test.

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, evolving sustainability-related policy frameworks (and the harmonisation or interoperability of relevant regulation) and geopolitical developments and regional variations. 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 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 us. 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, including scientific evidence relating to climate change and scenarios outlining pathways to net zero, 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 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 Annual Report. In future reports we 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, we may need to re-baseline, restate, revise, recalculate or recalibrate performance against targets, convergence points or milestones on the basis of such updated data.

Important information / Disclaimers (continued)

Such updated information may result in different outcomes than those included in the Annual Report. It is important for readers and users of the 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. The 'Implementing our climate strategy' section of the Annual Report highlights where information in respect of a previous reporting period has been updated. Our principles-based approach to reporting financed emissions data (see page 81) sets out when financed emissions information in respect of a prior year will be identified and explained

- Included in the 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 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 Annual Report as a whole.

KPMG LLP has performed limited independent assurance over selected climate and sustainability content, which has been marked with the symbol $^{\Delta}$. The assurance engagement was planned and performed in accordance with the International Standard on Assurance Engagements (UK) 3000 Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and the International Standard on Assurance Engagements 3410 Assurance of Greenhouse Gas Statements. A limited assurance conclusion was issued and is available at the website link below. This includes details of the scope, reporting criteria, respective responsibilities, work performed, limitations and conclusion. No other information in the Annual Report has been subject to this external limited assurance.

There are a variety of internal and external factors which may impact our reported metrics and progress against our targets, convergence points and milestones.

The limited assurance conclusion is available at: **home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/**

Forward-looking statements

This document contains certain forward-looking statements within the meaning of Section 21E of the US Securities Exchange Act of 1934, as amended, and Section 27A of the US Securities Act of 1933, as amended, with respect to the Group. Barclays cautions readers that no forward-looking statement is a guarantee of future performance, and that actual results or other financial condition or performance measures could differ materially from those contained in the forward-looking statements. Forward-looking statements can be identified by the fact 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 may also be made verbally by directors, officers and employees of the 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 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 ESG commitments and targets), plans and objectives for future operations, International Financial Reporting Standards (IFRS) 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 IFRS and other accounting standards, including practices with regard to the interpretation and application thereof and emerging and developing ESG reporting standards; the outcome of current and future legal proceedings and regulatory investigations; the Group's ability along with governments and other stakeholders to measure, manage and mitigate the impacts of climate change effectively or navigate inconsistencies and conflicts in the manner in which climate policy is implemented in the regions where the Group operates, including as a result of the adoption of anti-ESG rules; environmental, social and geopolitical risks and incidents and similar events beyond the Group's control; financial crime, 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 the 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, including the impact of the UK, European and US elections in 2024; 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 impact on the Group's reputation, business or operations; the Group's ability to access funding; and the success of acquisitions (including the acquisition of Tesco Bank completed in November 2024), disposals and other strategic transactions. A number of these factors are beyond the Group's control. As a result, the Group's actual financial position, results, financial and non-financial metrics or performance measures or its ability to meet commitments and targets may differ materially from the statements or guidance set forth in the Group's forward-looking statements. In setting its targets and outlook for the period 2024-2026, Barclays has made certain assumptions about the macroeconomic environment, including, without limitation, inflation, interest and unemployment rates, the different markets and competitive conditions in which Barclays operates, and its ability to grow certain businesses and achieve costs savings and other structural actions. Additional risks and factors which may impact the Group's future financial condition and performance are identified in the description of material existing and emerging risks beginning on page 267 of this Annual Report.

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

Barclays PLC
Annual Report 2025
Part 3

Creating positive outcomes for our stakeholders

Our Purpose

Working together for a better financial future

Our Vision

The UK-centred leader in global finance

Our Strategy

A Simpler, Better and More balanced Barclays

Our Values

Respect	Integrity	Service	Excellence	Stewardship
We harness the power of diversity and inclusion in our business, trust those we work with, and value everyone's contribution	We operate with honesty, courage, transparency and fairness in all we do	We act with empathy and humility, putting the people and businesses we serve at the centre of what we do	We set high standards for what we do, championing innovation and using our energy, expertise and resources to make a positive difference	We prize sustainability, and are passionate about leaving things better than we found them

Customers and clients

Colleagues

Society

Investors

Contents

Parts 1, 2 and 3 of Barclays PLC 2024 Annual Report together comprise Barclays PLC's annual accounts and report for the purposes of Section 423 of the Companies Act 2006.

Inside Part 1

Inside Part 2

Please note that throughout the document, graphical representation of component parts may not cast due to rounding

Inside Part 3

Governance

Our governance framework facilitates the effective management of the Group across its diverse businesses.

Board Governance

Welcome to our 2024 Board Governance report. The report sets out the composition of our Board and explains how our Board governance framework operates, alongside the key areas of focus of our Board and Board Committees in 2024.

Aim of our governance

The primary aim of our governance is that it:

- seeks to ensure that our decision-making is aligned to our Purpose, Values and Mindset
- creates long-term sustainable value for our shareholders, having regard to the interests of all our stakeholders
- is effective in providing constructive challenge, advice and support to management
- provides checks and balances and drives informed, collaborative and accountable decision-making.

Compliance with the Code

- Our Board Governance report reflects the requirements of the 2018 UK Corporate Governance Code (the Code).
- To view how we comply with the Code, please see pages 178 to 179.

Certain additional information, signposted throughout this report, is available at home.barclays/corporategovernance

Directors' report: Board of Directors

Setting our strategic direction

Responsible for the overall leadership of the Group, driven by our Purpose, Values and Mindset.

Board Committee membership

AC Audit Committee Member
ReC Remuneration Committee Member
SC Sustainability Committee Member
NC Nominations Committee Member
RiC Risk Committee Member
Committee Chair

Nigel Higgins

Group Chairman

Appointed
March 2019 (Board)
May 2019 (Chairman)

NC SC ReC

Skills, experience and contribution:

- seasoned business leader with extensive experience in, and understanding of, banking and the financial services industry
- strong track record in leading and chairing organisations
- significant experience in providing strategic advice to major international organisations and governments
- keenly focused on culture and corporate governance.

Nigel spent 36 years at Rothschild & Co. where his last role was as Deputy Chairman. Prior to that he had been Co-Chief Executive, Chairman of the Group Executive Committee and Managing Partner of Rothschild & Co for a decade.

Nigel was appointed a member of the Board Remuneration Committee with effect from 31 January 2025.

Key current appointments:

Chairman, Sadler's Wells; Non-Executive Director, Tetra Laval Group

C.S. Venkatakrishnan

Group Chief Executive

Appointed
November 2021

SC

Skills, experience and contribution:

- highly regarded leader with significant global banking experience
- extensive background in financial markets and risk management
- deep understanding of the business and the areas within which the Group operates.

Prior to his appointment as Group Chief Executive, Venkat served as Head of Global Markets and Co-President of Barclays Bank PLC from October 2020 and Group Chief Risk Officer from 2016 to 2020.

Before joining Barclays in 2016, Venkat worked at JPMorgan Chase from 1994, holding senior roles in Asset Management, Investment Banking, and in Risk. For a period during 2024, Venkat served as a member of a new National Wealth Fund Taskforce, comprised of leading figures from the UK's investment and financial services sector advising the incoming UK government.

Key current appointments:

Board Member, Institute of International Finance; Chair, Financial Services Taskforce to the Sustainable Markets Initiative; Director, Focusing Capital on the Long Term (FCLT) Global

Brian Gilvary

Senior Independent Director (SID)

Appointed
February 2020 (Board)
January 2021 (SID)

ReC NC SC

Skills, experience and contribution:

- extensive senior level experience of management, finance and strategy
- deep experience of US and UK shareholder engagement
- significant experience with, and understanding of, the challenges and opportunities inherent in advancing a sustainable energy future.

Brian spent much of his career with BP p.l.c. in senior leadership roles, where most latterly he held the role of Chief Financial Officer.

His other senior-level experience includes serving on the boards of various commercial and charitable organisations. Brian was Chair of The 100 Group of FTSE 100 Finance Directors, a member of the UK Treasury Financial Management Review Board and has served on various Business in the Community Leadership Teams.

Key current appointments:

Non-Executive Chair, INEOS Energy; Non-Executive Director, Defence Board, Ministry of Defence; Chair, The Royal Navy and Royal Marines Charity; Senior Independent Director, The Francis Crick Institute

Directors' report: Board of Directors (continued)

Robert Berry

Independent Non-Executive Director

Appointed

February 2022

RiC AC SC

Skills, experience and contribution:

- proven track record of management of risk exposure for a global financial institution and building a modern group-wide risk management organisation
- strong record of integrating risk management with strategy
- significant experience in finance, model development and trading.

Robert has considerable risk management expertise having had a 28-year career at Goldman Sachs, where, prior to his retirement in 2018, he held the role of Co-Deputy Chief Risk Officer.

Key current appointments:

Trustee, High Watch Recovery Center (incorporating President, Alina Lodge)

Tim Breedon CBE

Independent Non-Executive Director

Appointed

November 2012

Skills, experience and contribution:

- significant experience in strategic planning
- extensive financial services experience
- detailed knowledge of risk management and UK and EU regulation.

Tim is Chair of Barclays Bank Ireland PLC (also referred to as Barclays Europe).

He had a distinguished career with Legal & General where, among other roles, he was the Group Chief Executive Officer until June 2012. Tim also served as Chair of the Association of British Insurers.

Key current appointments:

Chair, Quilter Investors Limited

Anna Cross

Group Finance Director

Appointed

April 2022

Skills, experience and contribution:

- extensive accounting and financial services expertise
- deep understanding of banking and retail sectors
- significant financial leadership experience of financial institutions.

Anna is a chartered accountant and Group Finance Director with responsibility for the Finance function, including Tax, Treasury, Investor Relations and Strategy.

Prior to joining Barclays, Anna worked in both banking and retail and held various roles at Asda, HBOS and Lloyds Banking Group. Since joining Barclays in 2013, Anna was appointed Chief Financial Officer of Barclays Bank UK PLC in 2016, Group Financial Controller in 2019 and Deputy Group Finance Director in 2020. She joined the Group Executive Committee in February 2022, before taking up the role of Group Finance Director in April 2022.

Key current appointments:

Chair, The 100 Group of FTSE 100 Finance Directors

Dawn Fitzpatrick

Independent Non-Executive Director

Appointed

September 2019

ReC RiC SC

Skills, experience and contribution:

- extensive management experience of international financial institutions
- strong financial and strategic leadership experience
- detailed knowledge of the markets in which the Group operates.

Dawn holds the role of Chief Executive Officer and Chief Investment Officer at Soros Fund Management LLC.

Her previous experience includes 25 years with UBS, most recently as Head of Investments for UBS Asset Management.

Key current appointments:

Chief Executive Officer and Chief Investment Officer, Soros Fund Management LLC; Advisory Council Member, The Bretton Woods Committee; Chair, Financial Sector Advisory Council, Federal Reserve Bank of Dallas

Directors' report: Board of Directors (continued)

Mary Francis CBE

Independent Non-Executive Director

Appointed
October 2016

ReC
SC

Skills, experience and contribution:

- extensive board-level experience across a range of industries
- strong focus on reputation management and promoting board governance values
- detailed understanding of the interaction between public and private sectors.

Mary's previous appointments include Non-Executive Directorships at the Bank of England, Alliance & Leicester, Aviva, Centrica and Swiss Re Group.

In her executive career, Mary held senior positions with both HM Treasury and the Prime Minister's Office and served as Director General of the Association of British Insurers.

Mary is the Barclays Bank PLC Consumer Duty Champion.

Key current appointments:

Senior Independent Director, PensionBee Group PLC; Member, UK Takeover Appeal Board

Sir John Kingman

Independent Non-Executive Director

Appointed
June 2023

ReC
RiC

Skills, experience and contribution:

- deep background in financial services
- strong leadership qualities and chair experience
- extensive expertise providing strategic advice to Government.

John is Chair of Barclays Bank UK PLC. He had a long Whitehall career, where he was Second Permanent Secretary to HM Treasury and was also closely involved in the UK response to the financial crisis, handling the resolution of Northern Rock and leading negotiations with RBS, Lloyds and HBOS on their £37bn recapitalisation.

John was also the first Chief Executive of UK Financial Investments Ltd (UKFI), and from 2010-2012, he was Global Co-Head of the Financial Institutions Group at Rothschild. From 2016 to 2021, John was the first Chair of UK Research & Innovation, which oversees Government science funding of c.£8bn a year. Between 2020 and January 2023, he was Chair of Tesco Personal Finance plc.

Key current appointments:

Chair, Legal & General Group plc; Trustee & Deputy Chair of the Board of Trustees, The National Gallery

Marc Moses

Independent Non-Executive Director

Appointed
January 2023

AC
RiC

Skills, experience and contribution:

- strong technical finance background in accounting and audit-related matters
- significant board and senior executive-level risk management experience
- extensive knowledge of banking and financial services.

Marc is a chartered accountant and his financial services experience extends over 43 years, initially as a trader and then in senior executive roles as an audit partner at PwC, and Chief Financial Officer of JPMorgan Europe.

He joined HSBC in 2005 where he was Group Chief Risk Officer for nine years and joined the group board as an executive director in 2014. He retired from HSBC in 2019.

Key current appointments:

None

Brian Shea

Independent Non-Executive Director

Appointed
July 2024

Skills, experience and contribution:

- deep experience of financial services sector
- strong operations, technology and transformation experience
- detailed knowledge and understanding of US financial regulation.

Brian was appointed Chair of BX with effect from 1 February 2025. Brian's executive and non-executive career extends to over 40 years in the financial services industry. He was Vice Chairman and Chief Executive Officer of Investment Services at BNY Mellon from 2014 until his retirement in 2017.

Prior to this, he served in a variety of executive roles, including as Chief Executive Officer of Pershing, LLC. (a BNY Mellon company). He is a former non-executive director of Fidelity National Information Services, Inc. and has also held several US securities industry and regulatory board and advisory committee positions.

Key current appointments:

Board of Directors, Ameriprise Financial, Inc.; Board of Directors, RBB Fund, Inc.; Board of Trustees, Catholic Charities of the Archdiocese of New York

Directors' report: Board of Directors (continued)

Julia Wilson

Independent Non-Executive Director

Appointed
April 2021

AC NC ReC RiC SC

Skills, experience and contribution:

- significant board and executive-level strategic and financial leadership experience
- extensive accounting, audit and financial services expertise
- strong UK regulatory experience.

Julia is a chartered accountant and was the Group Finance Director of 3i Group plc, having served on its board from 2008 until she stepped down in June 2022. Prior to joining 3i she was Group Director of Corporate Finance at Cable & Wireless where she also held a number of finance-related roles.

Julia was appointed a Non-Executive Director at Legal & General Group plc in 2011. She chaired L&G's Audit Committee between 2013 and 2016 and was Senior Independent Director from 2016 until she stepped down from L&G in March 2021. Julia previously served as the Chair of The 100 Group of FTSE 100 Finance Directors.

Julia was appointed a Non-Executive Director of Bunzl plc in December 2024 and will become Chair of the Audit Committee in April 2025.

Key current appointments:

Non-Executive Director, Bunzl plc

Hannah Ellwood

Group Company Secretary

Appointed
February 2023

Relevant skills and experience:

Hannah is an experienced lawyer and company secretary with significant experience in corporate governance, regulatory, disclosure and market conduct matters.

Career:

Hannah joined Barclays in September 2012 as Chief of Staff to the Investment Bank General Counsel. Having moved from the Legal function to Barclays Corporate Secretariat in 2016, she was subsequently appointed Deputy Company Secretary of Barclays PLC in 2018.

In February 2023, Hannah was appointed Group Company Secretary and was subsequently invited to join the Group Executive Committee as a standing attendee in 2024.

Prior to joining Barclays, Hannah was a Senior Associate in the London Corporate practice of Clifford Chance LLP.

Directors' report: Group Executive Committee

Leading the execution of our strategy

The Group Executive Committee (ExCo), as the most senior management committee for the Barclays Group, supports the Group Chief Executive in executing Barclays' strategic priorities.

C.S. Venkatakrishnan
Group Chief Executive

Anna Cross
Group Finance Director

Alistair Currie
Group Chief Operating Officer and Chief Executive, Barclays Execution Services Limited (BX)

Stephen Dainton
President of Barclays Bank PLC and Head of Investment Bank Management

Cathal Deasy
Global Co-Head of Investment Banking

Matt Fitzwater
Group Chief Compliance Officer

Matt Hammerstein
Chief Executive of the UK Corporate Bank and Head of Public Policy and Corporate Responsibility

Adeel Khan
Head of Global Markets

Vim Maru
Chief Executive of Barclays UK

Denny Nealon
Chief Executive Officer for Barclays US Consumer Bank (USCB) and Barclays Bank Delaware (BBDE)

Tristram Roberts
Group Human Resources Director

Taalib Shaah
Group Chief Risk Officer

Stephen Shapiro
Group General Counsel

Sasha Wiggins
Chief Executive of Private Bank and Wealth Management

Taylor Wright
Global Co-Head of Investment Banking

Changes in ExCo during 2024

Barclays announced on 20 February 2024 the re-segmentation of its operating structure into five divisions, with each of the divisional heads appointed as members of ExCo in their new roles. This resulted in:

- Stephen Dainton, Cathal Deasy, Adeel Khan and Taylor Wright becoming members of ExCo, having previously joined as standing attendees
- Denny Nealon joining as a new ExCo member in his capacity as Chief Executive Officer, USCB and BBDE
- Matt Hammerstein, Vim Maru and Sasha Wiggins retaining their prior ExCo membership but in their new capacities as relevant business heads.

During 2024 we also welcomed Matt Fitzwater to ExCo as Group Chief Compliance Officer.

We are grateful for the contributions made by Paul Compton (Global Head of the Corporate and Investment Bank, and President of BBPLC) and Kirsty Everett (Group Chief Compliance Officer) as they stepped down from their respective roles during 2024.

Standing attendees

The Group Chief Executive continues to extend a standing invitation to Craig Bright, Chief Information Officer.

During 2024, standing invitations to ExCo were also extended to:

- Gijs Borghouts, Group Chief Internal Auditor (and Lindsay O'Reilly, the prior Group Chief Internal Auditor, before she stepped down from this role)
- Hannah Ellwood, Group Company Secretary
- Anita Tanna, Group Chief of Staff.

Ex-officio posts

ExCo continues to utilise ex-officio positions on the Committee to promote diversity of thought, provide specialist input and bring new perspectives, with each appointee serving a four-month rotation.

During 2024, the following attendees joined ExCo meetings as an ex-officio:

- Betty Gee, Americas Head of Equities Distribution within the Corporate and Investment Bank
- Hannah Bernard, Head of Business Banking, Barclays UK
- Claire Peel, Chief Financial Officer, Barclays UK
- Jaideep Khanna, Head of Barclays, Asia Pacific.

Directors' report: Our governance framework

A governance framework to facilitate effective decision-making across the Group

Committed to high standards of corporate governance to drive long-term sustainable value for our shareholders.

Group structure

Barclays PLC (BPLC) is the Group's parent company and is listed on the London Stock Exchange.

Each of the Group's key operating entities - Barclays Bank PLC (BBPLC), Barclays Bank UK PLC (BBUKPLC), Barclays Bank Ireland PLC (Barclays Europe), Barclays US LLC and Barclays Bank Delaware - has its own board (with executive and non-executive directors) and board committees.

These main operating entities are supported by our Group-wide service company, Barclays Execution Services Limited (BX), which provides technology, operations and functional services to businesses across the Group.

Barclays PLC

BBPLC
Barclays' non-ring fenced operations
Barclays Europe
Barclays US LLC
Barclays Bank Delaware

BBUKPLC
Barclays' ring-fenced bank

BX
Barclays' service company

Our governance framework

The Board recognises the importance of effective governance as an enabler to the successful development and execution of the Group's strategy. We consider governance to be how the Board makes decisions and provides oversight to promote Barclays' success for the long-term sustainable benefit of our shareholders, having regard to the interests of our stakeholders, which include our customers and clients, colleagues and the society and wider environment in which we operate.

Our Group-wide governance framework is designed to:

- facilitate the effective management of the Group by our Group Chief Executive and his ExCo across our diverse businesses; and
- support and provide oversight and constructive challenge of the Group's major subsidiary boards in the UK, Ireland and the US, having regard to the legal, regulatory and independence requirements applicable to those entities.

Generally, there is one set of rules for the Group. Group-wide frameworks, policies and standards are adopted throughout the Group unless local laws or regulations require otherwise (for example, the ring-fencing obligations applicable to BBUKPLC), or ExCo decides otherwise in a particular instance.

Corporate Governance Operating Manual

Our *Corporate Governance Operating Manual* sets out how the Group's significant subsidiaries (and their respective boards and board committees) should interact with each other. It also provides guidance and clarity for management and Directors as to how these relationships and processes should work in practice. This is a dynamic document that evolves alongside the changing nature of the Group.

The role of the Board

The BPLC Board sets the purpose, strategic direction and risk appetite for the Group and is the ultimate decision-making body for matters of Group-wide strategic, financial, regulatory and/or reputational significance. The Board also has direct oversight of matters relating to culture.

Membership of the BPLC and BBPLC Boards is partially consolidated in order to drive efficiency and co-ordination, whilst also 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 BPLC Board (except for the Senior Independent Director (SID), Chair of BBUKPLC and at least one other Non-Executive Director) also serving on the BBPLC Board.

We believe that having members of the BPLC Board serving as the Chairs of some of the Group's main operating entities supports improved efficiency, oversight, escalation and co-ordination while ensuring an appropriate focus is given to matters relevant to each entity.

Directors' report: Our governance framework (continued)

Board governance framework

Barclays PLC Board

Responsible for the overall leadership of the Group
(with direct oversight of strategy, culture and strategic reputational matters relating to the Group)

Board Nominations Committee	Board Audit Committee	Board Risk Committee	Board Sustainability Committee	Board Remuneration Committee
Oversees the composition of, and appointments to, the Board, Board Committees and ExCo.	Reviews financial reports and monitors the internal control environment.	Oversees risk appetite and management of principal risks.	Oversees climate and sustainability matters.	Sets principles and parameters of remuneration policy.
For more information, see **page 149**.	For more information, see **page 160**.	For more information, see **page 169**.	For more information, see **page 175**.	For more information, see **page 186**.

Matters reserved to the Board

Our bespoke *Matters Reserved to the Board*, which is reviewed on a regular basis, sets out the matters reserved solely for the decision-making power of the Board. These matters include material decisions relating to strategy, risk appetite, medium term plans, capital and liquidity plans, risk management and controls frameworks, strategic reputational matters and the approval of financial statements, large transactions, share allotments, dividends and share buy-backs.

Responsibility for the Group's business on a day-to-day basis has been delegated by the Board to the Group Chief Executive, supported by his ExCo, to make and implement strategy and operational decisions.

Information provided to the Board

The Group Chairman is responsible for setting the Board's agenda, primarily focused on strategy, performance, value creation, culture and stakeholders. In addition, the Group Chairman is responsible for ensuring that Board members receive timely and high-quality information to enable sound decision-making and promote the success of BPLC.

The Group Company Secretary, working in collaboration with the Group Chairman, is responsible for ensuring good governance and information flow to support the Board's effectiveness.

In addition to the presentations delivered to the Board and the Board Committees as part of formal meetings, the Board is kept informed of key business and external developments during the year through updates from the Executive Directors, ExCo and senior management.

Directors have access to the advice of the Group Company Secretary and are also able to seek independent and professional advice at Barclays' expense, where required, to enable them to fulfil their obligations to BPLC.

Board Committees

The Board is supported in its work by its Committees: the Board Nominations Committee, Board Audit Committee, Board Risk Committee, Board Sustainability Committee and the Board Remuneration Committee. Each Board Committee has its own terms of reference setting out its remit and decision-making powers.

The Board Committees are comprised solely of Non-Executive Directors, with the exception of the Board Sustainability Committee of which the Group Chief Executive is an Executive member. In that role, the Group Chief Executive brings invaluable climate and sustainability insights to the Committee's discussions, including external perspectives from his outside appointments.

The Chairs of each Committee report regularly on their Committee's work to the Board. You can read more about the work of each Board Committee later in the Governance report.

The Board may from time to time establish ad hoc Committees to oversee specific matters as and when they arise.

Conflicts of interest

The Board has the authority to authorise Director conflicts of interest in accordance with the Companies Act 2006 and BPLC's articles of association (Articles). This ensures that the influence of third parties does not compromise the independent judgement of the Board.

Directors are required to declare any potential or actual conflicts of interest that could interfere with their ability to act in the best interests of the Group.

A conflicts register recording actual and potential conflicts of interest, together with any Board authorisations of conflicts, is maintained. Authorisations are for an indefinite period but are reviewed on an annual basis by the Board. The Board also considers the effectiveness of the conflicts authorisation process.

The Board retains the power to vary or terminate conflicts authorisations at any time.

Attendance at Board meetings

Directors are expected to attend every Board meeting. Where a Director is not able to attend a Board meeting, the relevant Director's views are generally made known to the Group Chairman in advance of the meeting. The Group Chairman also meets privately, on a regular basis, with the Non-Executive Directors.

Details of Director attendance at Board meetings during 2024 is set out on the next page, and details of Director attendance at Board Committee meetings is set out in the report of each Board Committee.

Board effectiveness

The effectiveness of the Board, Board Committees and individual Directors is assessed on an annual basis. In line with the requirements of the Code, an externally facilitated performance review was conducted for 2024. You can read about the results of this review, as well as progress against the recommendations from the internally facilitated Board review for 2023, in the report of the Board Nominations Committee from page 149.

Directors' report: Our governance framework (continued)

Division of responsibilities and Board meeting attendance

Roles on the Board

In line with the provisions of the Code, a clear division of responsibilities has been established between Executive and Non-Executive Directors. Our *Charter of Expectations* sets out the individual role profiles and required behaviours and competencies for the Chair, SID, Non-Executive Directors, Executive Directors and Committee Chairs. A summary of the role profiles for Board members is set out in the table below.

Attendance at Board meetings

The table below provides details of Director attendance at Board meetings during 2024. The aggregate attendance for Board and Board Committee meetings in 2024 did not fall below 75% for any Director.

Role on Board	Meetings attended/eligible to attend	Ad hoc meetings attended/eligible to attend	Responsibilities
Chair			
Nigel Higgins[1]	7/7	1/1	The Chair is responsible for: • leading the Board and its overall effectiveness in directing the Company • promoting a culture of openness and inclusion, and facilitating and encouraging open constructive challenge and debate between all Directors • ensuring the Board has a clear understanding of shareholder views.
Senior Independent Director			
Brian Gilvary	7/7	0/1[2]	The SID is responsible for: • providing a sounding board for the Chair; serving as a trusted intermediary for the other Directors and shareholders when necessary • maintaining contact as required with major shareholders to understand their issues and concerns, and ensuring the Board is aware of their views • leading the appraisal of the Chair's performance, at least annually.
Group Chief Executive			
C.S. Venkatakrishnan	7/7	1/1	The Group Chief Executive, supported by his ExCo, is responsible for: • managing the Group's business on a day-to-day basis and making and implementing operational decisions • leading Barclays towards the achievement of its strategic objectives and implementing the strategy set by the Board • promoting and demonstrating the appropriate culture, values and behaviours, including Barclays' Purpose, Values and Mindset.
Group Finance Director			
Anna Cross	7/7	1/1	The Group Finance Director is responsible for: • together with the Group Chief Executive, the achievement of financial targets for the Group • providing strategic and functional leadership of the Finance functions • managing and responding to feedback on Barclays' business performance from investors, financial institutions, regulators and auditors.
Non-Executive Directors			
Robert Berry	7/7	1/1	Non-Executive Directors (including the Chair and SID) are responsible for: • providing effective oversight, strategic guidance and constructive challenge • helping to develop proposals on strategy and empowering the Executive Directors to implement the Group's strategy while scrutinising and holding to account the performance of management and Executive Directors against agreed performance objectives • with the support of the Board Nominations Committee, the appointment and removal and succession planning for Executive Directors.
Tim Breedon	7/7	1/1	
Dawn Fitzpatrick	7/7	1/1	
Mary Francis	7/7	1/1	
Sir John Kingman	7/7	1/1	
Marc Moses	7/7	1/1	
Brian Shea[3]	4/4	0/0	
Julia Wilson	7/7	1/1	
Former Directors			
Mohamed A. El-Erian[4]	4/4	1/1	
Diane Schueneman[5]	7/7	1/1	

Notes:
1 As required by the Code, the Group Chairman was independent on appointment.
2 The ad hoc meeting was called at short notice. Brian Gilvary was unable to attend due to a prior commitment.
3 Brian Shea was appointed to the Board with effect from 19 July 2024.
4 Mohamed A. El-Erian stepped down from the Board on 31 August 2024.
5 Diane Schueneman retired from the Board with effect from 31 January 2025.

Directors' report: Key Board activities

Key Board activities in 2024

Overseeing the implementation of our three-year strategy.

A key focus for the Board during 2024 has been overseeing the implementation of our three-year strategy announced at the Investor Update on 20 February 2024 and the Group's priorities on being 'Simpler, Better and More balanced'. Throughout the year, the Board received regular focused updates in relation to each of the five re-segmented business divisions, in addition to regular updates from the Group Chief Executive, and considered strategic opportunities for the Group, as well as transformation initiatives designed to support the delivery of the Group's strategy.

Alongside this, the Board continued to give consideration to colleague matters, including Group culture and the 'consistently excellent' cultural change programme.

Spotlight

Board engagement with stakeholders

The Board strongly believes in the importance of engaging with our stakeholders, which brings valuable outside perspectives to the Board.

The Group Chairman met with institutional investors during the course of the year and the Group Chief Executive and Group Finance Director held briefings with investors at each set of quarterly results.

The Board recognises that our colleagues are critical to our success, and our continued investment in them protects and strengthens our culture. In addition to receiving formal updates about colleague engagement and sentiment, Board members also had an opportunity to meet colleagues at events held during the year.

Examples of Board member engagement with stakeholders during the year are set out in the timeline below.

Group Finance Director Anna Cross speaking at the Finance MD Leadership Forum in January 2025

Month	Event	Location	Audience
January	Barclays UK CEO Forum	London	Audience: Clients
February	Investor Update	London	Audience: Investors
May	Annual General Meeting (AGM)	Glasgow	Audience: Shareholders
May	Campus Visit	Glasgow	Audience: Colleagues
June	Colleague Engagement Event – Investment Banking and Global Markets	New York	Audience: Colleagues
June	Citizenship and Diversity Awards	London	Audience: Colleagues
June	Business deep dive – UKCB	London	Audience: Investors
October	India Visit	Noida, Pune and Mumbai	Audience: Colleagues
October	Business deep dive – Investment Banking	London	Audience: Investors
November	Barclays Asia Forum	Singapore	Audience: Investors, Clients
November	Barclays Professional Services Conference	London	Audience: Clients
December	Business deep dive – PBWM	London	Audience: Investors

Group Chief Executive C.S Venkatakrishnan at the Investment Banking deep dive

Directors' report: Key Board activities (continued)

Key focus areas

The following two pages highlight the key areas of focus for the Board during 2024 and the key stakeholder groups central to the matters considered and decisions taken.

Stakeholder groups
- Customers and clients
- Society
- Colleagues
- Investors

Strategy

Topic	Board activity
Strategy and business review	• Held regular strategy discussions throughout the year, including dedicated corporate strategy sessions at the September and December Board meetings. • Reviewed and discussed the 2024 Medium Term Plan (MTP), including macroeconomic variables. • Reviewed materials for the Investor Update in February and the subsequent investor presentations on UK Corporate Bank (UKCB), Investment Banking and Private Bank and Wealth Management (PBWM). • Received business reviews throughout the year to understand key risks and opportunities and monitor progress against the targets set in our three-year plan on each of the main business areas - PBWM, Global Markets, US Consumer Bank, Barclays UK, Investment Banking and UKCB. • Received focused presentations to deepen the Board's understanding of matters of Group-wide relevance, such as financial crime risk, reputation risk, cybersecurity risk and controls and operational resilience. • Considered the entity and location strategy for Barclays Europe. **Key decisions** ✓ Approved the re-segmentation of the Group's businesses into five focused business divisions. ✓ Approved the 2024 MTP. ✓ Confirmed support for the location strategy for Barclays Europe.
Strategic transactions	• Evaluated potential strategic opportunities for the Group and received updates on the progress of key strategic transactions across the Group, reflecting our ambition to simplify Barclays and focus on growing key businesses. **Key decisions** ✓ In Q1 2024, approved the acquisition of Tesco Bank. ✓ In Q3 2024, approved the sale of the German consumer finance business.
Supporting implementation of strategy	• Received updates on the progress of transformation initiatives to support the delivery of the Group's strategy, including in relation to customer journey transformation and automating core processes to drive efficiency.
Climate and sustainability strategy	• Received and discussed updates on the Group's climate and sustainability strategy through reports from the Board Sustainability Committee, including in relation to the Group's sustainable finance strategy, energy strategy and the development of a Transition Plan. • Received updates on, and considered management's engagement with stakeholders on, Barclays' climate strategy. • Received a briefing on the external climate reporting landscape. **Key decisions** ✓ In early 2024, approved the 2023 Group Modern Slavery Statement. ✓ Approved an updated Barclays Group Statement on Human Rights.

Risk, resilience and recovery and resolution

Topic	Board activity
Risk profile	• Considered the Group's risk profile and emerging risks in the context of the macroeconomic, regulatory and geopolitical outlook. • Considered risk appetite in the context of Barclays' strategic plan and MTP. • Received updates on financial crime risk. • Received updates on Barclays' principal risks, including reputation risk and the Group's approach to reputation risk management. **Key decisions** ✓ Approved Barclays' Risk Appetite Statement. ✓ Approved updates to the Enterprise Risk Management Framework (ERMF) for the Group, including the elevation of financial crime risk to a principal risk which took effect on 1 January 2025. ✓ Approved updates to the *Matters Reserved to the Board* and Committee terms of reference to clarify the responsibilities between the Board and the Board Risk Committee in respect of the oversight of reputation risk. Please see our Section 172(1) statement in the Strategic report from **page 39** for further detail on how the Board considered reputation risk management during 2024.
Resolution and recovery	• Received a briefing on the key findings from the Bank of England's second Resolvability Assessment Framework assessment and updates on activities to enhance the Group's resolvability arrangements, including management's testing and assurance plans. • Considered the Group Recovery Plan setting out the options available to execute in a severe financial stress. • Board members participated in a simulation exercise to test the efficacy of the available management actions in the event of an operational crisis with severe financial implications. The Board subsequently received an update on the actions resulting from the exercise. **Key decisions** ✓ Approved the Group Recovery Plan.
Technology, operations and resilience	• Considered the Group's annual operational resilience self-assessment and management actions to enhance recovery capability for the Group's Important Business Services. • Board members participated in a series of formal and informal briefings with the Group Chief Security Officer on cybersecurity risk and crisis response, focusing on governance and Board decision-making in the event of a crisis-level cybersecurity incident. The briefings culminated in a Board-level tabletop exercise. • Participated in a deep dive session on the responsible use of generative artificial intelligence (AI) and considered the opportunities and risks relating to the use of this technology. • Considered how to bring additional technology expertise and perspectives to the Board. **Key decisions** ✓ Approved the Group operational resilience self-assessment. ✓ Approved three new Important Business Services and their impact tolerances.

Directors' report: Key Board activities (continued)

Finance

Topic	Board activity
Financial performance and reporting	• Received regular updates from the Group Finance Director on the financial performance of the Group and business divisions, including delivery against targets, investor feedback and market reaction to the Group's financial results. **Key decisions** ✓ Approved the BPLC Annual Report and Accounts for the year ended 31 December 2023. ✓ Approved Q1 2024, HY 2024 and Q3 2024 financial results announcements.
Capital and liquidity position and distributions	• Monitored the Group's capital and liquidity position, and considered distributions proposals in the context of the Group's three-year strategy. **Key decisions** ✓ Approved a full year dividend for the year ended 31 December 2023 of 5.3p per ordinary share and a full year share buy-back for 2023 of up to £1bn. ✓ Approved a half year dividend of 2.9p per ordinary share for the six months ended 30 June 2024 and a half year share buy-back of up to £750m.

Governance and regulatory matters

Topic	Board activity
Succession	• Upon the recommendation of the Board Nominations Committee, considered succession planning and proposed changes to Board and Board Committee membership. • Received an update on ExCo membership changes approved by the Board Nominations Committee to reflect the re-segmented business divisions. **Key decisions** ✓ Approved the appointment of Brian Shea as a Non-Executive Director. + Please refer to the report of the Board Nominations Committee from **page 149** for further information on Board composition, succession planning and effectiveness reviews.
Regulatory engagement and oversight	• Invited representatives from key regulators to join Board meetings to support and deepen senior relationships, discuss their priorities, feedback and areas of focus for Barclays. This was in addition to meetings held between individual Directors and regulatory stakeholders throughout the year. • Considered updates on regulatory developments impacting the Group.
Consumer Duty	• Received updates on the Group's implementation of the FCA's Consumer Duty for closed products and preparation of the first Consumer Duty Annual Board Reports by BBPLC and BBUKPLC ahead of the 31 July 2024 regulatory deadline. This included updates on embedment and observations from the Chair of BBUKPLC and the BBPLC Consumer Duty Champion on the Consumer Duty programmes within their respective entities.

Culture, colleague and inclusion

Topic	Board activity
Culture, colleague engagement and talent	• Received regular updates on the Group-wide cultural change programme to deliver to a consistently excellent standard and considered progress on embedment through management reporting and Your View colleague survey results. • Considered Barclays' method of workforce engagement to confirm it remained effective in facilitating meaningful, regular two-way dialogue with colleagues. • Considered Barclays' workforce policies and practices, including how they support the attraction, development and retention of diverse and inclusive talent. • Board members participated in colleague events during the year. **Key decisions** ✓ Confirmed that Barclays' method of workforce engagement has been effective in 2024. ✓ Confirmed that Barclays' workforce policies and practices are consistent with Barclays' Values and support Barclays' long-term sustainable success. + Please see the Colleagues section in the Strategic report from **page 28** for further information on Barclays' workforce engagement mechanisms and activities to continue to embed a consistently excellent standard of delivery. + Further detail on the Board's oversight of the progress of embedment of the 'consistently excellent' cultural change programme can be found in our Section 172(1) statement in the Strategic report from **page 39**.
Diversity, equity and inclusion (DEI)	• Received an update on DEI activities during 2024, including progress against the Group's DEI ambitions for senior women and colleagues from underrepresented races and ethnicities. • Considered the gender and ethnic diversity targets in the Board Diversity and Inclusion Policy to determine if they remained appropriate. **Key decisions** ✓ Reaffirmed the targets set out in the Board Diversity and Inclusion Policy. + Details of the Board Diversity and Inclusion Policy can be found in the Board Nominations Committee report from **page 149**.

Directors' report: Board Nominations Committee report

Focused on effective composition and succession to support delivery of the Group's strategy

Overseeing composition, succession and effectiveness to ensure continuity of strong leadership.

Board Nominations Committee

Nigel Higgins
Chair, Board Nominations Committee

Committee membership and meeting attendance during 2024[1]

Member	Meetings attended/eligible to attend
Nigel Higgins	**3/3**
Brian Gilvary	3/3
Diane Schueneman[3]	3/3
Julia Wilson	3/3
Mohamed A. El-Erian[2]	1/2

Notes
1 There were three scheduled meetings of the Committee in 2024. Mohamed A. El-Erian was unable to attend one meeting due to a prior commitment.
2 Stepped down on 31 August 2024
3 Stepped down with effect from 31 January 2025

Introduction

The Committee's focus in 2024 has been on ensuring that the Board, Board Committees and ExCo continue to have the right composition of skills, experience, knowledge and diversity of thought, as well as on robust succession planning, to support the delivery of the Group's strategy as announced at the Investor Update on 20 February 2024.

In 2024, we welcomed Brian Shea to the Board as an additional Non-Executive Director and Mohamed A. El-Erian stepped down from the Board in August. Following nine years' tenure on the Board, Diane Schueneman retired as a Non-Executive Director with effect from 31 January 2025.

During 2024, the Committee also oversaw changes to the composition of the Board Committees and ExCo. With the announcement in February 2024 that, going forward, Barclays would be managed and reported via five focused operating divisions, there were a number of changes to ExCo to reflect the leadership of these operating divisions which were also overseen by the Committee.

In addition, Board related succession matters are typically discussed at Board level, with the Board having received regular updates on the skills-based Non-Executive Director recruitment priorities during the course of the year. Further details of Board, Board Committee and ExCo changes are discussed later in this report.

Committee membership and activity during 2024

The Group Chairman chairs the Committee, with its membership composed solely of independent Non-Executive Directors.

In 2024, the Committee met three times with no ad hoc meetings (2023: three times, no ad hoc meetings) and the attendance by members at these meetings is shown on this page. In addition to its members, Committee meetings were attended by representatives from senior management, including the Group Chief Executive and Group HR Director.

The Committee's activities during 2024 are set out in this report. The Committee's terms of reference are available at home.barclays/who-we-are/our-governance/board-committees/

Changes to Board and Board Committee composition in 2024 and prior to publication of this report

Board	Board Nominations Committee	Board Risk Committee	Board Audit Committee	Board Remuneration Committee
Brian Shea appointed 19 July 2024	**Mohamed A. El-Erian** stepped down 31 August 2024	**Diane Schueneman** stepped down 31 May 2024	**Diane Schueneman** stepped down 31 January 2025	**Nigel Higgins** appointed 31 January 2025
Mohamed A. El-Erian stepped down 31 August 2024	**Diane Schueneman** stepped down 31 January 2025	**Mohamed A. El-Erian** stepped down 31 August 2024		
Diane Schueneman stepped down 31 January 2025				

Directors' report: Board Nominations Committee report (continued)

Composition

The Committee keeps under review the Board's composition and its Non-Executive recruitment priorities, taking into consideration the skills, experience, knowledge and diversity of thought required for an effective Board, in order to ensure robust succession planning.

You can find biographies for each Director, including details of the skills, experience and knowledge they bring to the Board, their Board Committee memberships and other principal appointments from page 138.

Changes to Board composition

Succession planning is a key part of the Committee's remit in order to bring the right balance of skills, experience and diversity of thought to the Board. A crucial part of the role of the Non-Executive Directors is to provide informed and constructive challenge to executive management, whilst at the same time providing support and guidance.

During 2024, we welcomed Brian Shea to the Board on 19 July and, on 31 August, Mohamed A. El-Erian stepped down from the Board.

The table on the previous page shows the Board and Board Committee changes in 2024 and prior to publication of this report.

Having served for nine years as a Non-Executive Director as of June 2024, Diane Schueneman retired from the Board and as a Non-Executive Director and Chair of the BX Board with effect from 31 January 2025. Diane will continue to serve as a Non-Executive Director of Barclays US LLC.

The Committee and the Board are grateful for Mohamed and Diane's significant contributions to Barclays during their respective tenures, and for Diane's continued role on one of the Group's important subsidiary boards.

Neither Mohamed nor Diane raised any concerns about the operation of the Board or management.

Following Diane's retirement as Chair of BX, Brian Shea succeeded Diane as Chair of the BX Board with effect from 1 February 2025. Brian joined both the Board and the BX Board in July 2024, bringing with him deep experience in financial services, including in the areas of operations, technology and transformation, and US regulation, developed during his executive and non-executive career which extends to over 40 years in the financial services industry. These attributes make him well placed to take up the BX Board Chair role.

In addition, with effect from 31 January 2025, Nigel Higgins was appointed as an additional member of the Board Remuneration Committee, having regularly attended meetings of that Committee during 2024.

Board size

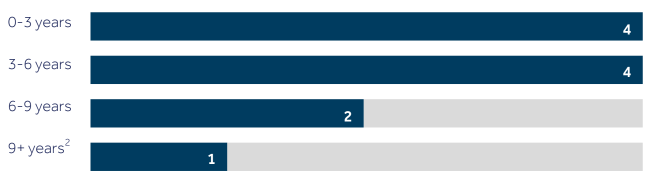
As at 31 December 2024, the size of the Board was 13. Following Diane Schueneman's retirement from the Board with effect from 31 January 2025, the size of the Board reduced to 12.

The Committee considers that the size of the Board contributes to its effectiveness.

Continuing to review the optimal size of the Board is an important part of the Committee's medium and longer-term succession planning. As part of this, the Committee takes into account the need for the Board to be small enough to operate in an efficient and collaborative manner yet large enough to ensure an appropriate mix of skills and diversity, to support succession planning and to accommodate the additional roles and responsibilities of some of our Directors on Board Committees, and as members of the Boards of BBPLC, BBUKPLC, Barclays Europe, Barclays US LLC, BX and other Group subsidiaries.

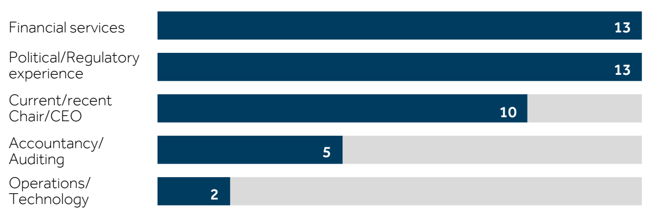
Board composition as at 31 December 2024[1]

Length of tenure (Chairman and Non-Executive Directors)
(number of Directors)



International experience[3,4]
(number of Directors)

Industry and leadership experience[3]
(number of Directors)



Notes:
1 Diane Schueneman retired as a Non-Executive Director with effect from 31 January 2025.
2 Please refer to the sections entitled 'Process for Appointments' and 'Succession' later in this report in relation to Tim Breedon's tenure and the Board's assessment of his continued independence.
3 Individual Directors may fall into one or more categories.
4 International experience is based on the location of the headquarters/registered office of a company.

Directors' report: Board Nominations Committee report (continued)

Diversity

The Committee and the Board recognise the benefits of an inclusive and diverse Board, reflective of the communities in which Barclays operates, and in driving effective decision-making.

The Committee and the Board are committed to operating in a way that supports a culture of inclusion, non-discrimination and diversity of thought, where all Directors' views are both encouraged and heard, values which are reflected in the Barclays' Board Diversity and Inclusion Policy and our obligations under the Listing Rules as further described in this section.

Gender and ethnic diversity reporting

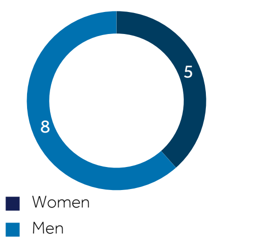
Disclosures in the form prescribed by the UK Listing Rules of the Financial Conduct Authority (Listing Rules) requirements relating to gender and ethnic diversity of the Board and executive management are set out in this section.

Data relating to the gender identity and ethnic diversity of the Board was collected by way of a questionnaire. This questionnaire asked all individual Board members to disclose their gender identity and ethnic background, on a voluntary self-reporting basis, by selecting options aligned with those in the left-hand columns of the tables on this page (and therefore included the option not to specify an answer).

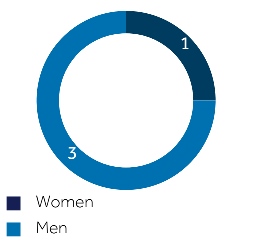
Barclays' employees (including executive management, as defined in the table on this page) are asked to confirm their gender and ethnicity on a voluntary basis. Data relating to gender, and ethnic diversity through self-identification, of executive management (as defined) was sourced from this existing data, which is held within Barclays' secure HR system.

Gender diversity reporting as at 31 December 2024

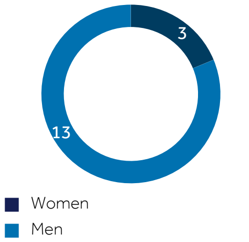
Board members[1]



Senior positions on Board (CEO, CFO, SID and Chair)



Executive management[2]

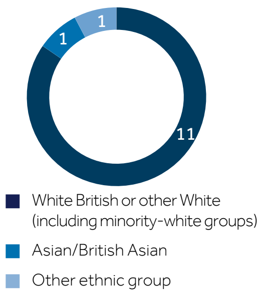


	Board members		Number of senior positions on the Board	Executive management[2]	
	Number	Percentage	(CEO, CFO, SID and Chair)	Number	Percentage
Men	8	62 %	3 (75%)	13	81%
Women	5	38 %	1 (25%)	3	19%
Other categories					
Not specified/prefer not to say					

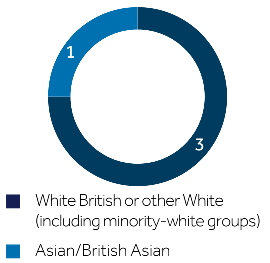
1 Diane Schueneman retired as a Non-Executive Director with effect from 31 January 2025.
2 In accordance with the requirements of the Listing Rules and for the purposes of this table only, 'executive management' comprises the Group Executive Committee and the Group Company Secretary.

Ethnic diversity reporting as at 31 December 2024

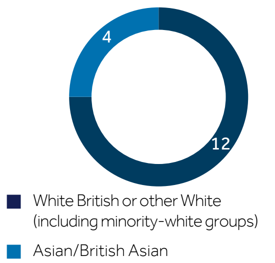
Board members[1]



Senior positions on Board (CEO, CFO, SID and Chair)



Executive management[2]



	Board members		Number of senior positions on the Board	Executive management[2]	
	Number	Percentage[3]	(CEO, CFO, SID and Chair)	Number	Percentage
White British or other White (including minority-white groups)	11	85%	3 (75%)	12	75%
Mixed/Multiple Ethnic Groups					
Asian/British Asian	1	8%	1 (25%)	4	25%
Black/African/Caribbean/ Black British					
Other ethnic group	1	8%			
Not specified/prefer not to say					

1 Diane Schueneman retired as a Non-Executive Director with effect from 31 January 2025.
2 In accordance with the requirements of the Listing Rules and for the purposes of this table only, 'executive management' comprises the Group Executive Committee and the Group Company Secretary.
3 Totals may not equal 100% due to rounding.

Board Diversity and Inclusion Policy - Targets

In February 2024, the Board adopted the following targets:

Gender diversity target	To ensure that by 2025: • the proportion of women on the Board is at least 40%; and • at least one of the following senior Board positions is held by a woman: Chair, Chief Executive, Senior Independent Director or Chief Financial Officer, and that this is maintained going forward.
Ethnic diversity target	To ensure that at least one Board member is from a minority ethnic background excluding white ethnic groups and that this is maintained going forward.

Directors' report: Board Nominations Committee report (continued)

Board Diversity and Inclusion Policy

On the recommendation of the Committee, the Board adopted a revised version of the Board Diversity and Inclusion Policy on 8 February 2024.

The policy sets out the Board's existing gender and ethnic diversity targets detailed in the table on the previous page, which are aligned with the targets recommended by the FTSE Women Leaders Review on gender diversity and the Parker Review Committee Report into Ethnic Diversity of UK Boards. These targets are also reflected in the Listing Rules.

The policy confirms the Board's support for the Group's culture in which Barclays is committed to continuing to build an inclusive workplace, and that the Board recognises the benefits of an inclusive and diverse Board, reflective of the communities in which Barclays operates, in driving effective decision-making.

It also confirms Barclays' commitment to ensuring that Board appointments and succession plans are based on merit and objective criteria, recognising the benefits that diversity, in all its forms, brings to the Board.

Gender and ethnic diversity on the Board

As set out in the table within this section, at 31 December 2024, the proportion of women on the Board was 38%. Following Diane Schueneman's retirement from the Board with effect from 31 January 2025, Board gender diversity fell to 33% female.

The Board Diversity and Inclusion Policy and its targets were reviewed by the Board in December 2024. In considering whether to revise the existing targets in the policy, the Board recognised that the target for 40% female representation on the Board by 2025 had not yet been met and therefore decided to reaffirm the existing policy and targets for a further year until the end of 2025. The Board is focused on meeting its 40% Board gender diversity target during the course of 2025 whilst at the same time remaining committed to ensuring that all Board appointments and succession plans are based on merit and objective criteria. During 2024, the Board satisfied its additional gender target of having at least one woman in a senior Board role.

You can read more about the Board appointments process and succession planning in the sections that follow.

We also recognise and embrace the benefits of inclusiveness at Board Committee level. As at the date of this report, Board Committee gender diversity was as follows:

- Board Nominations Committee: 33% women
- Board Audit Committee: 33% women
- Board Risk Committee: 40% women
- Board Sustainability Committee: 43% women
- Board Remuneration Committee: 50% women.

As at 31 December 2024, 15% of the Board (two members) were from a minority ethnic background (excluding minority white ethnic groups).

Following Diane Schueneman's retirement from the Board with effect from 31 January 2025, as at the date of this report, 17% of the Board (two members) were from a minority ethnic background (excluding minority white ethnic groups), meeting the targets set out in the Listing Rules, the recommendations contained within the Parker Review Committee Report into the Ethnic Diversity of UK Boards and the ethnic diversity target in the Board Diversity and Inclusion Policy.

Gender and ethnic diversity within ExCo, ExCo direct reports and the wider workforce

Barclays is focused on actions and outcomes that support a culture of belonging and diversity of thought, where all of our colleagues can thrive. Barclays is committed to abiding by the laws in all jurisdictions in which it operates, including anti-discrimination laws. To support representation of women in our senior leadership population, Barclays is working towards achieving our global Gender Ambition of 33% representation of women at Managing Director and Director level.

The Board received an update on gender and ethnic diversity of the wider workforce during 2024, including progress against the Group's ambitions for senior women and under-represented colleagues, as described in the Key Board activities section on page 147.

Regular updates are also shared with ExCo to track progress on Barclays' global Gender Ambition. We recognise that there is more to do to achieve progress with respect to inclusion, and the Group is evolving and developing our approach with this in mind.

As at 31 December 2024, representation of women among Managing Directors and Directors was at 30%$^{\Delta}$ globally.

The Committee is also mindful of the voluntary target recommended by the FTSE Women Leaders Review of 40% representation of women for ExCo and their direct reports by the end of 2025. Barclays was an early signatory of the HM Treasury Women in Finance Charter. As a signatory, we publicly report on our progress against our global Gender Ambition annually and the pledges set out in the charter to drive gender balance across financial services.

As at 31 December 2024, representation of women among ExCo and their direct reports stood at 27%$^{\Delta}$ - flat with 2023.

While this fell short of the FTSE Women Leaders Review recommendation, supporting gender diversity within both ExCo and their direct reports remains a key priority for Barclays and the Committee.

In 2024, Barclays continued to have one ex-officio position on ExCo, with each appointee serving for a four-month rotation. This initiative brings benefits to ExCo meetings, providing diversity of thought and broadening the scope of perspectives and contributions made to ExCo. The initiative also provides appointees with exposure to matters of Group-wide significance and further leadership experience, supporting longer-term succession planning.

There are additional initiatives and actions being taken across our businesses to further strengthen the senior leadership pipeline. These include using the ex officio position on business unit executive committees, sponsorship programmes to strengthen individual development and working with senior recruitment partners to build our external pipeline.

You can find details of ExCo membership, including ex-officio appointees during the course of 2024, on page 142.

Alongside the Board, the Committee continues to support the Group's Multicultural agenda, including Barclays' Underrepresented Race and Ethnicity Ambitions. In 2022, Barclays set an ambition to increase the number of Managing Directors from underrepresented races and ethnicities by 50% - to 83 in the UK and US combined by the end of 2025[1]. At the end of 2024, this was 50 - a decrease of 4 since the end of 2023. Aligned to the recommendations set out in the Parker Review Committee Report into the ethnic diversity of UK senior management, we are working towards a 15% target for Group ExCo and their direct reports by the end of 2027. As at 31 December 2024, 13% of Group ExCo and their direct reports were from a minority ethnic background.

Notes:

Δ 2024 data subject to independent limited assurance under ISAE (UK) 3000 and ISAE 3410. Current limited assurance scope and conclusion can be found within the ESG Resource Hub: home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/

1 As part of our HR Transformation programme we have reviewed and simplified some definitions related to how we report people data. Some of our metrics have undergone changes to previously published numbers as a result.

You can read more about Barclays' approach to DEI within the Colleagues section in the Strategic report from **page 28**.

You can find a copy of our Board Diversity and Inclusion Policy at **home.barclays/who-we-are/our-governance/our-framework-code-and-rules**

Directors' report: Board Nominations Committee report (continued)

Process for appointments

The Committee leads the process for Board appointments, ensuring that all appointments are based on merit and objective criteria. In considering Board appointments, the Committee considers the skills, experience and knowledge required for the Board's effectiveness and to support the continued delivery of the Group's strategy, while also promoting inclusiveness, non-discrimination and diversity of thought.

Appointments to the Board are made following a merit-based, formal, rigorous and transparent procedure, facilitated by the Committee with the aid of external search consultancy firms.

Non-Executive Director recruitment

The Committee regularly reviews and refreshes a series of skills-based Non-Executive Director recruitment priorities. These priorities underpin the searches required for the Board to ensure orderly succession as Non-Executive Directors approach the end of their tenure and to ensure an optimum balance of skills and experience on the Board.

The Committee considered and refreshed the priorities throughout 2024, including in light of changes to Board and Committee composition during the year.

Based on the agreed priorities, the Committee has set rigorous criteria for the roles it is seeking to fill, both in terms of experience and personal qualities. Independent search firms Egon Zehnder, Perrett Laver and Russell Reynolds supported our targeted external mapping and search processes for additional Non-Executive Directors to complement the range of skills on the Board in 2024, based on the agreed criteria. Skills and experience remain at the forefront of those searches. As part of the recruitment process, the Committee has agreed that all Board members should have the opportunity to meet leading candidates.

Egon Zehnder, Perrett Laver and Russell Reynolds do not have any connection to Barclays or any of the Directors other than to assist with searches for executive and non-executive talent. Open advertising for Board positions was not used in 2024.

Please refer to the Succession section below for further detail regarding Board succession planning.

The Committee will continue to review the Board's recruitment priorities and give further consideration to the desired skills and experience for potential candidates, to ensure that due consideration continues to be given to strong potential candidates who would enhance the effectiveness of the Board.

Non-Executive Director independence

In line with the requirements of the Code, a majority of our Board comprises independent Non-Executive Directors.

The independence of our Non-Executive Directors is considered by the Committee on appointment and thereafter on an annual basis, having regard to the independence criteria set out in the Code. As part of this process, the Committee reviews the length of tenure of all Directors, which per the Code guidance is one of a list of factors which can affect independence, and makes any recommendations to the Board accordingly.

The Committee reviewed the independence of all Non-Executive Directors serving on the Board as at 31 December 2024. Reflective of the fact that during the course of 2025 Nigel Higgins will have served six years on the Board and Mary Francis will have served nine years on the Board, each of Nigel and Mary were subject to a more rigorous review. The Committee remains satisfied that the length of their tenure has no impact on their respective levels of independence or the effectiveness of their contributions.

As at 1 November 2024, Tim Breedon had served on the Board for 12 years. Further context regarding Tim's tenure is set out in the Succession section below. With regards to Tim's continued independence, in early 2025, the Committee undertook a rigorous assessment of this, as it had done in the three previous years. The Committee and the Board consider that length of tenure is only one of the factors to be considered with respect to Director independence, and accordingly, that tenure alone should not result in a loss of independence. Following careful consideration, the Committee concluded that Tim remains independent.

In reaching this conclusion, the Committee recognises the significant advice, support and value that Tim continues to bring to Board discussions and decision-making, particularly given his breadth of financial services sector experience and deep knowledge of risk and regulatory issues.

Both the Committee and the Board continue to believe that it is generally advantageous for Group-wide decision-making to have the Chairs of the Group's significant subsidiaries as members of the BPLC Board, considering that this provides connectivity with the Group's significant subsidiaries, bringing with it important insight into Board discussions.

With these factors in mind, and in light of Tim's ongoing role as Chair of Barclays Europe, the Group's principal European subsidiary, the Committee and the Board consider it is appropriate for Tim to continue as an independent Non-Executive Director.

The Committee and the Board consider all of the Non-Executive Directors to be independent.

Director appointments and reappointments

Director term	Our standard practice is to appoint any new Non-Executive Director or Chair to the Board for an initial three-year term, subject to annual re-election at the AGM (as outlined below). This may be extended at the request of the Board. Our Chair and Non-Executive Directors typically serve up to a minimum of six years, although this period may be extended for a further three year term where considered appropriate by the Committee.
Director appointment and reappointment at the AGM	All Directors are subject to appointment or reappointment (as appropriate) each year by shareholders at the AGM.

Directors' report: Board Nominations Committee report (continued)

Time commitment

Prior to their appointment, all proposed new Directors are asked to disclose their other significant commitments, which are then taken into account by the Committee and/or the Board when considering their appointment to ensure that Directors can discharge their responsibilities to Barclays effectively.

Ahead of his appointment to the Board, the Committee reviewed the existing commitments disclosed by Brian Shea and was comfortable that they would not impact his ability to devote such time as is necessary to discharge his duties to Barclays effectively.

Expected time commitments are agreed with each Non-Executive Director on an individual basis, and include time to understand the business and complete training as well as time to attend and prepare for formal Board and Board Committee meetings.

The Committee and/or the Board considers relevant regulatory and Code requirements when considering whether a Director has sufficient time to commit to their role, in addition to key investor and proxy adviser guidelines.

External executive and non-executive directorships held within listed companies for each of the Directors are set out in the table on this page. You can find details of other principal appointments for each Director from page 138. Before a Director accepts any significant new commitment outside of Barclays, they are required to seek approval from the Board (providing an indication of expected overall time commitment). Prior to approving any significant new external commitment for a Director, the Board reviews all relevant facts and circumstances (including the expected role and time commitment, as well as the nature of the external organisation).

In 2024, all external appointment requests were approved on the basis that the Board was satisfied with any actual or potential conflicts and the Board was confident that the Director in question remained able to devote such time necessary to discharge their duties to Barclays effectively.

All Directors are expected, where circumstances require it, to commit additional time as necessary to their work on the Board. For the year ended 31 December 2024 and as at the date of publication, the Board is satisfied that none of the Directors are over-committed and that each of the Directors allocates sufficient time to their role in order to discharge their responsibilities effectively. A record of each Director's external time commitments is maintained.

Barclays PLC Board – Listed company external directorships[1]

As at 31 December 2024

Director	Executive	Non-Executive	Non-Executive Chair	Total
Nigel Higgins				None
C.S. Venkatakrishnan				None
Anna Cross				None
Robert Berry				None
Tim Breedon				None
Dawn Fitzpatrick				None
Mary Francis		1[2]		1
Brian Gilvary				None
Sir John Kingman			1[2]	1
Marc Moses				None
Diane Schueneman[4]				None
Brian Shea		2[3]		2
Julia Wilson		1[2]		1

Notes:
1 For the purposes of this table, 'listed company' means companies whose shares are listed and traded on a regulated stock exchange, excluding appointments within the Barclays Group, and directorships held with the same group or within undertakings (including non-financial entities) in which the relevant firm holds a qualifying holding.
2 UK public listed company.
3 US public listed company.
4 Diane Schueneman retired as a Non-Executive Director with effect from 31 January 2025.

Directors' report: Board Nominations Committee report (continued)

Director training and development

The Committee and the Group Company Secretary support the Group Chairman in developing and monitoring effective induction, training and development for the Board in accordance with the Committee's Terms of Reference. Directors are provided with the opportunity to take part in ongoing training and development as part of the Board or Board Committee schedule, but can also request specific training as required.

All Directors receive a comprehensive induction tailored to their individual requirements on appointment, designed to provide them with an understanding of the operation of the Group, its purpose and strategy and key business areas and functions. When a Director is joining a Board Committee, their induction schedule will also include an induction to the operation of that Committee.

During 2024, Directors continued to deepen their understanding of the business through Board deep dives, covering the five operating divisions as well as updates from key Group functions including Legal, Risk, Compliance and Internal Audit. In addition, the Board continued to receive regular updates on developments in corporate governance matters and an annual briefing on the Senior Managers Regime and certain Barclays Compliance Risk policies and standards, including concerning financial crime.

See below for further detail on some key areas of training and development provided to Directors in 2024.

Climate and sustainability – external reporting landscape

In the context of an evolving legal and regulatory environment with respect to climate and sustainability, the Board received a briefing on the external reporting landscape in this area. The briefing provided a deep dive on the more prominent legal and regulatory disclosure requirements, including those introduced by the International Sustainability Standards Board (IFRS S1 and S2) and the European Corporate Sustainability Reporting Directive, and Barclays' approach to these new requirements.

Human rights briefing

Recognising the importance of external perspectives and the current landscape, members of the Board Sustainability Committee received an external briefing on business, human rights and the financial sector. With an increasing reputational, regulatory and legal focus arising from human rights, the briefing covered matters including the UN Guiding Principles on Business and Human Rights and the scope of business responsibility to respect human rights. This session provided valuable insights on the external human rights landscape and supported the Committee's understanding of relevant frameworks and responsibilities.

New Director induction

A tailored induction programme is created for all new Directors appointed to the Board.

Following Brian Shea's appointment in July 2024, he participated in a detailed induction programme which included sessions covering the Group's strategy and culture, stakeholder landscape and relationships, and Board and Board Committee structure. This also involved meetings with other Board members, the chairs of significant subsidiaries in the Group, and various senior executives from across the business and key Group functions.

Alongside Group sessions, a comprehensive induction programme covering BX was also prepared for Brian Shea.

Brian Shea's biography can be found on **page 140**

Directors' report: Board Nominations Committee report (continued)

Succession

The Committee oversees succession planning to ensure that Barclays continues to strike the right balance of skills, experience, diversity of thought and effectiveness on the Board, Board Committees and ExCo, as well as accounting for current and anticipated future business needs.

The Committee's work in this area includes both medium-term planning (orderly refreshing of the Board, Board Committees and ExCo) and long-term planning (looking ahead to the skills that may be required on the Board and the ExCo in the future).

Committee consideration of succession

A key part of the Committee's work is the consideration of succession planning for the Board, Board Committees and ExCo. Following the announcement of the Group's three year strategy in February 2024, and consequent changes to ExCo, in support of these senior management changes, the Committee and the Board have continued to focus on the development of a broad and deep bench of future leaders across the business.

The Committee regularly reviews the composition of the Board to ensure that its members have the right balance of skills and experience to support management in the delivery of the Group's strategy and to ensure that the Board is best placed to capitalise on the opportunities and navigate the challenges faced by an organisation such as Barclays. The Committee regularly refreshes the Board's Non-Executive Director recruitment priorities and leads the search process for any new Board appointments. This year we welcomed Brian Shea to the Board who brings with him strong operations, technology and transformation experience. Brian's appointment was part of the Board's longer term succession planning for Diane Schueneman who in June 2024 had served on the Board for nine years.

Diane retired from the Board and as Chair of the board of our service company, BX with effect from 31 January 2025, with Brian succeeding Diane as Chair of BX with effect from 1 February 2025. Both the Committee and the Board continue to believe that it is advantageous for Group-wide decision-making to have the Chairs of the Group's significant subsidiaries sit on the BPLC Board, considering that this provides connectivity with the significant subsidiaries, bringing with it important insight into Board discussions.

During 2024, the Committee continued to focus on succession planning for Tim Breedon both for his role on the Board and as Chair of Barclays Europe. The Board is making good progress with these arrangements and will provide an update when appropriate.

Tenure

Our Chair and Non-Executive Directors are typically appointed for an initial term of three years and may be invited to serve for a further term of up to three years based on the needs of the Board. A further extension of tenure for an additional three year term (and any extension beyond this) is subject to the discretion of the Committee. In determining whether it remains appropriate to extend a Chair or Non-Executive Director's tenure, the Committee will have regard to a number of factors including whether the Board is satisfied that the Director in question continues to be independent, having regard to the factors set out in the Code, their performance which is assessed annually, whether they have the ability to dedicate sufficient time to the role and the benefits of having diversity on the Board. You can read more about the Board's review of each Non-Executive Director's independence in the Process for Appointments section.

During 2025, Robert Berry will reach his three year anniversary on the Board, Nigel Higgins his six year anniversary and Mary Francis her nine year anniversary. Having undertaken a review of Non-Executive Director tenure and having due regard to the factors referred to above, the Committee and the Board agreed to extend the tenure of each of Robert and Nigel for a further three year term and that of Mary for a further year, reflective of her longer tenure on the Board.

As already noted in this report, Tim Breedon has served on the Board for 12 years. The Board's discussions regarding the further extension of his tenure considered that an extension was appropriate in order to conclude the arrangements for his succession both on the Board and as Chair of Barclays Europe. In light of this, and having regard to the other factors referred to above in regard to his continued independence, the Board extended Tim's tenure on the Board for up to a further year. Once the arrangements for Tim's succession are concluded, an announcement will be published at the appropriate time.

ExCo succession

The Group Chief Executive, supported by his ExCo, is responsible for the delivery of the Group's strategy as set by the Board. It is key that ExCo composition comprises the right balance of skills, experience and diversity of thought to drive that delivery while providing appropriate challenge and debate in discussions. With this in mind, the Committee considers and approves all changes to ExCo prior to announcement, taking into account executive succession plans.

In early 2024, the Committee reviewed and approved proposed changes to the membership of ExCo in connection with the announcement of five focused operating divisions at the Investor Update in February, with each of the divisional heads being appointed as members of ExCo in their new roles and reporting directly to the Group Chief Executive. The Committee also considered changes to ExCo during the year, including approving the appointment of a new Group Chief Compliance Officer. You can read about the changes to ExCo during 2024 on page 142.

During the year, the Committee received updates regarding ExCo and executive talent and succession planning. Ensuring there is a strong talent pipeline, while considering the need to foster diversity of thought in that pipeline, is a key consideration for the Committee.

You can read more about gender diversity within ExCo and their direct reports in the Diversity section of this Board Nominations Committee report.

Directors' report: Board Nominations Committee report (continued)

Effectiveness

The Committee ensures that a formal and rigorous review of the performance of the Board, Board Committees and individual Directors is undertaken each year, in line with the requirements of the Code.

The 2024 effectiveness review was facilitated externally, in line with the Code requirements that the Board effectiveness review be conducted by an external facilitator at least every three years. The last externally facilitated review of the Board was conducted in 2021.

Progress against the 2023 Board effectiveness review

As reported in last year's Annual Report, the 2023 Board effectiveness review was facilitated internally, in line with the Code. The table on this page sets out the key recommendations outlined in the 2023 review and actions taken during 2024 to address them:

Recommendation from 2023 review	Actions taken during 2024
Consider how Board agendas might be structured to (i) allow for deeper discussion of business performance; and (ii) create more flexibility for discussion of key topics and reflections within the agenda.	• Focus on ensuring that appropriate time is allocated to key reports to allow for discussion and reflection, in particular in respect of the Group Chief Executive and Group Finance Director presentations. • A deeper review of individual business performance is provided through individual business review presentations.
Identify opportunities for more open and wide-ranging discussions on big picture issues.	• The introduction of 'letters to the Board' from the Group Chief Executive, coupled with Board dinners and regular CEO Reports to the Board, have provided the opportunity to exchange views on big picture topics. • Deep dive discussions were utilised to focus on big picture topics, including on the UK macroeconomic environment.
Continue to focus on ensuring balanced papers which clearly identify substantive points and key issues for the Board's attention.	• The Group Chairman and Group Chief Executive continued working with management to ensure that substantive points and key issues for discussion by the Board are articulated clearly and concisely.
Continue to identify opportunities to bring external perspectives into the Board.	• External speakers were invited to join Board sessions to discuss the external landscape, including in respect of the UK and US geopolitical landscape. • The Board Sustainability Committee received an external briefing on 'Business, Human Rights and the Financial Sector' and the current landscape.

2024 Board effectiveness review

The 2024 review of the performance of the Board, Board Committees and individual Directors was externally facilitated.

2024 Board, Board Committee and individual Director review process

Further to a selection process facilitated by the Committee to identify a suitable external facilitator, which involved seeking views from Committee members and consideration of a number of potential facilitators, Christopher Saul Associates (CSA), an independent, external corporate governance advisory firm was appointed by the Board to facilitate the 2024 review.

CSA conducted the 2021 external review and it was considered that this would enable insightful feedback in terms of any observations on how Board and Board Committee practices might have evolved in the last three years. Save for this prior engagement to conduct the 2021 review and as disclosed below, CSA has no connection to the Group or any individual Director.

CSA's Managing Director, Christopher Saul, comprised the CSA team and had overall responsibility for work conducted by CSA in connection with the 2024 BPLC and BBPLC effectiveness review.

Christopher Saul is a member of The International Register of Board Reviewers.

In 2017 to 2018 and February 2020, CSA was engaged by Barclays in an advisory capacity (alongside external legal counsel, Slaughter and May) in relation to certain legal and regulatory matters. From July 2019 to June 2021, Christopher Saul, provided mentoring support to a member of the ExCo. Whilst acting in his capacity as a partner at Slaughter and May (from which he retired in April 2016), Mr Saul gave legal advice to Barclays in relation to certain corporate law related matters. CSA and Mr Saul have no current advisory or mentoring engagements relating to Barclays, the Board or ExCo.

The Committee considered CSA's independence prior to the firm's appointment and was confident that, notwithstanding that CSA and Mr Saul had previously advised Barclays as outlined above, CSA would not be constrained in its ability to express an independent view as the external facilitator of the 2024 Board, Board Committee and individual Director effectiveness review and that there were no conflicts of interest arising.

2024 review process

Appointed CSA following a selection process
↓
Review brief agreed with CSA
↓
Certain Board and Board Committee meetings observed by CSA
↓
One-to-one interviews conducted
↓
Observations shared with the Group Chairman and Board Committee Chairs
↓
CSA presented findings to the Board
↓
Reports shared with Board Committees for review

Directors' report: Board Nominations Committee report (continued)

The Boards of each of BBPLC, BBUKPLC and Barclays Europe also elected to appoint CSA to undertake an independent, external review of their effectiveness. CSA's review of the effectiveness of the BBPLC Board, Board Committees and individual Directors was conducted in parallel with the BPLC review given the partially consolidated structure of the BPLC and BBPLC Boards.

As part of the BPLC and BBPLC review, CSA conducted a structured one-on-one interview process with each member of the Board, all members of ExCo, certain members of the BBPLC ExCo and other members of senior management, and the lead audit engagement partner of the Group's auditor, KPMG, to obtain feedback on the effectiveness of the Board, the Board Committees and individual directors throughout 2024. CSA also observed certain meetings of the Board and its Board Committees during the period from September to December 2024. CSA presented its reports on the findings of the effectiveness review to the Boards of BPLC and BBPLC in December 2024.

The Group Company Secretary was responsible for providing CSA with the necessary access and support required for the purposes of the review. CSA had briefings with the Group Chairman, SID and Group Company Secretary to assist with determining the scope of CSA's review, and a number of touchpoints with these individuals during the effectiveness review process. Both the Group Chairman and SID were available as a point of escalation for CSA if required.

CSA conducted a comprehensive review of all aspects of the Board's effectiveness, including with regard to Board dynamics, succession, agendas, papers, meetings, Board Committees, engagement with the Group ExCo and stakeholders, the Board's business understanding and areas for focus over the next 12 months.

CSA was provided with the opportunity to comment on the description of the process followed and the findings arising from the review, including any opinions attributed to CSA, for the purposes of this report.

CSA's feedback provides important input into the further development of the performance of the Board, in particular in identifying areas in which the Board could be more effective.

Following consideration of the findings of the 2024 Board effectiveness review, the Committee remains satisfied that the Board is operating effectively.

Feedback from 2024 review

Feedback from this review indicated that the Board is operating effectively, commenting favourably on the culture of the Board and observing that the Board is hard working, collegiate and well led, providing an appropriate level of constructive challenge and support to management. Meetings were considered to be well-chaired, with the review recognising the Group Chairman's thoughtful and inclusive style which encourages contributions from all Directors during meetings.

Board composition is considered well-balanced, bringing together a diverse and complementary range of skills, knowledge, and expertise. The interaction between the Board, Board Committees and senior management was commented upon favourably, with regular reporting ensuring the Board has good visibility on key areas including strategy and performance. The review recognised the Board's engagement with colleagues during the course of the year and the value that hearing from external speakers throughout the year brought to Board discussions.

Feedback from the review confirms that concurrent meetings of the BPLC and BBPLC Boards remain effective and work well in practice, with the cadence and length of meetings considered appropriate in the context of the Board's understandably full agenda and confirming that the Board Committees operate effectively and are duly integrated into overall Board processes.

Recommendations from the 2024 review

CSA agreed with the Board's priorities for 2025 and the Board will be giving further consideration to the implementation of the following matters during 2025:

- In light of the Group's three-year strategy announced in early 2024, how future Board agendas might be best shaped to support continued discussion of the execution of the Group's three-year strategic plan and the Group's longer-term strategy
- Reflective of the changes to the senior management structure announced as part of Barclays three-year strategy, to maintain its focus on succession planning to continue to develop a deep and broad bench of future leaders
- How best to bring greater focus and insights on Tech, Data and Digital matters into the Boardroom
- A continued focus on the process of making papers shorter and more targeted
- Identifying further opportunities to bring relevant outside perspectives into the Boardroom.

The Board has already taken action to address some of these recommendations, and the other items will be subject to further consideration and discussion through the course of this year.

Directors' report: Board Nominations Committee report (continued)

2024 Board Committee effectiveness review

The Board Committee reviews are an important part of the way Barclays monitors and improves Committee performance and effectiveness, maximising strengths and highlighting areas for further development.

CSA conducted a comprehensive review of all aspects of each Board Committee's effectiveness, including with regard to meeting dynamics and constructive challenge, agendas, papers, Committee composition and interaction with the Board and other Board Committees.

The results of the 2024 Board Nominations Committee effectiveness review are reported below, and the results of the reviews of the effectiveness of the other Board Committees are reported within their individual reports elsewhere in this Board Governance report.

Following consideration of the findings of the 2024 Board Committee effectiveness reviews, the Committee remains satisfied that each of the Board Committees are operating effectively.

Review of Board Nominations Committee effectiveness

As part of the review of this Committee's effectiveness, CSA conducted one-on-one interviews with each member of the Committee and the Group Human Resources Director.

The results of the review confirm the Committee is operating effectively. It is considered to be well constituted and chaired, providing an effective and appropriate level of constructive challenge and oversight of the areas within its remit, with feedback confirming a good level of engagement from Directors in meetings. The review highlights that the Committee is considered to have the right level of skills and experience and is of an appropriate size.

The Committee's interaction with the Board, Board Committees and senior management is considered effective, noting that the Committee is well integrated into overall Board processes. The review recognised the importance that both the Committee and the Board place on effective succession planning for the Board and ExCo and key subsidiaries within the Group. This work is coupled with a focus on broader talent development across the business.

Feedback indicated that concurrent meetings of the BPLC and BBPLC Board Nominations Committee continue to be effective, with coverage of BBPLC matters considered appropriate. Interaction with the BBUKPLC Board Nominations Committee was also considered effective, confirming that the Committee continues to exercise appropriate oversight of issues relevant to the Committee's remit relating to BBUKPLC.

Individual Director effectiveness

All Directors in office at the end of 2024 were subject to an individual effectiveness review as part of the external review facilitated by CSA. CSA discussed the results of the individual effectiveness reviews with the Group Chairman, with the results of the Group Chairman's individual effectiveness review discussed with the Senior Independent Director. CSA considered each Director's individual contribution to the Board, as well as any feedback received as part of the broader Board and Board Committee effectiveness review.

Based on the feedback obtained through the individual effectiveness reviews facilitated by CSA, the Board supported the view of the Committee that each Director continues to be effective and contributes to Barclays' long-term sustainable success.

In accordance with the Code, all of the current Directors who will be continuing in office intend to submit themselves for election or re-election at the 2025 AGM to be held on 7 May 2025.

Directors' report: Board Audit Committee report

Strengthening our internal control environment to underpin success

Overseeing the integrity of our financial disclosures and the effectiveness of the internal control environment.

Board Audit Committee

Julia Wilson
Chair, Board Audit Committee

Committee membership and meeting attendance in 2024[1]

Member	Meetings attended/eligible to attend (including ad hoc meetings)
Julia Wilson	**15/16**
Robert Berry	**16/16**
Marc Moses	**16/16**
Diane Schueneman[2]	**12/16**

Notes
1 There were 14 scheduled and two ad hoc meetings of the Committee in 2024. Julia Wilson was unable to attend one short ad hoc meeting, which was called at short notice, due to an unavoidable personal commitment. Diane Schueneman was unable to attend three scheduled meetings (held in short succession) due to a prior commitment and one scheduled meeting due to travel disruptions.
2 Stepped down with effect from 31 January 2025.

Dear Fellow Shareholders

The announcement of our three-year strategy at the Investor Update in February, and the statement of the Group's priorities to be Simpler, Better and More balanced, set the framework for the Committee's focus during 2024.

As part of the Investor Update, it was confirmed that Barclays will be managed and reported via five focused operating divisions. As a result, Barclays' segmental reporting since Q1 2024 has reflected these five operating divisions, in addition to Head Office, bringing greater transparency to the key operating businesses. In anticipation of this, early in the year the Committee oversaw the preparation of a resegmentation document, published alongside the Barclays PLC 2023 Annual Report, as well as the work undertaken by management during the year to ensure a smooth transition for our external reporting systems to support the new reporting segments. The Committee reviewed the Investor Update materials, including considerations around the key messaging and how the three-year targets were presented.

The Committee also reviewed the materials presented at the separate deep dive sessions held during the year, by way of follow on to the Investor Update, on the UK Corporate Bank, the Investment Banking business and Private Bank and Wealth Management.

Overseeing the integrity of our financial disclosures is a key role of the Committee. The Committee reviewed the Group's financial and narrative reporting for each quarterly and half-year results period, including how the new segments have been presented and updates on progress against our three-year targets. The Committee continues to challenge management's approach to significant accounting estimates and judgements, including in relation to credit impairment and coverage, provisions, litigation, valuations and tax. It also monitored management's approach to completion of the acquisition of Tesco Bank from a financial reporting perspective. The Committee is supported in its role by the independent assurance provided by KPMG as our statutory auditors including areas of management challenge by KPMG and how they were resolved.

The legal and regulatory landscape for climate and sustainability reporting continues to evolve. In terms of consistent and universal reporting standards, this remains a nascent area, and as such requires the continued development and improvement in our approach, processes and controls to meet evolving requirements. During the year, Committee members received presentations on the current and future climate and sustainability reporting landscape, the new European Corporate Sustainability Reporting Directive (CSRD) (which applied to BBPLC and Barclays Europe for the first time for the year ended 31 December 2024, but is not expected to apply to BPLC until 1 January 2028), and the control framework to support the commitments made in Barclays' Modern Slavery Statement and the implementation of the Barclays Human Rights Statement. The Chair and members of the Committee are also members of the Board Risk Committee and, in the case of myself and Robert Berry, the Board Sustainability Committee. Taking account of the work of those Committees' assessment of climate change and related political responses, the Committee continues to monitor how any related impacts and disclosure recommendations have been considered in preparing the Group's financial statements.

As the Group looks to deliver on our three-year strategy, it is imperative that our business' performance is underpinned by a robust control environment to support success and to achieve its consistently excellent objectives. With a strong controls tone from the top and building on the momentum from the previous year, the Committee was pleased to see the significant progress made in driving sustainable improvements in the Group's internal control environment. As well as the benefit of the improvements made, it is important that management capacity is created to address the need to continue to upgrade internal controls as external threats such as cyber risk and financial crime continue generally to increase, and regulatory and political frameworks continue to change.

Directors' report: Board Audit Committee report (continued)

The Committee received regular updates on the control environment, including any emerging trends which might impact controls and a forward looking view of operational risk events which might impact the control environment. Following Committee feedback, management reporting was enhanced to provide a holistic view of controls matters across all three lines of defence, as well as refinements in reporting to provide a more aligned view across controls and operational risk. Maintaining an effective system of internal control is an ongoing process and the Committee welcomed management's proposals to undertake a review of the group-wide controls framework to further enhance and streamline it where appropriate. The Committee works closely with the Board Risk Committee, particularly in regard to operational risk matters.

The Committee continues to receive regular updates on the more material remediation programmes across the Group, brought together under an internal programme which has the aim of enhancing controls in order to achieve a consistently excellent operating environment across the Group. The Committee has had oversight of this internal programme since its inception at the end of 2022. The Committee encourage management to provide greater visibility and transparency of progress against milestones and also where timelines are extended as a result of new elements being added to existing programmes. The Committee welcomes the ongoing efforts by management to continue to strengthen and enhance the control environment around regulatory reporting and trading controls. Controls in relation to financial crime remain an area of Group-wide focus for both the Committee and management, and the recent severe systems incident impacting many areas of our UK business is a reminder of the need for continued focus in the management of operational risk.

During 2024 we welcomed the appointment of a new Group Chief Internal Auditor, Gijs Borghouts. The Committee monitored the smooth transition between Gijs and his predecessor and the continued effectiveness of the Barclays Internal Audit (BIA) function during this time, both of which were successful.

The independent assurance provided by BIA is critical in supporting the work of the Committee and the Committee was satisfied with BIA's performance against its objectives for the year and concluded that it continues to perform effectively.

The Committee continues to work closely with the other Board Committees to ensure a consistent and streamlined approach to, and view of, key/thematic matters across the Group. This interconnectivity is supported by committee cross-memberships, including having the Chair of the Board Risk Committee as a member of the Board Audit Committee and my membership on the Board Risk, Sustainability and Remuneration Committees.

The Committee has oversight of Barclays' whistleblowing programme and I continue to hold the role of Group Whistleblowers' Champion. During 2024, I held regular meetings with the Whistleblowing team together with the BBUKPLC Whistleblowers' Champion to discuss cases being raised via the whistleblowing channels, any potential trends or emerging themes and key areas of focus. The Committee continues to receive detailed semi-annual whistleblowing updates.

During the year I attended meetings of the Board Audit Committees of BBUKPLC, Barclays Europe and Barclays US LLC/ Barclays Bank Delaware. I also held regular meetings with the Chair of the BBUKPLC Board Audit Committee, the Group Finance Director, the Group Chief Internal Auditor, the Group Chief Operating Officer and the KPMG lead audit partner, as well as having engagement with the Group's key regulators.

Committee effectiveness

The 2024 Committee effectiveness review was externally facilitated, as required by the Code. The review is an important part of the way Barclays monitors and improves Committee performance and effectiveness, maximising strengths and highlighting areas for further development.

The Board appointed CSA to facilitate the review. As part of the review, CSA conducted one-on-one interviews with each member of the Committee, the Group Finance Director, BBPLC Chief Financial Officer, Group Chief Operating Officer, Group Chief Compliance Officer and Group Chief Risk Officer. CSA also observed the October 2024 Committee meeting.

The results of the Committee effectiveness review confirm the Committee is operating effectively. It is considered appropriately constituted and diligently chaired, providing an effective and appropriate level of constructive challenge and oversight of the areas within its remit, with thoughtful and well-informed contributions from members in meetings. The review highlights that the Committee is considered to have the right level of skills and experience and is of an appropriate size. Agendas are considered appropriate having regard to the Committee's broad remit, allowing for a good balance between high level and detailed discussion during meetings.

The Committee's interaction with the Board, Board Committees and senior management is considered effective, noting that the Committee is well integrated into overall Board processes, with regular reporting by the Chair to the Board on key issues arising from the work of the Committee. Feedback noted the benefits of having the Chair of the Board Risk Committee serving on the Committee, helping to reduce any potential overlap between the work of the two Committees.

The review suggested that members would welcome additional training and external perspectives on topics of relevance to the work of the Committee. In addition, a continued focus on ensuring shorter and more focused papers which clearly identify the key matters for the Committee's attention was considered beneficial.

Feedback indicated that concurrent meetings of the BPLC and BBPLC Board Audit Committee continue to be effective, with coverage of BBPLC matters considered appropriate. Interaction with the BBUKPLC Board Audit Committee was also considered effective, noting the regular interactions between the respective Committee Chairs and confirming that the Committee continues to exercise appropriate oversight of issues relevant to the Committee's remit relating to BBUKPLC.

Please see the report of the Board Nominations Committee for further details on the process for conducting the 2024 Committee effectiveness review.

Directors' report: Board Audit Committee report (continued)

Looking ahead

In 2024, the FRC published updates to the Code. A key change relates to provision 29 of the Code which requires the board to monitor a company's risk management and internal control framework and provide a declaration in the annual report as to the effectiveness of the company's material controls. The new requirements under provision 29 will apply to financial years beginning on or after 1 January 2026. The Committee will be considering management's proposals for identifying 'material controls' for these purposes within Barclays and the reporting to the Committee on the effectiveness of those controls, ahead of implementation of the new rules and reporting in subsequent years. The Committee welcomes the assurances from the Financial Reporting Council that the implementation of these new requirements should be applied proportionately and take account of the specific risks of each organisation, to avoid unnecessary duplication and disclosure of non-material matters.

As announced in December 2024, Barclays commenced an external tender process for the Group's statutory auditor. This process is being led by the Board Audit Committee, and supported by management who will have an advisory role only. The tender process is expected to conclude in June 2025, when the Committee will make its recommendation to the Board for selection of the preferred firm. The successful firm will commence the provision of services for the financial year ending 31 December 2027. Please see page 168 of this report for further information on the audit tender process.

Julia Wilson
Chair, Board Audit Committee

12 February 2025

Directors' report: Board Audit Committee report (continued)

Committee composition and meetings

The Committee is composed solely of independent Non-Executive Directors. Membership of the Committee is designed to provide the breadth of financial expertise and commercial acumen that the Committee 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. Julia Wilson, the Committee Chair, who is the designated financial expert on the Committee for the purposes of SOx, has significant corporate finance, tax and accounting experience, including previously serving as the Group Finance Director of 3i plc and as chair of the board audit committee at Legal & General Group plc.

In 2024, the Committee met 16 times, including two ad hoc meetings (2023: 12 times, with no ad hoc meetings). Attendance by members at Committee meetings is shown on page 160.

Committee meetings were attended by representatives from management, including the Group Chief Executive, Group Finance Director, Group Chief Internal Auditor, Group Chief Operating Officer, Head of Group Control, Group Chief Risk Officer and Group Chief Compliance Officer, as well as representatives from the business and other functions, and also BBPLC senior management (reflecting the partially consolidated operation of the BPLC and BBPLC Committee meetings). The lead audit engagement partner of KPMG also attended Committee meetings. In addition, the Committee held regular private sessions with the Group Finance Director.

The Board, together with the Committee, is responsible for ensuring the independence and effectiveness of the internal audit function and external auditors. For this reason, the Committee holds regular private sessions with each of the Group Chief Internal Auditor and the lead KPMG audit engagement partner without management present. The appointment and removal of the Group Chief Internal Auditor is a matter reserved to the Committee, and the appointment and removal of the external auditor is a matter reserved to the Board based on the recommendation of the Committee. Neither task is delegated to management.

Role of the Committee

The role of the Committee is to review and monitor, among other things:

- the integrity of the Group's financial statements and related announcements
- the effectiveness of the Group's internal controls
- the independence and effectiveness of the internal and external audit processes
- the Group's relationship with the external auditor
- the effectiveness of the Group's whistleblowing procedures.

The Committee's terms of reference are available at home.barclays/who-we-are/our-governance/board-committees/

Further information about the skills and experience of the Committee members can be found in their biographies in Our Board of Directors section from **page 138**.

Primary activities

The Committee discharged its responsibilities in 2024 through monitoring the effectiveness of the internal control environment and internal and external audit processes, as well as the integrity of financial statements and related announcements.

Areas of focus	Role of Committee / Key issues considered	Conclusion / action taken
Financial reporting		
Fair, balanced and understandable reporting	In light of the Board's obligation under the Code, the Committee assesses external reporting to ensure it is fair, balanced and understandable.	In addition to this Annual Report and associated year-end reports, the Committee also reviewed the Group's half-year and quarterly results announcements and associated investor presentations. The Committee informed these reviews through: • consideration of reports of the Group Disclosure Committee • direct questioning of management on the transparency and accuracy of disclosures • feedback from KPMG, including areas in which they challenged management and how those discussions impacted the disclosures • consideration of the results of management's testing of controls relating to financial reporting processes, including the output of the Group's internal control assessments and the SOx s404 internal control processes. The Committee closely considered the Group's financial disclosures and provided feedback, including on areas where disclosures could be enhanced and clarity provided. Having evaluated the available information, the assurances by management and KPMG and underlying processes used to prepare the published financial information, the Committee concluded and recommended to the Board that the 2024 Annual Report and Accounts are fair, balanced and understandable.

Directors' report: Board Audit Committee report (continued)

Areas of focus	Role of Committee / Key issues considered	Conclusion / action taken
Critical accounting estimates and judgements		
Conduct provisions (refer to **Note 23** to the financial statements)	Barclays makes certain assumptions and estimates, analysis of which underpins provisions made for the costs of customer redress. The Committee analyses the judgements and estimates made by management to evaluate the adequacy of the provisions.	The Committee reviewed and challenged management's approach to conduct provisions throughout the year, including in relation to the review commissioned by the FCA on historical motor finance commission arrangements and any potential related provision. The Committee also sought KPMG's views on the timeliness and adequacy of provisioning in relation to conduct matters, as well as the triggers for raising a provision and the appropriateness of any decision to not raise a provision. The Committee was satisfied that management's judgement and approach resulted in an adequate and appropriate level of provision in relation to conduct matters.
Impairment of financial instruments (refer to **Note 8** to the financial statements)	The Committee monitors management's judgements in relation to expected credit losses (ECLs), which are modelled using a range of forecast economic scenarios. Forward-looking models are used which require judgements to be made over modelling assumptions, including: • the determination of macroeconomic scenarios to be used • the methodology for weighting of scenarios • the criteria used to determine significant deterioration in credit quality • the application of management adjustments to the ECL modelled output.	The Committee considered regular reports from management on: • credit performance across the different businesses • the impact of the macroeconomic environment, including central bank interest rate decisions, inflation trends and unemployment levels • the use of post-model adjustments (PMAs), including the retention or release of PMAs • the refresh of macroeconomic variables and associated weighting. The Committee closely considered management's judgement on impairment coverage levels, including in respect of material exposures and the impact of delinquencies in certain areas of the portfolios. The Committee also considered areas of challenge from KPMG on management's approach to judgements, including with respect to the use and release of PMAs. As a consequence of the acquisition of Tesco Bank, the Committee reviewed the treatment of the acquired balances. Having considered and scrutinised the reports, the Committee agreed with management's conclusion that the impairment provision was appropriate.
Impairment of goodwill and intangibles (refer to **Note 21** to the financial statements)	The Committee considers management's judgement in relation to goodwill and intangibles. The carrying value of goodwill and intangible assets is assessed on the basis of discounted forecast future earnings. Given the significant component of earnings attributable to net interest income, such forecasts are particularly sensitive to the level of long-term interest rates and assumed levels of future lending. The period over which intangible assets are amortised appropriately reflects the useful economic life.	The Committee considered management's reports on its assessment of the Group's goodwill balances and intangibles to identify any indicators of impairment, including the methodology and controls applied to the process. The Committee was satisfied with management's determination that no indicators of impairment had been identified.
Legal, competition and regulatory provisions (refer to **Note 25** to the financial statements)	Barclays is engaged in various legal, competition and regulatory matters which may give rise to provisioning based on the facts. The level of provisioning is subject to management judgement on the basis of legal advice.	The Committee received regular reports on the status of current legal, competition and regulatory matters and considered the impact of those matters on the Group's provision levels. It challenged management's judgements on the level of provision to be taken and triggers for making a provision. The Committee also sought KPMG's views on the adequacy of provisions and areas where they had challenged management, including the steps taken by management to satisfy KPMG on the position taken. The Committee agreed that the level of provision at the year-end was appropriate. The Committee also reviewed the disclosures made in the legal, competition and regulatory notes during the year, providing feedback to enhance transparency in disclosures where appropriate, and concluded that they provided appropriate information for investors.
Valuations (refer to **Notes 13 to 17** to the financial statements)	Barclays exercises judgement in the valuation and disclosure of financial instruments, derivative assets and certain portfolios, particularly where quoted market prices are not available.	The Committee received updates on and scrutinised management's approach to valuations during the year. The Committee requested enhanced reporting from management on material positions and challenged management on decisions made with respect to valuations in the leveraged finance portfolio. Acknowledging the judgement involved in this area, the Committee sought KPMG's views on their analysis and alignment with management on valuation decisions taken. The Committee was satisfied with the accounting treatment in respect of the various valuation matters.

Directors' report: Board Audit Committee report (continued)

Areas of focus	Role of Committee / Key issues considered	Conclusion / action taken
Critical accounting estimates and judgements		
Tax (refer to **Note 9** to the financial statements)	The Committee is responsible for considering the Group's tax strategy and overseeing compliance with the Group's Tax Principles. Barclays is subject to taxation in a number of jurisdictions globally and makes judgements with regard to provisioning for tax at risk and to the recognition and measurement of deferred tax assets.	The Committee received reports from the Global Head of Tax on developments in tax matters during the year, including updates on the work of the Tax Management Oversight Committee. The Committee monitored the Group's interactions with tax authorities, developments in tax litigation matters across the Group and the material tax risks for the Group (including considering the adequacy of tax provisions and KPMG's views). The Committee approved the UK Tax Strategy statement published in the Country Snapshot report and recommended the Country Snapshot to the Board for approval.
Going concern and viability		
Going concern and long-term viability (refer to the Viability Statement on **page 54**)	Barclays is required to assess whether it is appropriate to prepare the financial statements on a going concern basis. In accordance with the Code, Barclays must provide a statement of its viability. To support this, the Committee considers both the going concern assumption and the form and content of the Viability Statement.	The Committee considered both the going concern assumption and the form and content of the Viability Statement taking into account: • the Medium Term Plan and Working Capital Report • the forecast capital, liquidity and funding profiles • the results of stress tests based on internal and regulatory assumptions. The Committee recommended to the Board that the financial statements should be prepared on a going concern basis and that there were no material uncertainties that would impact the going concern statement which required disclosure. The Committee also recommended the Viability Statement to the Board for approval.
Distributions		
Distributions and return of capital to shareholders	The Committee assesses the distributable reserves position in considering management's proposals for distributions.	The Committee reviewed and recommended to the Board that there were sufficient distributable reserves in relation to (i) a dividend for the financial year ended 31 December 2023 of 5.3p per share along with a share buy-back of up to £1bn; and (ii) a dividend for the half year ended 30 June 2024 of 2.9p per share along with a share buy-back of up to £750m. In early 2025, the Committee reviewed and reported to the Board on the distributable reserves position for the full year dividend for the year ended 31 December 2024 along with a proposed share buy-back.
Internal controls		
Internal controls and business control environment (read more about Barclays' internal control and risk management processes on **page 179**)	The Committee considers the effectiveness of the overall control environment, including the status of any significant control issues and the progress of specific remediation plans.	The Committee: • considered feedback received from regulatory stakeholders on the Group's internal control environment and management's response • received regular reports on the more significant control matters and remediation programmes across the Group • discussed reports from the heads of BUK, the Investment Bank (both Markets and Investment Banking), PBWM, UKCB and USCB on their control environment, together with views from the second and third lines of defence. The Committee requested enhancements to management reporting to provide greater visibility on progress of material remediation programmes and enable earlier intervention by the Committee if appropriate. Following Committee feedback, management reporting on controls matters was enhanced to reflect a more integrated approach across the three lines of defence as well as a more streamlined view across the areas of controls and operational risk. The Committee acknowledged management's progress in driving sustainable improvements in the Group's internal control environment, and agreed with management's recognition that this did not reduce the need for constant focus on identifying further improvements. In that context, the Committee welcomed proposals to undertake a review of the Group-wide controls framework to further enhance and streamline it where appropriate.
Whistleblowing		
Raising concerns	The Committee considers the adequacy of the Group's arrangements to allow colleagues to raise concerns in confidence and anonymously without fear of retaliation, and the outcomes of any substantiated case.	The Committee received detailed semi-annual reports on whistleblowing from management. It monitored key whistleblowing metrics, the 'speak up' culture across the Group and any potential whistleblowing trends including around retaliation and anonymity. The Committee sought feedback from management on the effectiveness of enhancements made to the whistleblowing process, including impact on colleague experience and suggested ways in which speaking up among colleagues could be further encouraged.

Directors' report: Board Audit Committee report (continued)

Areas of focus	Role of Committee / Key issues considered	Conclusion / action taken
Internal audit		
Internal audit	The Committee monitors and assesses the performance of Barclays Internal Audit (BIA) and delivery of the internal audit plan, including scope of work performed, the level of resources, and the methodology and coverage of the internal audit plan.	Through regular reports from BIA, the Committee: • reviewed and agreed the internal audit plan, methodology and deliverables for 2024, including consideration of how regulatory priorities are managed alongside cyclical audit plans • reviewed BIA's audit reports in relation to specific audits, key areas of focus and emerging themes • tracked the levels of adverse audits and issues raised by BIA and monitored related remediation plans • received updates on BIA colleague matters, including colleague engagement and resourcing • discussed BIA's assessment of the control environment and management control approach in Group companies and functions. The Committee supported the new Group Chief Internal Auditor as he transitioned into the role. It welcomed enhancements made to BIA papers which supported the Committee's review and understanding of key items of focus for the internal audit team. The Committee noted the independence of the BIA function. It also received regular updates from BIA's quality assurance function and monitored trends in the quality assurance report findings. Committee members, along with the board audit committee chairs of BBUKPLC, Barclays Europe and Barclays US LLC, attended a 'BIA Teach In'. This covered BIA talent and succession planning, BIA's approach to auditable entities and BIA's use of AI to support in the effective provision of assurance work. At the end of the year, the Committee approved the 2025 audit plan and also approved BIA's Audit Charter following the annual review. The Committee conducted a performance assessment of BIA for 2024 and concluded it was satisfied with BIA's performance against its objectives agreed with the Committee Chair at the beginning of the year.
External audit		
External audit	The Committee monitors the work and performance of KPMG as the Group's statutory auditor.	The Committee: • met with key members of the KPMG audit team to discuss the 2024 audit plan and KPMG's areas of focus and subsequently approved the 2024 audit plan • assessed regular reports from KPMG on the progress of the 2024 audit • discussed KPMG's draft reports on control areas of focus and the control environment • approved the terms of the audit engagement letter and audit fees for 2024, on behalf of the Board. The Committee sought KPMG's views on a number of specific matters, including management's approach to accounting judgements such as the use and release of PMAs and treatment of M&A transactions, and sought to understand where KPMG had challenged management's assessment prior to reaching a conclusion. This included considering KPMG's challenge in relation impairment decisions, valuations, provisioning for litigation and conduct matters and the approach to disclosures in the Group's full year, half-year and interim financial results. The Committee received updates from KPMG in relation to the limited assurance conducted on CSRD disclosures made for the first time by the Group's significant subsidiaries, BBPLC and Barclays Europe. While BPLC is not expected to come into scope of CSRD reporting until 1 January 2028, the Committee will be looking to leverage learnings from the assurance conducted on BBPLC and Barclays Europe. The Committee considered KPMG's response to the PRA Written Auditor Reporting for 2023, and discussed with KPMG the questions in scope for the 2024 Written Auditor Reporting. See the next page for further detail on the Committee's assessment of KPMG's performance for 2024.

Directors' report: Board Audit Committee report (continued)

External auditor

Following an external audit tender in 2015, KPMG was appointed as Barclays' statutory auditor with effect from the 2017 financial year. Stuart Crisp, Barclays' lead audit engagement partner, has been in the role since 2022 and attends all meetings of the Committee.

Assessing external auditor effectiveness, objectivity and independence

The Committee is responsible for assessing the effectiveness, objectivity and independence of the Group's statutory auditor. This responsibility was discharged by the Committee throughout the year at formal Committee meetings, during private meetings with the KPMG lead audit engagement partner and through discussions with key Group executives.

Committee conclusion on KPMG effectiveness

The Committee is satisfied that the external audit process for 2024 was effective. In particular, the Committee considered that KPMG maintained its independence and objectivity, exercised robust challenge and demonstrated professional scepticism in the audit process.

The Committee assessed KPMG's effectiveness, objectivity and independence in the following ways:

Reporting throughout the year

- Met with senior members of the KPMG audit team from the UK, Ireland and US to discuss the approach to the 2024 audit and key areas of focus, including how the audit plan would address feedback from the prior year's auditor effectiveness assessment.
- Received regular reports from management on the non-audit services provided by KPMG to Barclays.
- Received regular reports from management detailing any employees or workers hired from KPMG.
- Discussed with KPMG their consideration of internal controls over financial reporting.
- Considered areas in which KPMG challenged management's assumptions in areas of key judgement.
- Monitored for any potential threats to independence. No such matters were identified and reported by KPMG during 2024.

Annual assessment and audit quality reporting

- The Group undertakes an annual formal assessment of KPMG's performance, independence and objectivity. The assessment for 2024 was conducted by way of a questionnaire completed by key stakeholders across the Group who have regular interaction with KPMG. The questionnaire was designed to evaluate KPMG's audit process, its effectiveness and overall output. It included questions covering areas such as performance regarding key judgements, independence and quality of people.
- During 2024, the Committee received reports from the KPMG UK Head of Audit Quality on her assessment of audit quality for Barclays as well as areas of focus for KPMG in improving audit quality for Barclays and generally. This included her views on the quality of the audit team dedicated to Barclays and how KPMG intends to utilise AI/technology in delivering the Barclays audit. The KPMG Global Head of Audit attended one of these meetings.

External reports

- The FRC published its Audit Quality Inspection and Supervision Report on KPMG LLP in July 2024. In the report, the FRC highlighted that KPMG has made notable improvements in priority areas and noted an improvement in audit quality. The percentage of audits inspected by the FRC requiring no more than limited improvements was 89%.
- The FRC outlined two areas of key findings, relating to (1) improving the quality and consistency of the audit of estimates, particularly for impairment assessments and ECL provisions and (2) improving the quality and consistency of risk assessment and response to internal control deficiencies.
- The results of the FRC review were shared with the Committee. While there remain areas for improvement, the FRC's findings provided additional comfort to the Committee on the quality and effectiveness of KPMG's audit.

Non-audit services

In order to safeguard the auditor's independence and objectivity, Barclays has in place the Group Policy on the Provision of Services by the Group Statutory Auditor (the Policy) setting out the circumstances in which the auditor may be engaged to provide non-audit services. 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 Group's auditor) should be performed by the auditor only in certain controlled circumstances. A summary of the Policy can be found at home.barclays/who-we-are/our-governance/auditor-independence/

The Policy sets out the type of services that the auditor is permitted to carry out and pre-approves certain of these services provided the fee is below a certain threshold, except for specific categories of permitted services that require explicit Committee approval. All other permitted services must be approved in advance by the Committee. The Policy requires that all proposed work must be sponsored by a senior executive who is not involved in any work to which the proposed engagement relates. The audit assignment partner must also confirm that the engagement has been approved in accordance with the auditor's own internal ethical standards and does not pose any threat to the auditor's independence or objectivity.

The Policy is reviewed by the Committee on an annual basis to ensure that it is fit for purpose and that it reflects applicable rules and guidelines. The Policy is aligned with both the FRC's requirements and KPMG's own internal policy on non-audit services for FTSE 350 companies, which broadly restricts non-audit work to services that are 'closely related' to the audit.

Directors' report: Board Audit Committee report (continued)

The fees payable to KPMG for the year ended 31 December 2024 amounted to £91m (2023: £78m), of which £20m (2023: £14m) 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 39 of the financial statements.

Of the £20m of non-audit services provided by KPMG during 2024, the significant categories of engagement, i.e. services where the fees amounted to more than £500,000, included:

- limited assurance services provided pursuant to CSRD requirements in relation to disclosures by BBPLC and Barclays Europe
- audit-related services, such as services in connection with CASS (Client Assets Sourcebook) audits
- other services in connection with regulatory, compliance and internal control reports and specific audit procedures, required by law or regulation to be provided by the statutory auditor
- other attestation and assurance services, such as ongoing attestation and assurance services for treasury and capital markets transactions to meet regulatory requirements, including regular reporting obligations and verification reports.

External audit tender

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

Barclays 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 external auditor and the setting of a policy on the provision of non-audit services.

As a UK public interest entity, Barclays is required to tender the external audit every 10 years and rotate the Group statutory auditor every 20 years. We disclosed in our Annual Report in 2023 that any tender was expected to be in respect of the 2027 financial year onwards.

On 12 December 2024, Barclays announced its intention to conduct a formal audit tender process for the Group statutory auditor with effect from the 2027 financial year onwards. The audit tender process is being led by the Board Audit Committee, having regard to the FRC guidance on best practice for audit tenders. Management will support the Committee in the audit tender process, and will share their views on an advisory only basis with the Committee.

During 2024, Barclays undertook an initial 'Request for Information' (RFI) to identify firms which satisfied our minimum requirements relating to credibility, capacity and independence. The size and complexity of Barclays requires an audit firm of sufficient size, resource and geographical reach to be able to ensure a high quality audit. As part of the RFI, the Chair of the Committee together with senior members of Finance management met interested firms to discuss with them Barclays' key priorities for the audit.

As part of the Request for Proposal (RFP) phase of the tender, firms will be invited to submit proposals to provide statutory audit services to the Barclays Group for up to a period of 10 years commencing from the financial year ending 31 December 2027.

Barclays' primary objective for the audit tender process is ensuring a fair and transparent tender process and appointing the audit firm which will provide the highest quality audit in an effective and efficient manner. Firms will be assessed against criteria determined by the Board Audit Committee.

At the conclusion of the RFP phase, the Committee expects to recommend two audit firms to the Board for it to select the preferred firm. The audit tender process is expected to conclude in June 2025 and an announcement will be made following the selection of the preferred firm by the Board.

An overview of the process is set out below.

Audit tender process

RFI circulated and responses considered

↓

Recommendation from the Committee to the Board to formally commence the audit tender process

↓

RFP process, workshops held and final presentations to the Committee

↓

Committee review of proposals and recommendation to the Board

↓

Board selection of preferred audit firm and announcement released confirming selected firm

Directors' report: Board Risk Committee report

Providing rigorous risk oversight during uncertain times

Strengthening risk management and resilience amid complex global challenges.

Board Risk Committee

Robert Berry
Chair, Board Risk Committee

Committee membership and meeting attendance in 2024[1]

Member	Meetings attended/eligible to attend
Robert Berry	**10/10**
Dawn Fitzpatrick	9/10
Sir John Kingman	9/10
Marc Moses	10/10
Julia Wilson	9/10
Mohamed A. El-Erian[2]	5/6
Diane Schueneman[3]	3/4

Notes
1 There were 10 scheduled meetings of the Committee in 2024. Owing to prior commitments, Mohamed A. El Erian, Sir John Kingman and Diane Schueneman were each unable to attend one meeting. Dawn Fitzpatrick was unable to attend one meeting due to being called to jury service. Julia Wilson was unable to attend one meeting due to an unavoidable personal commitment.
2 Stepped down on 31 August 2024.
3 Stepped down with effect from 31 May 2024.

Dear Fellow Shareholders

During 2024, the Committee focused on positioning the Group to navigate the financial and operational challenges arising from macroeconomic uncertainty, inflation and geopolitical tensions through proactive oversight and strengthened resilience.

Following the announcement of the Group's three-year strategy in February 2024, and the re-segmentation of the business into five business lines, the Committee receives regular business risk updates from management of those divisions. Reflecting the new business segmentation, the Committee undertook its annual review of Risk Appetite and considered the potential capital impacts from a number of strategic projects including the acquisition of Tesco Bank, and considered and approved an updated view of the Group's stress loss limits. The Committee also examined governance and compliance risk management processes and controls in place to effectively mitigate and oversee the inherent compliance risk arising from the Group transformation initiatives.

As part of the annual review of the Enterprise Risk Management Framework (ERMF), financial crime was elevated to a principal risk by the Board on recommendation of the Committee. This reflects the heightened financial crime risk environment and importance of related risks to Barclays and its stakeholders.

This change took effect on 1 January 2025, with the Committee having overseen management's work to put in place a financial crime risk management framework to support this change, including the development of a financial crime risk appetite statement and reporting dashboard. In addition, the Committee has continued oversight of management's initiatives to detect and mitigate financial crime risk across the Group, ensuring alignment with strengthened regulatory expectations.

The Committee continued to monitor closely the rapidly changing macroeconomic environment throughout the year as well as the periodic bouts of volatility in traded markets and the potential for higher delinquencies in wholesale and retail lending due to pressure on margins and cost of living. This included impacts on structured financing portfolios with underlying retail exposure, as well as counterparties susceptible to the impacts of elevated rates. The Committee oversaw the active monitoring and risk mitigating actions put in place by management to manage these financial risks, including regular asset valuations and margining.

The Committee received regular updates on capital and liquidity management and oversaw compliance with the Group's prudential requirements, including judgements around risk-weighted assets and capital adequacy, and related enhancements to the governance oversight framework. The Committee also engaged in a detailed session on the strategic management of inherent interest rate risk via structural hedging arrangements.

The Committee continues to oversee work to drive robust operational risk management across Barclays, with the recent severe systems incident impacting many areas of our UK business a reminder of the need for continued vigilance in this area. During 2024, the Committee tracked Barclays' progress towards its goal of ensuring it can recover its important business services within impact tolerance in the event of material service disruption by the regulatory deadline of 31 March 2025, as required under the UK operational resilience framework. The Committee considered the risks associated with a cyberattack and the potential impact on customers and clients with management providing updates on ongoing efforts to strengthen the bank's cybersecurity defences.

Directors' report: Board Risk Committee report (continued)

In addition, the Committee oversaw work to improve risk management in the process for new and amended product approvals, by enhancing end-to-end control processes, strengthening senior management accountability and governance.

The Committee continued to oversee the management of risks arising from the impact of climate change on Barclays and its customers. In particular, the Committee reviewed the climate-related components of the Group Stress tests to understand the impact of climate risk on Barclays' financial viability. The Committee also oversaw the management of risks to Barclays meeting its disclosed targets on reducing its financed emissions.

The Group uses models and data to support a broad range of business decisions and risk management activities across the Group. The Committee has continued its oversight of model risk management, including enhancements to the model risk framework to support regulatory compliance and address regulatory expectations.

Compliance risk remained a key area of oversight. The Committee received updates from Compliance management on its assessment of business activities that have the potential of posing higher levels of compliance risk. The Committee examined the output of read across exercises to inform enhancements to the bank's compliance risk management capabilities such as surveillance mechanisms, as well as leveraging lessons learned from fines and penalties imposed on peer firms to ensure that Barclays practices align with regulatory expectations and proactively mitigate those risks with the potential to cause customer harm.

During 2024, the Committee's remit was expanded to include responsibility for the oversight of the effectiveness of the executive's approach to reputation risk management, with matters of strategic Group-wide reputation risk being reserved to the Board, supported by clear escalation protocols.

As part of the Committee's oversight of Barclays' recovery and resolvability capabilities, the Committee oversaw management's testing and assurance plans under the BoE's Resolvability Assessment Framework. Reflective of the need to ensure that Barclays' financial and operational crisis management frameworks are aligned, the Committee participated in a simulation to test Barclays' response to a serious and fast moving operational crisis with severe financial implications. The exercises provided valuable learnings for the Committee and the wider organisation as to how Barclays can best prepare for and respond to any such crisis event. The outputs also support the Group's Recovery Plan which sets the actions available to the Group and its material entities in a severe financial stress event.

The Committee continues to work closely with the Board Audit Committee and Board Sustainability Committee to ensure a consistent approach is taken in relation to key matters across the Group. This interconnectivity is supported by Committee cross-memberships, including the Chair of the Board Audit Committee being a member of the Board Risk Committee and my membership on the Board Audit and Sustainability Committees.

To ensure that I have visibility over any material and key emerging issues impacting the Group (including its key subsidiaries), during the year I attended meetings of the Barclays US LLC/Barclays Bank Delaware Board Risk Committee. I also took the opportunity to visit Barclays' operations in India (Pune and Mumbai), meeting with the India Risk management team and with Risk colleagues across both offices.

In 2024, the Committee oversaw a change to the senior management of the Compliance function, with the appointment of a new Group Chief Compliance Officer, Matt Fitzwater, who took up the role in October 2024.

Committee effectiveness

The 2024 Committee effectiveness review was externally facilitated, as required by the Code. The review is an important part of the way Barclays monitors and improves Committee performance and effectiveness, maximising strengths and highlighting areas for further development.

The Board appointed CSA to facilitate the review. As part of the review, CSA conducted one-on-one interviews with each member of the Committee, the Group Chief Risk Officer, Group Finance Director, BBPLC General Counsel, Group Chief Operating Officer, Group Chief Compliance Officer and BBPLC Chief Compliance Officer. CSA also observed the September 2024 Committee meeting.

The results of the Committee effectiveness review confirm the Committee is operating effectively. It is considered appropriately constituted and diligently chaired, providing an effective and appropriate level of constructive challenge and oversight of the areas within its remit, with thoughtful and well-informed contributions from members in meetings. The review highlights that the Committee is considered to have the right level of skills and experience and is of an appropriate size.

The Committee's interaction with the Board, Board Committees and senior management is considered effective, noting that the Committee is well integrated into overall Board processes, with regular reporting from the Chair to the Board on key issues arising from the work of the Committee. Feedback noted the benefits of having the Chair of the Board Audit Committee serve on the Committee, helping to reduce any potential overlap between the work of the two Committees.

Whilst agendas are considered appropriate having regard to the Committee's broad remit, the review recommended that consideration be given to how future Committee agendas might be shaped towards more open-ended discussion and to bring in more external perspectives. A continued focus on ensuring shorter and more focused papers which clearly identify key matters for the Committee's attention was considered beneficial.

Directors' report: Board Risk Committee report (continued)

Feedback indicated that concurrent meetings of the BPLC and BBPLC Board Risk Committee continue to be effective, with coverage of BBPLC matters considered appropriate. Interaction with the BBUKPLC Board Risk Committee was also considered effective, noting the regular interactions between the respective Committee Chairs and confirming that the Committee continues to exercise appropriate oversight of issues relevant to the Committee's remit relating to BBUKPLC.

Please see the report of the Board Nominations Committee for further details on the process for conducting the 2024 Committee effectiveness review.

Looking ahead

As we move into 2025 the Committee will continue to oversee management's efforts to effectively monitor, manage and mitigate the impact of the risks most likely to pose harm or disruption to the Group's operations and stability. In doing so, the Committee expects to maintain focus on several key topics including geopolitical tensions, macroeconomic uncertainty and ongoing inflationary pressures, with possible regulatory divergence on some issues likely to increase the complexity of effective risk management.

Robert Berry
Chair, Board Risk Committee

12 February 2025

Committee meetings

In 2024, the Committee met 10 times, with no ad hoc meetings (2023: 11 times, including two ad hoc meetings) and the attendance by members at these meetings is shown on page 169. In addition to its members, Committee meetings were attended by representatives from senior management, including the Group Chief Executive, Group Chief Risk Officer, Group Finance Director, Group Chief Internal Auditor, Group Treasurer, Group Chief Compliance Officer and Group General Counsel, as well as representatives from the businesses and additional colleagues from the Risk and Compliance functions. The lead audit engagement partner of KPMG also attended Committee meetings. The Committee held regular private sessions with each of the Group Chief Risk Officer and the Group Chief Compliance Officer, without other management present.

Role of the Committee

The Committee is responsible for reviewing, on behalf of the Board, management's recommendations on the principal risks as set out in the ERMF (with the exception of reputation risk with strategic implications relating to the Group, which is a matter reserved to the Board), and in particular:

- reviewing, on behalf of the Board, the management of those principal risks in the ERMF
- considering and recommending to the Board the Group's risk appetite and tolerances for those principal risks
- reviewing, on behalf of the Board, the Group's risk profile for those principal risks
- commissioning, receiving and considering reports on key risk issues
- safeguarding the independence, and overseeing the performance, of Barclays' Risk and Compliance functions.

The Committee's terms of reference are available at home.barclays/who-we-are/our-governance/board-committees/

Directors' report: Board Risk Committee report (continued)

Primary activities

The Committee discharged its responsibilities in 2024 through reviewing and monitoring Group exposures in the context of the current and emerging risks facing the Group. The Committee seeks to promote a strong culture of disciplined risk management.

Areas of focus	Key role of Committee	Conclusion / action taken
Risk framework and governance	• To review the design of the ERMF and recommend to the Board for approval any relevant changes. • To track the progress of significant risk management projects. • To consider risk management matters raised by Barclays' regulators and monitor the actions being taken by management to respond. • To review the effectiveness of the Group's risk management systems.	• The Committee reviewed and recommended to the Board updates to the ERMF to elevate financial crime to a principal risk, include the climate risk constraint and realign oversight of legal risk from Risk to Compliance. • The Committee reviewed reports from management on guidance, letters and reviews received from regulators. The Committee examined management's responses to the matters raised by regulators and received updates on key remediation programmes. • The Committee considered and recommended to the Board for approval updates to the Committee's Terms of Reference including changes to reflect the Committee's new responsibilities with respect to the oversight of reputation risk. • The Committee oversaw enhancements to the governance framework for the management of regulatory reporting
Risk appetite and stress testing **i.e. the level of risk the Group chooses to take in pursuit of its business objectives, including testing whether the Group's financial position and risk profile provide sufficient resilience to withstand the impact of severe but plausible economic scenarios.**	• To propose to the Board an appropriate risk appetite and tolerance for the principal risks, including an overall Group risk appetite and limits. • To review and approve the methodology used to establish the Group's risk appetite and associated stress testing. • To discuss and agree stress loss and mandate and scale limits for credit risk, market risk, operational risk and treasury and capital risk. • To consider and approve internal stress test (IST) themes, and consider the financial constraints and scenarios, for stress testing risk appetite for the MTP. • To consider and approve the results of stress tests required by regulatory bodies.	• The Committee considered and recommended to the Board for approval Barclays' Risk Appetite Statement. • The Committee discussed and approved the mandate and scale limits as well as the stress loss limits for the Group. Subsequent changes were reviewed and approved during the year. • The Committee considered and approved stress test results, including those of the 2024 IST (including climate risk embedded for the first time this year), as well as the associated risk appetite for the MTP. The Committee also approved the results of the 2024 reverse IST, and considered key learnings. • The Committee considered the results of Barclays US LLC's 2024 supervisory stress test conducted by the Federal Reserve Board. • The Committee considered the conclusions from the due diligence conducted on the acquisition of Tesco Bank and the impact of the acquisition on the Group's risk profile and its overall risk appetite and strategy.
Risk profile **i.e. the impact on the Group's risk profile of geopolitical and macroeconomic developments and conditions.**	• To evaluate and report to the Board on the Group's risk profile and monitoring of the principal risks in the ERMF. • To consider proposed material changes to the Group's risk profile.	• The Committee received regular updates on the Group's risk profile and compliance profile from the Group Chief Risk Officer and Group Chief Compliance Officer respectively. • The Committee examined key risk themes in order to monitor the evolving risk environment in which Barclays operates, the response of management, and the changing risk profile of the Group. • The Committee considered macroeconomic developments, including the evolving rates environment, US Government fiscal position, disintermediation, the UK economy, the EU geopolitical and economic landscape and execution risk relating to the Group's strategy. • The Committee monitored the Group's exposures to geopolitical risks and considered longer-term and emerging risk themes. • The Committee received regular business division risk reviews from the first and second lines of defence.

Directors' report: Board Risk Committee report (continued)

Areas of focus	Key role of Committee	Conclusion / action taken
Credit risk and market risk **i.e. the risk of loss from the failure of customers, clients or counterparties to fully honour their obligations; or due to market movements.**	• To review and consider vulnerabilities to credit losses in the Group's lending and banking transactions which expose the firm to credit risk • To review and consider the risk of loss arising from potential adverse changes in the value of the firm's assets and liabilities from fluctuation in market variables.	• The Committee received regular updates on credit risk and market risk within the Investment Bank, with a particular focus on the structured lending and finance and leveraged finance portfolios.
Treasury and capital risk **i.e. liquidity risk, capital risk and interest rate risk in the banking book.**	• To review capital performance against plan, tracking the capital trajectory, any challenges and opportunities and regulatory policy developments. • To assess liquidity performance against both internal and regulatory requirements, and review any challenges and opportunities. • To monitor capital and funding requirements. • To consider the ICAAP and ILAAP scenario review.	• The Committee reviewed capital and liquidity performance and the forecast capital and funding trajectory, including the actions identified by management to manage the Group's capital position, taking into account relevant macroeconomic factors. • The Committee received a preliminary assessment of the ICAAP and the ILAAP in January 2024. The Committee subsequently discussed and approved the Group's 2024 ICAAP and the Group's 2024 ILAAP prior to their submission to the PRA. • The Committee recommended to the Board for approval the Group Recovery Plan, which forms part of the Group's capital and liquidity risk management framework. • The Committee reviewed the key findings from the Bank of England's second Resolvability Assessment Framework assessment and plans for the enhancement of Barclays' resolvability arrangements. • The Committee monitored preparations for compliance with Trading Wind Down capabilities in the context of recovery planning and post-resolution restructuring. • The Committee received a number of teach-in sessions from management on treasury-related matters, including the structural hedge. • The Committee received regular reports from the Group Regulatory Management Oversight Committee.
Climate risk **i.e. the risk of financial losses arising from climate change through physical risks and risks associated with transitioning to a low-carbon economy.**	• To consider and assess the impact of climate risk on the Group's activities.	• The Committee received regular updates on climate risk including areas of elevated climate risk and progress against sector targets. • The Committee reviewed how climate change is driving financial and operational risks and how Barclays is managing them.
Operational risk **i.e. the risk of loss arising from inadequate or failed processes and systems, human factors or due to external events.**	• To review the Group's operational risk profile and consider specific areas of operational risks, including fraud, conduct risk, operational recovery planning, cybersecurity risk, execution risk, technology and data, including the controls that are in place for managing and mitigating such risks. • To track operational risk key indicators.	• The Committee received regular reporting on key operational risk indicators and was briefed by management on a number of operational risk topics, including those relating to technology risk, fraud, third party risk management, cyber and information security and the risks associated with new business activities. • The Committee considered operational resilience, including reviewing and recommending to the Board for approval the 2024 Barclays Operational Resilience Self-Assessment report, detailing the resilience risks which may impact Barclays' ability to recover its important business services within impact tolerance, and to ensure Barclays' plans align to enhanced expectations around appropriate measures to reduce risk to market integrity, financial stability, safety and soundness, and customer/client harm. • The Committee received updates on cybersecurity resilience and the results of internal and external tests of Barclays' performance against cybersecurity risk appetite

Directors' report: Board Risk Committee report (continued)

Areas of focus	Key role of Committee	Conclusion / action taken
Model risk **i.e. the potential for adverse consequences from decisions based on incorrect or misused model outputs and reports.**	• To evaluate the appropriateness of the Model Risk Management Framework, including receiving updates on findings in relation to specific modelling processes.	• The Committee reviewed and discussed regular updates on model risk, including progress in developing the Model Risk Management Framework, and in relation to the continued focus and momentum required to address increasing regulatory expectations.
Compliance risk **i.e. compliance risk is comprised of (i) laws, rules and regulation (LRR) risk and (ii) conduct risk, which is the risk of poor outcomes to customers, clients and markets, arising from the delivery of the Group's products and services.**	• To receive updates from management on conduct risk and consider performance against key conduct risk indicators and the status of initiatives in place to address those risks to further strengthen the culture of the business. • To review the effectiveness of the Conduct Risk Framework. • To oversee how Barclays mitigates the risk of non-compliance with LRR risk.	• The Committee received regular updates on conduct risk and assessments of potential risks to the Group following market events. • The Committee received updates on lessons learned reviews undertaken in response to industry developments and events, and continued to monitor ongoing remediation activities. • The Committee received regular updates on the management of the Group's financial crime risk and a dedicated deep dive on the financial crime control environment with a focus on inherent risk for sanctions, anti-bribery and corruption and anti-tax evasion facilitation.
Legal risk **i.e. the risk of loss or imposition of penalties, damages or fines from the failure of the Group to meet its legal obligations, including regulatory or contractual requirements.**	• To monitor the Group's legal risk profile, including considering potential material emerging legal risks.	• The Committee received regular updates on the legal risks faced by the Group, including horizon scanning for key areas of emerging legal risk and Barclays' ability to manage these and other risk trends.
Remuneration	• To make a recommendation to the Board Remuneration Committee on the financial and operational risk factors to be taken into account in annual remuneration decisions.	• The Committee considered the 2024 ex-ante risk adjustment methodology, including input from the Group Chief Risk Officer and the Group Chief Compliance Officer.
Oversight of the Risk and Compliance functions	• To safeguard the independence, and oversee the performance, of Barclays' Risk and Compliance functions. • To satisfy itself that the Barclays Compliance and Risk functions are adequately resourced and have appropriate access to information so as to be able to perform their functions effectively. • To review the Compliance function's Annual Compliance Plan. • To oversee the Group's compliance and risk culture.	• The Committee considered assessments of the performance of the Risk and Compliance functions. • The Committee met privately with the Chief Risk Officer and Chief Compliance Officer on a regular basis. • The Committee approved the Annual Compliance Plan and monitored progress on key deliverables during the year. • The Committee received updates on the compliance and risk culture within the Group.

Continuing to progress on our sustainability targets

Committed to delivering our climate and sustainability strategy.

Board Sustainability Committee

Nigel Higgins
Chair, Board Sustainability Committee

Committee membership and meeting attendance during 2024[1]

Member	Meetings attended/eligible to attend
Nigel Higgins	5/5
Robert Berry	5/5
Dawn Fitzpatrick	4/5
Mary Francis	5/5
Brian Gilvary	4/5
C.S. Venkatakrishnan	4/5
Julia Wilson	5/5

Note:
1 There were five scheduled meetings of the Committee in 2024. Owing to other/prior commitments, Dawn Fitzpatrick, Brian Gilvary and C.S. Venkatakrishnan were each unable to attend one meeting.

Dear Fellow Shareholders

In 2024, the Barclays Group continued to make progress in supporting the transition to a low-carbon economy, delivering on the strategic pillars of our ambition to be a net zero bank by 2050 and supporting wider sustainability priorities. Climate change continues to be a critical and complex challenge and addressing it remains a priority for Barclays.

The Committee has played a key role in assisting the Board and management, particularly as we consider how best to navigate increasing policy divergence and uncertainty. It has helped strengthen the Board's understanding of the challenges around climate change and overseen the development of a wide range of tools as we improve our evaluation and support of our clients' transition plans, how we finance sustainable and transition opportunities and scale up new technologies.

The Committee also maintained its focus on wider sustainability issues such as nature and human rights, including receiving externally-led training and overseeing the publication of the updated Barclays Human Rights Statement.

Our approach to climate has continued to evolve and become more multifaceted than when we determined our first emissions targets in 2020. We will set out what we have learnt as part of a Transition Plan, which we intend to publish later this year, and in which we will also seek to incorporate our developing thinking on nature and social issues. While we continue to make progress towards our climate commitments, we recognise that we cannot fully realise the impact of those changes on our own and the Transition Plan will provide an opportunity to highlight our key dependencies on the path towards net zero and hopefully encourage broader support in tackling them.

The Committee was pleased to see further progress across the three pillars of our climate strategy. We continued to track ahead of our target of 90% absolute reduction of our Scope 1 and 2 market-based emissions against a 2018 baseline – reducing these emissions by 95Δ%. We also enhanced our visibility and understanding of our supply chain emissions data resulting from increased supplier engagements - unlocking new opportunities to decarbonise our supply chain.

For our financed emissions, where we now have eight sector targets, the Committee received regular updates on our progress. The Committee is aware that future progress will likely remain volatile and non-linear due to factors and external dependencies beyond our control. Our upstream energy emissions reductions stayed above 40%, our 2030 target, and well ahead of our 2025 target of 15%. The Committee received an update on the implementation of our updated Climate Change Statement, announced in February 2024, which reinforced our focus on clients with transition plans and low-carbon intensive sources of energy.

Note:
Δ 2024 data subject to independent limited assurance under ISAE (UK) 3000 and ISAE 3410. Current limited assurance scope and conclusion can be found within the ESG Resource Hub: home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/

As an Executive member of the Committee, our Group Chief Executive, C.S. Venkatakrishnan, brings invaluable climate and sustainability insight to the Committee's discussions, including the views of key external stakeholders. Through his past and current external roles, including as Chair of the Financial Services Task Force to the Sustainable Markets Initiative, he brings external perspectives on key climate and sustainability matters relevant to the Committee's discussions.

Directors' report: Board Sustainability Committee report (continued)

The Committee reviewed the sustainable finance strategy and has been pleased to see our continued role as a provider of capital and expertise to low-carbon infrastructure projects and innovative climate technologies, as witnessed by the £94.4bn$^{\Delta}$ of financing towards our $1 trillion target of Sustainable and Transition Financing, a 39% increase year on year.

This progress is underpinned by our Sustainable and Transition Finance Frameworks which have robust methodologies to track and disclose against our target. We have also invested £203m to date in climate tech companies whose technologies have the potential to substantially reduce the emissions in the industries of our clients if they can be scaled appropriately.

The table on page 177 provides an overview of the Committee's key activities over the year.

The Committee advises the Board in its role overseeing the Group's climate and sustainability strategy. The Committee receives presentations on the challenges and opportunities pertinent to its work (including external input on specific areas of focus), undertakes detailed reviews and discussions and makes recommendations to the Board.

The topics covered by the Committee are reviewed regularly to ensure that members have visibility of material regulatory, legal and political developments in our key markets. Given the breadth of climate and sustainability matters and their impact across the Group, it is important we approach such matters with a cohesive view. Having cross-membership on the Committee with the Chairs of our Board Audit, Remuneration and Risk Committees helps to ensure a streamlined approach to Board-level oversight of all climate and sustainability related matters. The Committee continues to have a non-executive representative from the BBUKPLC Board, which provides further connectivity across Group matters.

Committee effectiveness

The 2024 Committee effectiveness review was externally facilitated, as required by the Code. The review is an important part of the way Barclays monitors and improves Committee performance and effectiveness, maximising strengths and highlighting areas for further development.

The Board appointed CSA to facilitate the review. As part of the review, CSA conducted one-on-one interviews with each member of the Committee, the Chief Executive of the UK Corporate Bank and Head of Public Policy and Corporate Responsibility, the Group Head of Sustainability and the Global Head of Sustainable and Transition Finance.

The results of the Committee effectiveness review confirm the Committee is operating effectively. It is considered well constituted and chaired, providing an effective and appropriate level of constructive challenge and oversight of the areas within its remit, with feedback confirming a good and varied level of debate during meetings. The Committee is considered to have the right level of skills and experience and is of an appropriate size. The review noted the benefits of having cross-membership between the Committee and the Board Risk Committee and the Board Audit Committee, and having the Group Chief Executive as a member of the Committee in the context of the development of Barclays' climate and sustainability strategy as well as the relevant experience he brings to the Committee.

The Committee's interaction with the Board, Board Committees and senior management is considered effective, noting that the Committee is well integrated into overall Board processes, with regular reporting by the Chair to the Board on key climate and sustainability matters, and recognising the level of diligent support provided to the Committee by senior management. Papers presented to the Committee were considered appropriate to the business of the meeting. A continued focus on the potential overlap between the work of the Committee and that of the Board Audit and Risk Committees was considered beneficial.

The review suggested that there may be merit in considering how agendas for future Committee meetings might be shaped to include regular horizon scanning items for emerging topics and to create opportunities for Committee members to hear from third party experts.

Feedback indicated that concurrent meetings of the BPLC and BBPLC Board Sustainability Committee are effective, with coverage of BBPLC matters considered appropriate. The addition of a representative to the Committee from the BBUKPLC Board at the beginning of 2024 was considered to support ongoing BBUKPLC Board engagement in respect of climate and sustainability matters impacting the Group.

Please see the report of the Board Nominations Committee for further details on the process for conducting the 2024 Committee effectiveness review.

Looking ahead

Looking ahead to 2025, the Committee will focus on developing the Transition Plan and nurturing more nascent areas of our sustainability agenda such as nature. We remain thoughtful on how we best address the complex issue of climate change whilst supporting a successful and growing economy with secure and affordable energy. We expect further divergence in the policy environment across the US, Europe and the UK and will carefully consider the implications for our clients and our own business and strategy in how we develop our approach in each region. We continue to see a significant ongoing opportunity for Barclays to demonstrate its commercial leadership and support for its clients in the transition to a low-carbon economy.

We will continue to regularly liaise with our external stakeholders, following valuable and constructive engagements in 2024, to explain how we can work towards successfully achieving our sustainability goals while managing the impact of the energy transition. The Committee is looking forward to continuing to oversee the work towards achieving our ambition to become a net zero bank by 2050.

Nigel Higgins
Chair, Board Sustainability Committee
12 February 2025

Directors' report: Board Sustainability Committee report (continued)

The role of the Board and Board Committees in the oversight of climate and sustainability matters

Board

Sets and oversees the Group's climate and sustainability strategy, including sustainable finance strategy, energy transition and transition planning.

Board Audit Committee	Board Risk Committee	Board Sustainability Committee	Board Remuneration Committee
Considers the impact of climate on the Group's financial statements and reviews key climate-related disclosures.	Oversees Barclays' progress in its climate risk management approach, including a focus on developing quantitative risk appetites.	Supports the Board in its oversight of policies, setting targets, and implementation of the Client Transition Framework.	Sets climate-related targets for executive management.
See the Board Audit Committee report from **page 160**.	See the Board Risk Committee report from **page 169**.	See the Board Sustainability Committee report from **page 175**.	See the Remuneration report from **page 186**.

Committee composition and meetings

In 2024, the Committee met five times, with no ad hoc meetings and attendance by members at these meetings is shown on page 175. Committee meetings in 2024 were also attended by representatives from management, including the Head of Public Policy and Corporate Responsibility, the Group Head of Sustainability, the Group Head of Sustainable and Transition Finance, and the Head of Legal, Public Policy and Corporate Responsibility.

Role of the Committee

The role of the Committee is to provide oversight of climate matters and the sustainability agenda, and in particular to:

- support and advise the Board on its oversight of climate and sustainability matters relating to (i) the services and products provided to Barclays' clients and customers, (ii) particular sectors, and (iii) its own corporate activities
- support the Board in monitoring the implementation of the Group's climate and sustainability strategy
- review and make recommendations to the Board on the suitability of the Group's climate and sustainability strategy, position statements, frameworks, ambitions, metrics, and targets
- report to the Board on the climate and sustainability matters for which it is responsible, escalating issues and making recommendations to the Board where appropriate.

The Committee's terms of reference are available at home.barclays/who-we-are/our-governance/board-committees/

Primary activities

The Committee's key areas of focus in 2024 are outlined below.

Areas of focus	Conclusion/action taken
Climate and sustainability strategy	The Committee: • Oversaw developments in our Sustainable Finance Strategy, which saw continued progress toward our Sustainable and Transition Financing target. • Reviewed the strategic considerations emerging from the development of the Transition Plan. • Examined the potential market barriers in relation to client transitions, and policy changes required to enable a better client transition aligned to a goal of 1.5C. • Received updates on the energy related sections of Barclays' Climate Change Statement, including the planned updates to that statement and the impact of those updates. • Received updates from management on opportunities to make further progress on achieving 2030 financed emissions targets, considering financial impacts, risks and actions required for real world transition.
Investor feedback	The Committee considered investor feedback and the perspectives of both our institutional investors as well as our retail shareholder base. During the year, members of the Committee engaged with institutional investors on climate-related matters, helping inform the development of our climate strategy.
Human rights	The Committee: • Recommended an updated Barclays Group Statement on Human Rights to the Board for approval, outlining our commitment and approach to respecting human rights. • Received an external briefing on business, human rights and the financial sector to support the Committee's understanding of relevant frameworks and responsibilities. • Received an update on the establishment of a Group-wide human rights programme and plans to make progress in key areas across the Group.

Directors' report: How we comply

Reporting against the Code's principles and provisions

As Barclays PLC is listed on the London Stock Exchange, the principles and provisions of the Code apply, a copy of which can be found at frc.org.uk

For the year ended 31 December 2024, and as at the date of this report, we are pleased to confirm that Barclays PLC has complied in full with the requirements of the Code. This section and our Board Governance report sets out how we complied with the Code in 2024.

By virtue of the information included in the Annual Report, we comply with the corporate governance statement requirements of the FCA's Disclosure and Transparency Rules (DTRs). The information required to be disclosed pursuant to DTR 7.2.6 is located on pages 180 to 185. Information in relation to the Board Diversity and Inclusion Policy, as required to be disclosed pursuant to DTR 7.2.8A, can be found on pages 151 to 152.

Barclays is permitted by NYSE rules to follow UK corporate governance practices instead of those applied in the US. Any significant variations must be explained in Barclays PLC's Annual Report on Form 20-F filing, found at the Securities and Exchange Commission's EDGAR database or on our website, home.barclays

The way in which Barclays has applied the principles and provisions of the Code during 2024 is summarised below and on the next page.

Board Leadership and Company Purpose

Our Board governance is designed to deliver an effective and entrepreneurial Board, which discharges its role effectively and efficiently. Details can be found on pages 143 to 144, including our Group-wide governance framework and the Board's responsibilities. Key Board activities for 2024 are set out on pages 146 to 148.

The Board is fully supportive of *The Barclays Way*, which sets out our Purpose, Values and Mindset, and is our Code of Conduct, providing a path for achieving a dynamic and positive culture in the Group. Refer to page 254 for further detail.

Our Group Whistleblowing Standard enables colleagues to raise any matters of concern anonymously and is embedded into our business. Further information can be found on page 255.

Throughout 2024, we engaged with our stakeholders through a variety of means. Refer to page 24 of the Strategic report for further detail about how Barclays engages with our stakeholders. You can read about how the Board engages with stakeholders in our Section 172(1) statement in the Strategic report from page 39 and examples of Board member engagement with stakeholders during 2024 can be found on page 146.

Division of Responsibility

The majority of the Board comprises independent Non-Executive Directors. The Group Chairman and Group Company Secretary work in collaboration to ensure an effective and efficient Board, as further described in Our governance framework from page 144. All Directors have access to the advice of the Group Company Secretary.

The roles of Chair, Group Chief Executive, SID and Non-Executive Directors are defined within the Barclays *Charter of Expectations*, along with the behaviours and competencies for each role, as outlined on page 145. Directors are expected to commit sufficient time to ensure they can discharge their obligations to Barclays effectively, as detailed in our Board Nominations Committee report on page 154.

The Board is responsible for setting the strategy for the Group. The day-to-day management of the Group is delegated by the Board to the Group Chief Executive who is supported by his ExCo, the composition of which is outlined on page 142.

Details of the number of meetings of the Board and its Committees, and the individual attendance by Directors, can be found in Our governance framework on page 145 and in each respective Board Committee report.

Composition, Succession and Evaluation

All Board and senior management appointments are based on merit and objective criteria, which focus on the skills, experience and diversity of thought required for the Board's effectiveness and the delivery of the Group's strategy.

A revised Board Diversity and Inclusion Policy was adopted in February 2024. In December 2024, the Board reaffirmed the gender and ethnic diversity targets set out in the Policy for 2025. For further detail on the Board Diversity and Inclusion Policy, refer to the Board Nominations Committee report on page 152.

Board appointments are made following a rigorous and transparent process facilitated by the Board Nominations Committee, with the aid of external search consultancy firms.

All Directors are subject to annual re-election at the AGM. See page 180 for further detail.

Each year, an effectiveness review is carried out on the performance of the Board, Board Committees and individual Directors. In line with the Code, an externally-facilitated review was conducted for 2024. Refer to the Board Nominations Committee report from page 157 for details of the 2024 effectiveness review as well as progress against the findings from the internally facilitated Board review for 2023.

Directors' report: How we comply (continued)

Audit, Risk and Internal Control

The Board, together with the Board Audit Committee, is responsible for ensuring the integrity of this Annual Report and that the financial statements as a whole present a fair, balanced and understandable assessment of Barclays' performance, position and prospects.

The Board, together with the Board Audit Committee, is responsible for ensuring the independence and effectiveness of the internal audit function and external auditors.

The Directors are 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.

Processes are in place for identifying, evaluating and managing the principal risks facing the Group. A key component of *The Barclays Guide* is the ERMF. The purpose of the ERMF is to identify and set minimum requirements of the main risks to the strategic objectives of the Group.

The Group is committed to operating within a strong system of internal control. *The Barclays Guide* contains the overarching framework setting out the approach of the Group to internal governance.

Effectiveness of risk management and internal controls is reviewed regularly by the Board Risk Committee (responsible for overseeing the ERMF and current and potential future risk exposures) and the Board Audit Committee (responsible for evaluating the effectiveness of internal controls).

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 is supported in its review of internal controls by the assurance conducted by BIA and KPMG.

The Board Audit Committee oversees the control environment (and remediation of related issues). It also reviews annually the risk management and internal control system.

The Board Audit Committee has concluded that throughout the year ended 31 December 2024 and to date, the Group has operated an effective system of internal control that provides reasonable assurance of financial and operational controls and compliance with laws, rules and regulations.

You can read more about the Board Audit Committee and its work, including its oversight of the internal control framework and areas of ongoing enhancement, from page 160.

Remuneration

The Remuneration report from page 186 sets out the purpose and activities of the Board Remuneration Committee, the remuneration policy for the Executive Directors and how it is aligned with the policy for the wider workforce, as well as the Directors' remuneration outcomes for 2024.

The remuneration policies and procedures support the Group's strategy and enable us to reward sustainable performance, which is a key element of our Remuneration Philosophy, in line with our Values, Mindset and risk expectations.

All Executive Director and senior management remuneration policies are developed in accordance with the Group's formal and transparent procedures (ensuring that no Director is involved in deciding their own remuneration outcomes) and are, where possible, aligned to wider workforce policies.

Board Remuneration Committee members exercise independent judgement and discretion when determining remuneration outcomes, considering the company and individual performance, wider workforce and other relevant stakeholder considerations.

We also note the release by the Financial Reporting Council (FRC) of the revised UK Corporate Governance Code 2024 (the 2024 Code), which will apply to financial years beginning on or after 1 January 2025. We will report against the 2024 Code, in accordance with the timeframes prescribed by the FRC.

Directors' report: Other statutory and regulatory information

Other statutory and regulatory information

The Directors present their report together with the audited accounts for the year ended 31 December 2024.

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

	Page
Remuneration policy, including details of the remuneration of each Director and Directors' interests in shares	196, 214, 235 to 237
Corporate Governance Statement	178 to179
Risk review	263

Disclosures required pursuant to Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 as updated by Companies (Miscellaneous Reporting) Regulations 2018 can be found on the following pages:

	Page
Engagement with employees (Sch. 7, Para 11 and 11A 2008/2018 Regs)	28 to 30
Engagement with suppliers, customers and others in a business relationship (Sch. 7, Para 11 B 2008/2018 Regs)	25 to 27, 31 to 34 and 250 to 253
Financial instruments (Sch. 7, para 6 2008 Regs)	469
Hedge accounting policy (Sch. 7, para 6 2008 Regs)	471

Disclosures required pursuant to Listing Rule 6.6.1R can be found on the following pages:

	Page
Allotment for cash of equity securities	504
Waiver of dividends	180

Section 414A of the Companies Act 2006 requires the Directors to present a Strategic report in the Annual Report and Financial Statements. This report can be found on pages 3 to 55.

The Company has chosen, in accordance with section 414C(11) of the Companies Act 2006, 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 25 (Legal, competition and regulatory matters) to the financial statements.

Profit and dividends

Statutory profit after tax for 2024 was £6,356 m (2023: £5,323m). The 2024 full year dividend of 5.5p per ordinary share will be paid on 4 April 2025 to shareholders whose names are on the Register of Members at the close of business on 28 February 2025.

With the 2024 half year dividend totalling 2.9p per ordinary share, paid in September 2024, the total dividend for 2024 is 8.4p (2023: 8.00p) per ordinary share. The half year and full year dividends for 2024 amounted to £1,221m (2023: £1,210m). BPLC also completed share buy-back programmes during 2024, further details of which can be found later in this section.

Shareholders may have their dividends reinvested in Barclays by joining the Barclays Dividend Reinvestment Plan (DRIP). Further details regarding the DRIP can be found at home.barclays/dividends and shareview.co.uk/info/drip

The nominee company of certain Employee Benefit Trusts (EBTs) holding shares in Barclays in connection with the operation of our employee share plans has lodged evergreen dividend waivers on shares held by it that have not been allocated to employees. The total amount of dividends waived during the year ended 31 December 2024 was £8.4m (2023: £1.70m).

Board of Directors

The names of the current Directors of BPLC, along with their biographical details, are set out on pages 138 to 141 and are incorporated into this Directors' report by reference. Changes to Directors during the year and up to the date of this report are set out below.

Name	Role	Effective date
Brian Shea	Non-Executive Director	Appointed 19 July 2024
Mohamed A. El-Erian	Non-Executive Director	Stepped down 31 August 2024
Diane Schueneman	Non-Executive Director	Stepped down 31 January 2025

Appointment and retirement of Directors

The appointment and retirement of Directors is governed by our Articles, the Code, the Companies Act 2006 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 among the Directors and any Director so appointed holds office only until the next AGM and may offer themselves for re-election. The Code recommends that all directors of FTSE 350 companies should be subject to annual re-election. All Directors intend to offer themselves for election or re-election at the 2025 AGM.

Directors' indemnities

Qualifying third party indemnity provisions (as defined by Section 234 of the Companies Act 2006) were in force during the course of the financial year ended 31 December 2024 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 Group also maintains Directors' and 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

Directors' report: Other statutory and regulatory information (continued)

Companies Act 2006) were in force during the course of the financial year ended 31 December 2024 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 trustees' activities in relation to the Barclays Bank UK Retirement Fund, Barclays Capital International Pension Scheme (No.1) and Barclays PLC Funded Unapproved Retirement Benefits Scheme.

Political donations

The 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, nor did it incur any political expenditure during the year. In accordance with the US Federal Election Campaign Act, Barclays provides administrative support to a federal Political Action Committee (PAC) in the US, funded by the voluntary political contributions of eligible employees.

The PAC is not controlled or funded by Barclays and all decisions regarding the amounts and recipients of contributions are directed by a steering committee comprising employees eligible to contribute to the PAC.

Contributions to political organisations reported by the PAC during the calendar year 2024 totalled $75,000 (2023: $60,159).

Country-by-Country reporting

The Capital Requirements (Country-by-Country reporting) Regulations 2013 require the Company to publish additional information in respect of the year ended 31 December 2024. This information is included in the Barclays Country Snapshot available on the Barclays website: home.barclays/annualreport

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

Barclays' 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 candidate experience. 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.

Research and development

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

Greenhouse gas emissions, energy consumption and energy efficiency action

Although financing activities account for the greatest proportion of our climate impact, we have also continued to address our operational emissions – an important factor in meeting our ambition to be a net zero bank by 2050. Decarbonising our operations can have substantial benefits for Barclays including cost savings, greater operational resilience, potential commercial opportunities, and strengthening relationships with clients and Third Party Service Providers (TPSPs)[1].

Progress to date

We have set milestones[2] and targets[3] to support our progress towards net zero operations. In 2024 we continued to track ahead of our milestone to reduce by 50% our absolute Scope 1 and 2 location-based GHG emissions by the end of 2030 – reducing these emissions by 56%$^{\Delta}$ against a 2018 baseline. This reduction is driven by ongoing work across our global real estate portfolio[4], including energy demand reduction for example by right-sizing[5] our real estate and by improving our real estate's energy efficiency through our energy optimisation programme, and by our progress with our company cars electrification. These measures build on those taken during 2023 to implement our net zero operations strategy. Further information is available on page 186 of the Barclays PLC Annual Report 2023. Also, an external contributor to our Scope 2 location-based emissions reduction was the decarbonisation of some of the electricity grids in the countries in which we have operational presence.

In 2024 we continued to source 100%$^{\Delta}$ renewable electricity[6] for our global real estate portfolio ahead of our 2025 year end target and continued to track ahead of our target of 90% absolute reduction of our Scope 1 and 2 market-based emissions against 2018 baseline – reducing these emissions by 95%$^{\Delta}$. Our focus on renewable electricity sourcing helped us maintain this target performance.

Our progress against our net zero operations milestones and targets is likely to be volatile and non-linear, due to our dependencies on broader industry and external factors. For example, dependencies on low-carbon technology developments and their market adoption, electricity grid decarbonisation as well as key policy and regulatory changes in the markets where we and our TPSPs operate.

Our progress may also be impacted by internal management decisions based on key drivers unrelated to climate, for example prudent risk management practices.

We will aim to continue to evaluate and evolve our strategic levers of decarbonisation taking into consideration key external factors and internal management decisions.

We have disclosed global GHG emissions and energy use data as required by the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. See the ESG Data Centre for further details on our annual operational GHG emissions since 2018, including our Scope 1, Scope 2 (location and market based) and Scope 3 operational emissions. We also provide insights on our annual waste production, energy, water consumption and renewable electricity consumption by region. For further information about Barclays' net zero operations strategy, see page 70 of the Barclays PLC Annual Report 2024.

Notes:

Δ 2024 data subject to independent limited assurance under ISAE (UK) 3000 and ISAE 3410. Current limited assurance scope and conclusion can be found within the ESG Resource Hub: home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/

1 TPSP means any entity that has entered an arrangement with Barclays in order to provide business functions, activities, goods and/or services to Barclays

2 In this section, a reference to a 'milestone' denotes an indicator we are working towards and report against.

3 In this section, a reference to a "target" denotes an indicator linked to our executive remuneration.

4 In this section a reference to global real estate portfolio includes offices, branches, campuses and data centres within our operational control.

5 In this section when referencing right-sizing, we are exercising opportunities through lease events or by way of negotiation to alter the square footage of an existing occupation to optimise our space and associated resources for our operational requirements in that location.

6 We maintained 100% renewable electricity sourcing for our global real estate portfolio through instruments including green tariffs (16%), energy attribute certificates (EACs)(48%), and energy attribute certificates from power purchase agreement (PPA) (36%). Green tariffs are programmes in regulated electricity markets offered by utilities, allowing large commercial and industrial customers to buy bundled renewable electricity from a specific project through a special utility tariff rate. Energy attribute certificates are the official documentation to prove renewable energy procurement. Each EAC represents proof that 1 MWh of renewable energy has been produced and added to the grid. Global EAC standards for renewable claims are primarily Guarantees of Origin in Europe and UK, Renewable Energy Certificates (RECs) in North America and International RECs (I-RECs) in a growing number of countries in Asia, Africa, the Middle East and Latin America.

Directors' report: Other statutory and regulatory information (continued)

The ESG Data Centre within the ESG Resource Hub can be found at **home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures**

GHG Emissions Table and Notes

	Current Reporting Year 2024[1]		Previous Reporting Year 2023	
	UK & Offshore Area	Global GHG Emissions	UK & Offshore Area	Global GHG Emissions
Group Operational GHG Emissions[2] (tCO_2e)				
Total[3] Scope 1, Scope 2 location-based, Scope 3 operational GHG emissions (000' tonnes)	**124.9**	**271.7**	91.6	183.4
Scope 1 CO_2e emissions (000' tonnes)[4]	**3.6**	**8.9Δ**	9.4	15.3
Scope 2 location-based CO_2e emissions (000' tonnes)[5]	**32.0**	**84.8Δ**	35.7	86.5
Scope 3 CO_2e emissions (000' tonnes)[6]	**89.3**	**177.9**	46.5	81.6
Category 3 fuel and energy-related activities CO_2e emissions (000' tonnes)	**11.0**	**11.3Δ**	12.9	13.4
Category 5 waste generated in operations CO_2e emissions (000' tonnes)	**0.09**	**0.21Δ**	0.19	0.36
Category 6 business travel CO_2e emissions (000' tonnes)	**18.6**	**45.3Δ**	15.3	39.5
Category 7 employee commute CO_2e emissions (000' tonnes)[7]	**41.7**	**92.8Δ**	—	—
Category 8 upstream leased assets CO_2e emissions (000' tonnes)	**18.1**	**27.5Δ**	18.1	27.7
Category 13 downstream leased assets CO_2e emissions (000' tonnes)	**0**	**0.77Δ**	0	0.72
Energy consumption used to calculate operational GHG emissions (MWh)[8]	**172,213**	**337,388Δ**	208,564	372,489
Intensity Ratio				
Total Full-Time Employees (FTE)	**43,421**	**91,500**	45,300	92,900
Total CO_2e per FTE (tonnes)[9]	**2.88**	**2.97Δ**	2.02	1.97
Market-based emissions[10]				
Scope 2 market-based CO_2e emissions (000' tonnes)	**0**	**1.8Δ**	0	1.6
Total Scope 1[4] and 2 market-based CO_2e emissions (000' tonnes)	**3.6**	**10.7**	9.4	16.9

Notes:

1 The carbon reporting year for our GHG emissions is 1 October to 30 September. The carbon reporting year is not fully aligned to the financial reporting year covered by this Directors' report. Details of our approach to assurance over the data is set out on page 49 of the Barclays PLC Annual Report 2024.

2 The methodology used to calculate our GHG emissions follows the 'Greenhouse Gas Protocol (GHG): A Corporate Accounting and Reporting Standard (Revised Edition)', defined by the World Resources Institute/World Business Council for Sustainable Development. We have adopted the operational control approach to define our reporting boundary. For 2024, we have applied the latest emission factors as of 31 December 2024.

3 In this section, our total accounted operational GHG emissions include Scope 1, Scope 2 (location-based) and scope 3 category 3, 5-8 and 13. In 2024, we expanded our operational GHG emissions coverage to include an estimate of our global employee commute emissions (see footnote 7). As a result our operational emissions figures will show an increase year on year.

4 Scope 1 emissions include our direct GHG emissions from natural gas, diesel, company cars and HFC refrigerants. In the case of company-owned vehicles, emissions are limited to UK vehicles only as this is the only country in which expense data is available. Scope 1 GHG emissions have reduced in FY2024 as we are using primary data to calculate Scope 1 fugitives for the UK compared to estimates in FY2023.

5 Scope 2 GHG emissions include our indirect GHG emissions from purchased electricity, purchased heat, cooling and steam. For our FY2024 emissions portfolio we have re-categorised a portion of our Scope 2 emissions to Scope 3 Category 8 (Upstream Leased Assets) as these emissions have been identified as outside of our operation control. This has resulted in minor updates to FY2023 Scope 2 location-based GHG emissions (a change from 87,197 tCO_2e to 86,543 tCO_2e).

6 Scope 3 category 1, 2 and 4 emissions are excluded as these emissions cannot be broken down by country. Scope 3 category 1, 2 and 4 emissions can be found in the Operational Footprint tab of the ESG Data Centre. In 2024, we expanded our operational GHG emissions coverage to include an estimate of our global employee commute emissions (see footnote 7). As a result our operational emissions figures will show an increase year on year.

7 In 2024, we expanded our operational GHG emissions coverage to include an estimate of our global employee commute emissions. Our employee commute emissions accounting approach aligns to the GHG Protocol Corporate Standard guidance. Employee commute includes emissions from the transportation of employees between their homes and their worksites and those from teleworking (working from home). We estimate these emissions by using various data sources including survey data on Barclays employees' commuting habits. For more detail on our operational emissions accounting approach please see the ESG Reporting Framework.

8 Energy consumption data is captured through utility billing; meter reads or estimates. Principal measures we have undertaken in 2024 to improve energy efficiency include the following:
- Right-sized our global real estate portfolio, therefore optimising our space and associated resources for our operational needs.
- Expanded our energy optimisation programme from UK to global sites. The programme aims to reduce energy demand of existing infrastructure during periods of low or no occupancy and to increase energy efficiency during normal operating hours, contributing in 2024 to approximately 8.26 GWh in energy savings at our corporate offices and 0.33 GWh at our retail branches.

Further information about our energy efficiency measures is available on page 74 of the Barclays PLC Annual Report 2024.

9 Intensity ratio calculations have been calculated using total accounted operational GHG emissions as reported in footnote 3. In 2024, we expanded our operational GHG emissions coverage to include an estimate of our global employee commute emissions (see footnote 7). As a result our operational emissions intensity figures will show an increase year on year.

10 For Scope 2 market-based emissions we have used a zero emission factor where we have green tariffs or energy attribute certificates in place globally.

Δ 2024 data subject to independent limited assurance under ISAE (UK) 3000 and ISAE 3410. Current and previous limited assurance scope and conclusions can be found within the ESG Resource Hub for further details: home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/

Directors' report: Other statutory and regulatory information (continued)

Share capital

Share capital structure

The Company has ordinary shares in issue. The Company's Articles also allow for the issuance of sterling, US dollar, euro and yen preference shares (preference shares). No preference shares have been issued as at 11 February 2025 (the latest practicable date for inclusion in this report). Ordinary shares therefore represent 100% of the total issued share capital as at 31 December 2024 and as at 11 February 2025 (the latest practicable date for inclusion in this report).

Details of the movement in ordinary share capital during the year can be found in Note 27 to the financial statements.

The rights and obligations attaching to the Company's ordinary shares and preference shares are set out in the Company's Articles, a copy of which is available on the Company's website at home.barclays/corporategovernance

Voting

Every member who is present in person or represented at any general meeting of the Company, and who is entitled to vote, has one vote on a show of hands. Every proxy present has one vote on a show of hands. The proxy will have one vote for, and one vote against, a resolution if they have been instructed to vote for, or against, the resolution by different members or in one direction by a member while another member has permitted the proxy discretion as to how to vote.

On a poll, every member who is present in person or by proxy and who is entitled to vote has one vote for every share held. In the case of joint holders, only the vote of the senior holder (as determined by the order in the share register) or their proxy may be counted. If any sum payable remains unpaid in relation to a member's shareholding, that member is not entitled to vote that share or exercise any other right in relation to a meeting of the Company unless the Board otherwise determines.

If any member, or any other person appearing to be interested in any of the Company's ordinary shares, is served with a notice under Section 793 of the Companies Act 2006 and does not supply the Company with the information required in the notice, then the Board, in its absolute discretion, may direct that that member shall not be entitled to attend or vote at any meeting of the Company.

The Board may further direct that, if the shares of the defaulting member represent 0.25% or more of the issued shares of the relevant class, dividends or other monies payable on those shares shall be retained by the Company until the direction ceases to have effect and no transfer of those shares shall be registered (other than certain specified 'excepted transfers'). A direction ceases to have effect seven days after the Company has received the information requested, or when the Company is notified that an excepted transfer of all of the relevant shares to a third party has occurred, or as the Board otherwise determines.

Transfers

Ordinary shares may be held in either certificated or uncertificated form. Certificated ordinary shares may be transferred in writing in any usual or other form approved by the Group Company Secretary and executed by or on behalf of the transferor.

Transfers of uncertificated ordinary shares must be made in accordance with the Companies Act 2006 and the CREST Regulations.

The Board is not bound to register a transfer of partly paid ordinary shares or fully paid shares in exceptional circumstances approved by the FCA.

The Board may also decline to register an instrument of transfer of certificated ordinary shares unless (i) it is duly stamped, deposited at the prescribed place and accompanied by the share certificate(s) and such other evidence as reasonably required by the Board to evidence right to transfer, (ii) it is in respect of one class of shares only, and (iii) it is in favour of a single transferee or not more than four joint transferees (except in the case of executors or trustees of a member).

The Company is not aware of any agreements between holders of securities that may result in restrictions on the transfer of securities or voting rights.

Variation of rights

The rights attached to any class of shares may be varied either with the consent in writing of the holders of at least 75% in nominal value of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class. The rights of shares shall not (unless expressly provided by the rights attached to such shares) be deemed varied by the creation of further shares ranking equally with them or subsequent to them.

Limitations on foreign shareholders

There are no restrictions imposed by the Articles or (subject to the effect of any economic sanctions that may be in force from time to time) by current UK laws which relate only to non-residents of the UK and which limit the rights of such non-residents to hold or (when entitled to do so) vote the ordinary shares.

Exercisability of rights under an employee share scheme

EBTs operate in connection with certain of the Group's Employee Share Plans (Plans). The trustees of the EBTs may exercise all rights attached to the shares in accordance with their fiduciary duties, other than as specifically restricted in the documents governing the Plans. The trustees of the EBTs have informed the Company that their normal policy is to abstain from voting in respect of the Barclays shares held in trust. The trustees of the Global Sharepurchase EBT and UK Sharepurchase EBT may vote in respect of Barclays shares held in the EBTs, but only as instructed by participants in those Plans in respect of their partnership shares and (when vested) matching and dividend shares. The trustees will not otherwise vote in respect of shares held in the Sharepurchase EBTs.

Special rights

There are no persons holding securities that carry special rights with regard to the control of the Company.

Major shareholders

Major shareholders do not have different voting rights from those of other shareholders. Information provided to the Company by substantial shareholders (holding voting rights of 3% or more in the financial instruments of the Company) pursuant to the DTRs are published via a Regulatory Information Service and is available on the Company's website. As at 31 December 2024, the Company had been notified under Rule 5 of the DTRs of the following holdings of voting rights in its shares.

Between 31 December 2024 and 11 February 2025 (the latest practicable date for inclusion in this report), the Company has not received any additional notifications pursuant to Rule 5 of the DTRs.

Person interested	Number of Barclays Shares	% of total voting rights attaching to issued share capital[1]	Nature of holding (direct or indirect)
BlackRock, Inc.[2]	944,022,209	5.78	indirect

Notes:
1 The percentage of voting rights detailed above was calculated at the time of the relevant disclosures made in accordance with Rule 5 of the DTRs.
2 Total shown includes 6,687,206 contracts for difference to which voting rights are attached. Part of the holding is held as American Depositary Receipts.

Directors' report: Other statutory and regulatory information (continued)

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

The powers of the Directors are determined by the Companies Act 2006 and the Company's Articles. The Directors are authorised to issue and allot shares and to buy back shares subject to, and on the terms of, the annual shareholder approval at the AGM. Such authorities were granted by shareholders at the 2024 AGM. It will be proposed at the 2025 AGM that the Directors be granted new authorities to issue and allot and buy back shares.

Repurchase of shares

On 21 February 2024 and 5 August 2024 the Company commenced share buy-back programmes to purchase its ordinary shares of £0.25p each up a maximum consideration of £1bn and £750m, respectively. The first share buy-back programme concluded on 30 July 2024 and the second share buy-back programme concluded on 5 December 2024. The Company repurchased for cancellation 497,923,138 ordinary shares at a volume weighted average price of 200.8342 pence per ordinary share during the first buy-back programme and 320,247,475 ordinary shares at a volume weighted average price of 234.1939 pence per ordinary share during the second buy-back programme. The purpose of the buy-back programmes was to reduce the Company's number of outstanding ordinary shares.

In aggregate, the Company purchased 818,170,613 ordinary shares during 2024 with an aggregate nominal value of approximately £205m (this represented approximately 5.7% of the Company's issued share capital as at 31 December 2024) for an aggregate consideration of £1,750m excluding taxes and expenses. All of the repurchased ordinary shares have been cancelled.

No further shares have been repurchased since the completion of the second share buy-back programme on 5 December 2024. The maximum number of ordinary shares which could be repurchased by the Company as part of any share buy-back under the authority for on-market share buy-backs granted at the 2024 AGM is 1,192,639,429 ordinary shares (being 1,512,886,904 less the 320,247,475 shares repurchased as part of the second share buy-back programme).

Distributable reserves

As at 31 December 2024, the distributable reserves of the Company were £20,866m (2023: £21,162m).

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.

Controls over financial reporting

A framework of disclosure controls and procedures is in place to support the approval of the financial statements of the 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 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 control 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; and (b) International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), including interpretations issued by the IFRS Interpretations Committee.

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 2024. 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 2024.

Management's assessment of, and conclusion on, the effectiveness of internal control over financial reporting did not include internal controls relating to the retail banking business of Tesco which was acquired on 1 November 2024. These businesses have been included in Barclays consolidated financial statements for the year ended 31 December 2024. The businesses represented approximately 0.4% of the group income and 0.7% of the total assets of Barclays for the year ended 31 December 2024.

Directors' report: Other statutory and regulatory information (continued)

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 383 to 396.

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 Group's internal control over financial reporting.

Preparation of accounts and audit report

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 our 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 our auditor is aware of that information. This confirmation is given pursuant to Section 418 of the Companies Act 2006 and should be interpreted in accordance with, and subject to, those provisions.

Directors' responsibilities

The following statement, which should be read in conjunction with the Auditor's report set out on pages 424 to 439, is 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

The Group's business activities and factors likely to affect its future development and performance are disclosed in the Strategic report and Risk review sections of this report. The financial performance is disclosed within the Financial review with funding, liquidity and capital details contained within the Risk performance section. The Group's objectives and policies in managing the financial risks to which it is exposed are discussed in the Risk management section.

The Directors considered it appropriate to prepare the financial statements on a going concern basis.

In preparing each of the Group and company financial statements, the Directors are required to:

- assess the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern
- use 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.

Preparation of accounts

The Directors are required by the Companies Act 2006 to prepare Group and Company accounts for each financial year and, with regard to 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; and (b) IFRS as issued by the IASB, including interpretations issued by the IFRS Interpretations Committee. Pursuant to the Companies Act 2006, 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 Group and the Company and of their profit or loss for that period.

The Directors consider that, in preparing the financial statements, the 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 Group and Company's position and performance, business model and strategy.

The 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 Group keep accounting records which disclose with reasonable accuracy the financial position of the Company and the Group and which enable them to ensure that the accounts comply with the Companies Act 2006.

The Directors are also responsible for preparing a Strategic report, Directors' report, Directors' remuneration 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 our 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 Group and to prevent and detect fraud and other irregularities.

The Directors, whose names and functions are set out on pages 138 to 141, confirm to the best of their knowledge that:

(a) the financial statements, prepared in accordance with (i) UK-adopted international accounting standards; and (ii) IFRS as issued by the IASB, including interpretations issued by the IFRS Interpretations Committee, 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 management report, which is represented by the Strategic report and 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.

Auditor's report

The Auditor's report on the Financial Statements of Barclays PLC for the year ended 31 December 2024 was unmodified and its statement under Section 496 of the Companies Act 2006 was also unmodified.

By order of the Board

Hannah Ellwood
Group Company Secretary

12 February 2025

Registered in England.
Company No. 48839
Registered office: 1 Churchill Place,
London E14 5HP

Remuneration report

Annual statement from the Chair of the Board Remuneration Committee

Board Remuneration Committee

Brian Gilvary
Chair, Board Remuneration Committee

Committee membership and meeting attendance during 2024[1,2]

Member	Meetings attended/eligible to attend
Brian Gilvary	**8/8**
Dawn Fitzpatrick	**7/8**
Mary Francis	**8/8**
Sir John Kingman	**8/8**
Julia Wilson	**8/8**

Notes:
1 There were five scheduled meetings and three ad hoc meetings of the Committee in 2024. Owing to a prior commitment, Dawn Fitzpatrick was unable to attend one ad hoc meeting of the Committee.
2 Nigel Higgins was appointed to the Committee on 31 January 2025. He regularly attended meetings of the Committee during 2024.

Contents

Dear Fellow Shareholders

On behalf of the Board, I am pleased to present the Remuneration report for 2024.

As the Group Chief Executive set out in his review, in February 2024 we delivered our Investor Update, setting out a three-year plan to make Barclays Simpler, Better and More balanced, and we are encouraged by the progress we have made so far. It is against this backdrop that the Committee made its remuneration decisions for 2024, focused on rewarding sustainable performance as we are every year, taking into account delivery against our financial and non-financial targets, as well as the views and experiences of our stakeholders.

Review of our bonus cap for Material Risk Takers (MRTs)

Regulatory changes in October 2023 removed the requirement for UK banks to set the maximum ratio of variable pay to fixed pay for their MRTs (bonus cap) at no more than 2:1, instead allowing banks to set their own appropriate bonus caps.

Following those changes, we put forward a resolution at our 2024 AGM to confirm Barclays' flexibility to determine its own bonus cap or caps, which received a 99.75% shareholder vote in favour. The Committee then considered the appropriate bonus cap to set for Barclays MRTs, and adopted a formal cap of 10:1, effective from performance-year 2024.

The change in bonus cap does not alter the way that Barclays sets the incentive pool for colleagues, including MRTs, which is based on overall Group performance, adjusted for current and future risks.

A 2:1 bonus cap continues to apply in certain Barclays businesses that are subject to ongoing EU regulations, which continue to mandate this.

Directors' Remuneration Policy (DRP) review

The pay structure and opportunity for our Executive Directors was not impacted by the move to a 10:1 bonus cap, as their pay is governed by the DRP that was approved by shareholders at the 2023 AGM, to apply for a maximum of three years. However, the removal of the bonus cap affords us additional flexibility in how we structure Executive Director pay.

In that context, the Committee carried out a detailed DRP review during 2024, which focused on two key areas:

- Strengthening the alignment of pay with sustainable performance, and by doing so strengthening the alignment of interests between the Executive Directors and shareholders, as well as other stakeholders
- Providing a pay opportunity for each Executive Director commensurate with their role, and competitive compared to similar roles within our international banking peers, reflecting Barclays' scope and complexity.

As a result, we are submitting a new DRP to shareholders for approval at our 2025 AGM, a year earlier than the current DRP is due to expire. In support of the new DRP, we will also propose a change to our existing Long Term Incentive Plan (LTIP) rules, to align the maximum that can be granted to an Executive Director under the LTIP to the maximum under the DRP.

In carrying out this review, we engaged with shareholders representing c.60% of our register, on both the principles and the specifics of our proposals, to understand their perspectives and to factor those into our proposed DRP changes. The investment of time that our shareholders made, to listen to our thinking and share their views and feedback, was greatly appreciated.

That shareholder feedback was invaluable, and our proposed DRP reflects their input, striking a balance across the relevant factors. Reflecting on that, the Committee considered a range of different options to achieve the objectives of the DRP review. We have detailed more of the context and rationale for the proposed DRP changes from page 198, and the full DRP is shown from page 204.

The Committee believes that the proposed DRP is the right thing to do to support our strategy and the delivery of our three-year plan. We encourage shareholders to vote to approve the proposed new DRP and amendment to our LTIP rules at our 2025 AGM.

For more details of our DRP review, including the context and rationale for our proposed changes, see **page 198**

Remuneration report (continued)

Performance in 2024

In 2024, we completed the first year of our three-year plan to create a higher returning, more strongly performing Barclays. We are pleased with the progress we have made.

All five of our operating businesses delivered solid income performance, resulting in Group income of £26.8bn, up 6% on 2023. These results reflect our continued focus on the quality and stability of our income mix. We continued to invest in talent and technology while maintaining our focus on costs and delivering £1bn of efficiency savings across the Group. Our profit before tax was £8.1bn (2023: £6.6bn, or £7.5bn excluding structural cost actions taken in the fourth quarter) and RoTE was 10.5%, achieving our greater-than-10% target for 2024. We ended the year with a CET1 ratio of 13.6%, within our target range of 13% to 14%.

Capital distributions announced in relation to 2024 were £3.0bn, in line with our guidance of being flat on 2023. This includes £1.2bn of dividends, enabling a 5% increase in our dividend per share to 8.4 pence per share for 2024, and £1.75bn in buybacks.

Each of our businesses contributed to this performance, and made headway in delivering against their business-specific objectives, which are the building blocks of our Group strategy.

- In Barclays UK, we completed the acquisition of Tesco Bank and made meaningful progress in improving customer experience, reflected in customer satisfaction improvements across a range of metrics and a 36% reduction in the number of complaints.
- The UK Corporate Bank achieved total loan growth of £1bn[1], developing and improving products and services to better meet client needs, and improving client self-serve capabilities.
- The Private Bank and Wealth Management business focused on improving the digital investing proposition, introducing more competitive pricing and simplifying customer journeys, improvements that contributed to over 58,000 customers choosing to open a Smart Investor account in 2024 – up 141% from 2023.
- RoTE for the Investment Bank grew by 150bps to 8.5%, reflecting growth in income from more stable sources and greater efficiency, together with stronger management of RWAs.
- In the US Consumer Bank, while we made a strategic decision not to bid to become American Airlines' sole card issuer from 2026, we announced a new partnership with General Motors, and grew RoTE from 4.1% to 9.1% as impairment changes normalised and we proactively improved operational performance.

During 2024, the management team has also continued to focus on strengthening our foundation and supporting the delivery of sustainable performance. In the second year of our Consistently Excellent change programme, we have taken further steps to ensure that delivering to a consistently excellent standard becomes part of our culture, through aligning objective setting, performance assessment, recognition systems and reward processes for all colleagues to the consistently excellent standard.

In recognition of our colleagues' collective efforts and achievements in 2024, and the continued delivery of our three-year plan, we are granting all our colleagues below the Managing Director level, excluding Material Risk Takers[2], a one off award of 170 Barclays shares, which will need to be retained until after we announce our full-year 2026 results. This share award, worth around £500[3] per participant, will reinforce the alignment of colleagues' interests with those of our shareholders, and ensure more of our colleagues participate directly in the continued success of the Group.

Colleague remuneration

Alongside rewarding sustainable performance, our Fair Pay Agenda continues to underpin all our remuneration decisions – ensuring that we are paying colleagues fairly for the work they do and appropriately recognising the contributions of all. You can read more about our Fair Pay Agenda in the 'Wider workforce remuneration' section on page 192, and in our seventh Fair Pay Report (published alongside this Annual Report). We have also published pay gaps figures for employees in the UK and Ireland.

Group income
£26,788m
2023: £25,378m

Group profit before tax
£8,108m
2023: £6,557m
2023 (adjusted[4]): £7,484m

Group RoTE
10.5%
2023: 9.0%
2023 (adjusted[4]): 10.6%

Group cost: income ratio
62%
2023: 67%
2023 (adjusted[4]): 63%

Group CET1 ratio
13.6%
2023: 13.8%

Group compensation to income ratio
32.7%
2023: 34.4%

Group incentive pool
£1,914m
2023: £1,745m

Find more about our approach to pay fairness in our Fair Pay Report 2024 at: **home.barclays/annualreport**

Our UK pay gap figures for 2024 and narrative explaining them are at: **home.barclays/diversity**

Notes:
1 After adjusting for perimeter changes with International Corporate Bank.
2 Employees at Managing Director grade or who have been identified as Material Risk Takers are typically awarded Barclays shares as part of their deferred compensation.
3 At the 10 February 2025 mid market closing share price.
4 Adjusting items: Q423 structural cost actions.

Remuneration report (continued)

Paying at least a living wage to all our colleagues is a central element of our Fair Pay Agenda. We continue to ensure that we meet or exceed living wage benchmarks in every jurisdiction in which our employees are based. In the UK, we have further increased our minimum full-time equivalent salary to £25,000, which is, like in previous years, above the Living Wage Foundation's benchmarks. In all other countries, we continue to meet or exceed the Fair Wage Network living wage benchmarks.

In setting this year's incentive pool, the Committee considered Barclays' financial and non-financial performance, and the performance of the individual businesses that make up the Group, in both absolute and relative terms. We considered each business's contribution to the achievement of our strategic targets and its importance to our future success. Taking all of this into account, the Committee has approved a Group incentive pool for 2024 performance of £1,914m (2023: £1,745m), up 10% year on year. This compares to profit before tax that is up 24%, or up 8% when last year's fourth quarter structural cost actions are excluded from the 2023 figure. This level of incentive funding for 2024 reflects performance across the Group, enabling us to reward colleagues for the performance delivered – recognising the progress made against our three-year plan and our ambition to be consistently excellent in our operations.

The incentive pool reduced in each of the previous two years, and as a result this 2024 incentive pool is broadly the same level as that for performance-year 2021. Over the same three-year period, performance has improved across a range of measures. The compensation to income ratio for 2024 is 32.7%, the lowest since 2015. As always, a significant portion of the pool will be delivered in shares, most of which will be deferred over a number of years.

Executive Director remuneration

Determining the Executive Directors' pay outcomes

The Committee considered the Executive Directors' annual bonus and LTIP outcomes in the context of the Group's performance and the performance of each Executive Director during 2024.

The 2024 annual bonus outcome for C.S. Venkatakrishnan (known as Venkat) was 81.0% of maximum, and for Anna Cross was 80.5% of maximum (2023: 53.3% for Venkat and 54.3% for Anna). Profit before tax provided a 40.1% outcome out of a possible 50%, and total operating expenses provided a 9.4% outcome out of a possible 10%. Performance against the strategic non-financial measures was good, which resulted in a 17.5% outcome out of a possible 25%. The performance of each of the Executive Directors against their personal objectives was also assessed and taken into account, recognising the strategic progress achieved over 2024 (14% for Venkat and 13.5% for Anna out of a possible 15% for each).

The 2022-2024 LTIP is the first LTIP that Venkat was awarded following his appointment as Group Chief Executive and an Executive Director. Anna did not receive a 2022-2024 LTIP award as she was not an Executive Director at the time it was granted.

The vesting outcome for Venkat's 2022-2024 LTIP was 67.5%, reflecting average RoTE exceeding our target range, relative TSR performance between median and upper quartile, and good performance against the strategic non-financial measures. The value of the vesting LTIP has increased since it was awarded, due to the increase in the Barclays share price over that period. This accounts for 36% of the vesting LTIP value, or £1.852m. Over the same performance period, Barclays market capitalisation increased by £7.3bn and over £8bn was returned to shareholders through dividends and share buy-backs. The Committee also satisfied itself that this LTIP vesting did not constitute a 'windfall gain', as outlined on page 226.

Before finalising those incentive outcomes, the Committee reflected on the appropriateness for both the 2024 annual bonus and 2022-2024 LTIP. We reviewed the underlying financial health of the Group, which is strong and well capitalised. We considered the bonus outcomes in the context of the bonus outcomes for the wider workforce, ensuring appropriate alignment both this year and over a multi-year period, and also compared to historical outcomes for the Executive Directors in the context of performance each year. We concluded that the outcomes are appropriate in the context of the performance achieved and that no discretionary adjustment was warranted.

The single total figure for 2024 remuneration for the Group Chief Executive is 127% higher than the figure for 2023. The principal driver of that increase is Venkat's first LTIP vesting, including the impact of the share price growth since the award was granted. That LTIP value makes up almost 50% of this year's single total remuneration figure, and without it the single total remuneration figure would be up 16%.

The Executive Directors' pay in 2025

As set out in more detail on page 201, the new DRP proposes changes to the structure of Executive Director pay. Under the new DRP, the Committee will reduce the fixed pay levels for each Executive Director – with the agreement of each – to around half their current fixed pay levels, at £1,590,000 for Venkat and £950,000 for Anna. As part of that change, 'Fixed Pay' will be renamed 'salary' and be paid in cash, in line with industry norms across the UK.

The new DRP sees a larger proportion of each Executive Director's total compensation opportunity delivered as variable pay, which will further strengthen the alignment of Executive Director and shareholder interests, and creates a stronger link between pay and performance.

As part of this, the Committee has decided to defer granting awards under the 2025-2027 LTIP cycle until after the DRP has been considered by shareholders at the 2025 AGM, with the intention to grant 2025-2027 LTIP awards in line with the award level under the new policy. The levels of awards reflect strong performance in 2024, and each Executive Director's personal contributions to that, and provide each with an incentive award subject to forward-looking performance conditions across 2025 to 2027.

The Committee reviewed the measures in the 2025 annual bonus and 2025-2027 LTIP, taking into account the shareholder feedback received through the consultation on the DRP review, as well as the Group and business priorities announced at the Investor Update. Shareholders expressed a preference for:

- A higher weighting to financial measures
- Simpler and more-focused measures (both financial and non-financial)
- Less overlap between the annual bonus and LTIP.

Remuneration report (continued)

Reflecting on this, we made the decision to increase the minimum weightings for financial measures under the new DRP, from 60% to 65% for bonus and 70% to 75% for LTIP. We also reviewed the financial and non-financial performance measures in each plan, in support of our new DRP, to address shareholder feedback – and in doing so more directly incentivise the achievement of the targets and priorities set out under our three-year plan, and beyond.

For the Executive Directors' 2025 annual bonus, we will focus on just two financial measures. PBT will be weighted 55%, as a key building block for RoTE (a key external target), alongside cost: income ratio weighted 10%. We will focus 20% of the bonus on strategic objectives, the key objectives for each Executive Director based on strategic priorities and milestones to further support progress towards the delivery of our three-year plan, in place of the personal objectives category that was weighted 15%.

Those changes will be accommodated by a 10% reduction in the weighting to strategic non-financial KPIs, from 25% for 2024 to 15% for 2025. Progress on sustainability is best assessed over a multi-year period, and so sustainability measures have been removed from the annual bonus and will be assessed in the LTIP. The weighting of the Risk & operational excellence category in the bonus is reduced by 5%, with the final 10% of the bonus remaining focused on measures relating to Customers, clients & colleagues.

For the 2025-2027 LTIP, we will support the higher opportunity under our new DRP with simplified financial and non-financial measures. 50% of the overall outcome will be determined based on RoTE performance, up from 30% in the previous LTIP cycle. This reflects the focus on improving RoTE within the Group's external targets. A further 25% will depend on total shareholder return relative to a basket of other international banks, up from 20%.

To accommodate those changes and focus the LTIP measures on our key external targets, cost: income ratio will be removed from the LTIP and instead be included in the bonus, and CET1 will be removed from the LTIP but will continue to be covered as an underpin to PBT in the annual bonus. The remaining 25% of the LTIP outcome will reflect longer-term strategic priorities relating to Sustainability, customers & clients.

Shareholder alignment

The proportion of the total variable pay awards to Venkat and Anna in respect of 2024 performance (2024 annual bonus plus 2025-2027 LTIP) that will be in shares is 90% and 89% respectively. Those shares must be retained for a period of between two and eight years from grant – aligning the Executive Directors' interests with those of our shareholders. Both Venkat and Anna already have significant shareholdings in excess of their respective shareholding requirements.

Group Chair and Non-Executive Director fees

The Committee reviews the Group Chair's fee each year. At our most recent review, in the early part of 2025, the Committee observed that over time it had fallen significantly behind that paid across the other large UK-headquartered banking groups. The fee was last increased with effect from 1 January 2024, but prior to 2023 had not been increased since the start of 2016.

As a result, we increased the fee for the Group Chair to £925,000 per annum, with effect from 1 January 2025, an 8% increase (with Nigel Higgins having recused himself from that discussion). From 1 January 2016 through to 1 January 2025, the compound annual fee increase equates to 1.6% per annum. The current DRP allows for increases of up to 20% during the policy's three-year term, and this increase brings the total increase during the first two years of the policy's term to 10%.

In December 2024, the Board reviewed the other Non-Executive Directors' fees, which were also last increased with effect from 1 January 2024. The Board approved an increase of 2%, which was also effective 1 January 2025 (with the relevant Non-Executive Directors having recused themselves from those discussions).

Looking ahead

As we move into 2025, the Committee maintains its commitment to rewarding sustainable performance. We confirmed Nigel Higgins, Group Chairman, as a member of the Committee on 31 January. Nigel regularly attended our meetings during 2024, adding to our decision making and enhancing the Committee's linkages into other Board and Committee activities, and his Committee membership formalises this.

We welcome the PRA's and FCA's 'Consultation Paper 16/24' on proposed changes to the UK remuneration regulations for banks. We believe that the proposed changes complement the regulators' removal of the 2:1 bonus cap in 2023, and would go some way to achieving the regulators' objective to improve the competitiveness of UK banks.

We will continue to engage with our shareholders and other stakeholders on pay. In particular, we will be available to meet with institutional shareholders, to discuss our proposed new DRP and pay outcomes for 2024, ahead of the 2025 AGM.

We will continue to use our remuneration philosophy, policies and practices to incentivise the Executive Directors, the management team and employees to deliver against our plan to make Barclays Simpler, Better and More balanced, improve operational and financial performance, and by doing so improve shareholder returns.

Beyond this, we will maintain focus on our Fair Pay Agenda, supporting colleagues and ensuring the way we pay supports the long-term health and success of the Group.

Brian Gilvary
Chair, Board Remuneration Committee

February 2025

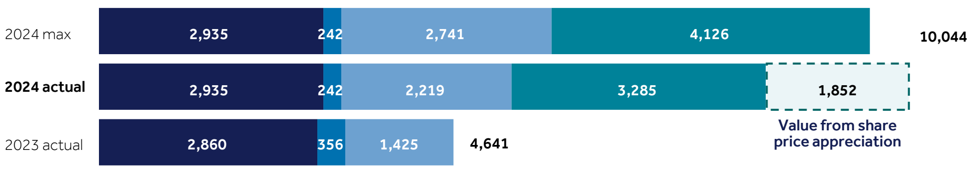
Remuneration report (continued)

At a glance – Executive Director remuneration for 2024

Fixed Pay + **Pension and benefits** + **Annual bonus** + **LTIP** = **Total remuneration**

Total remuneration outcomes (£000)[1]

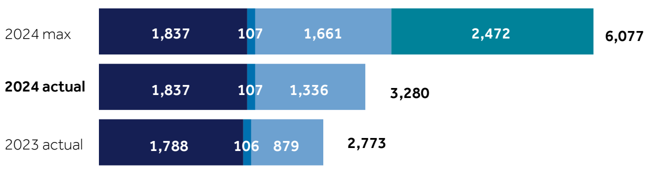
C.S. Venkatakrishnan (Group Chief Executive)



2024 Single total remuneration

8,681	Total excluding share price appreciation
10,533	Total including share price appreciation

Anna Cross (Group Finance Director)



See single total figure for 2024 remuneration on **page 214**

1 The LTIP values shown for C.S. Venkatakrishnan's and Anna Cross's 2023 actual total remuneration are nil as neither participated in the 2021-2023 LTIP cycle, and likewise for Anna Cross's 2024 actual total remuneration as she did not participate in the 2022-2024 LTIP cycle. The LTIP value shown for C.S. Venkatakrishnan's 2024 actual remuneration includes the 2022-2024 LTIP vesting included in the single total figure for remuneration table. Of the total LTIP value, 36% reflects the increase in the Barclays share price since the award was granted, which is shown in the chart in a dashed box. The LTIP values shown for C.S. Venkatakrishnan's and Anna Cross's 2024 maximum represent the maximum LTIP award value that could have been granted under the current DRP.

Annual bonus outcomes

Annual bonus measures	Weighting (proportion of bonus opportunity)	Outcome C.S. Venkatakrishnan	Outcome Anna Cross
Financial[2]	**60.0%**	**49.5%**	**49.5%**
• Profit before tax	50.0%	40.1%	40.1%
• Total operating expenses	10.0%	9.4%	9.4%
Strategic non-financial	**25.0%**	**17.5%**	**17.5%**
Personal	**15.0%**	**14.0%**	**13.5%**
Total	**100.0%**	**81.0%**	**80.5%**
Final outcome approved by the Committee		81.0%	80.5%

2 The financial measures are defined as excluding material items.

LTIP outcome

LTIP measures	Weighting (proportion of LTIP opportunity)	Outcome C.S. Venkatakrishnan
Financial[2]	**70.0%**	**46.7%**
• RoTE	25.0%	25.0%
• Cost: income ratio	10.0%	3.2%
• CET1 ratio	10.0%	10.0%
• Relative TSR	25.0%	8.5%
Risk scorecard	**10.0%**	**6.8%**
Strategic non-financial	**20.0%**	**14.0%**
Total	**100.0%**	**67.5%**
Final outcome approved by the Committee		67.5%

Proportion delivered in shares[3]

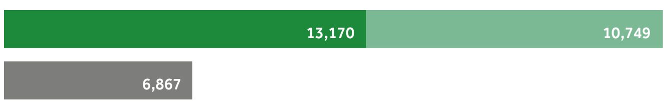
	C.S. Venkatakrishnan	Anna Cross
of 2024 variable pay	**90%**	**89%**
of 2024 total remuneration	**80%**	**79%**

3 2024 variable pay comprises the actual 2024 annual bonus and the grant-date face value of the 2025-2027 LTIP award that will be granted in respect of 2024 performance, subject to shareholder approval of the new DRP. 2024 total remuneration consists of 2024 variable pay and 2024 Fixed Pay, including pension and benefits.

Share ownership (£000)

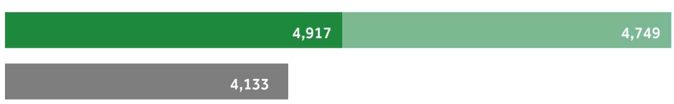
Shareholding shown as at 31 December 2024, using the Q4 2024 average share price of £2.5159.

C.S. Venkatakrishnan



Based on 31 December 2024 Fixed Pay of £2,947k.

Anna Cross



Based on 31 December 2024 Fixed Pay of £1,845k.

- Actual shareholdings, including unvested shares not subject to performance conditions (estimated after-tax value)
- Unvested shares subject to performance conditions (estimated after-tax value), which do not count towards the shareholding requirement
- Shareholding requirement under the current DRP

Remuneration report (continued)

At a glance – Executive Director remuneration for 2025 under the new Directors' Remuneration Policy

Policy implementation for 2025 (subject to shareholder approval at the 2025 AGM)

Implementation effective from date of AGM. Delivery of remuneration is outlined below.

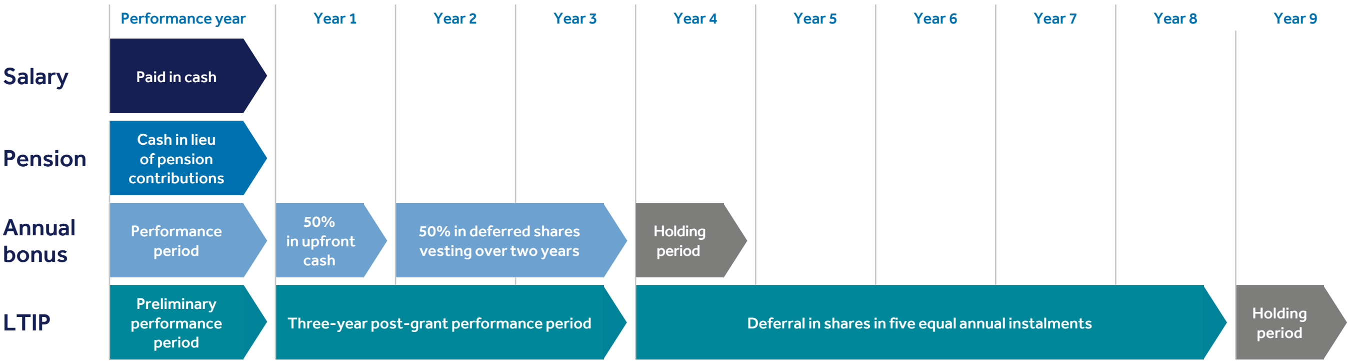
Element	C.S. Venkatakrishnan	Anna Cross
Salary *(previously Fixed Pay)*	£1,590,000 paid in cash	£950,000 paid in cash
Pension and benefits	Pension: £159,000, 10% of salary Benefits: entitlement as per the policy	Pension: £95,000, 10% of salary Benefits: entitlement as per the policy
Annual bonus	Up to 250% of salary, based on forward-looking performance measures set near the start of the year	Up to 250% of salary, based on forward-looking performance measures set near the start of the year
LTIP	Up to 550% of salary, based on forward-looking performance measures set shortly before the time of grant	Up to 500% of salary, based on forward-looking performance measures set shortly before the time of grant
Shareholding requirement	Holding requirement: 550% of salary Shareholding requirements extend for two years after stepping down as an Executive Director	Holding requirement: 500% of salary Shareholding requirements extend for two years after stepping down as an Executive Director

Alignment of performance measures and strategy

Performance measures	Weighting in annual bonus and LTIP: 2025 annual bonus	Weighting in annual bonus and LTIP: 2025-2027 LTIP	Alignment to strategy	Direct alignment to stakeholder groups
Financial				
Profit before tax (with a CET1 ratio underpin)	55%		A measure of annual financial performance and a key factor that drives RoTE	Investors
Cost: income ratio	10%		A measure of the productivity of our business operations over time	Investors
Return on tangible equity (RoTE)		50%	A measure of the returns we generated for shareholders	Investors
Relative total shareholder return		25%	A measure of Barclays' share performance (comprising share price appreciation and dividends paid) relative to those of a basket of other international banks	Investors
Strategic objectives	20%		Individual objectives for each Executive Director, aligned to our strategic priorities	Customers & clients, Colleagues, Investors
Strategic non-financial	15%		Includes the Group's non-financial key performance indicators, including Customers, clients & colleagues as key stakeholder groups, and Risk & operational excellence, which is fundamental to operating at a consistently excellent standard to deliver sustainable performance	Customers & clients, Colleagues, Investors
Sustainability, customers and clients		25%	Includes longer-term objectives relating to Sustainability, as a strategic priority, and customers and clients as a key stakeholder group	Customers & clients, Society, Investors

2025 annual bonus · 2025-2027 LTIP · Customers & clients · Colleagues · Society · Investors

Delivery of remuneration[4]



1 Illustrative timing that the different elements of remuneration are normally received. All tranches of annual bonus and LTIP shares typically vest in March of the relevant year and are subject to a 12-month holding period from the date they vest.

Remuneration report (continued)

Wider workforce remuneration

Our remuneration philosophy

Our remuneration philosophy applies to all employees and sets out the way we approach remuneration. Its aim is to be as simple and clear as possible, while ensuring strong alignment with risk and conduct as well as our Values and Mindset. It is also closely aligned with Provision 40 of the FRC's UK Corporate Governance Code. The remuneration decisions set out in this report are a result of the application of our remuneration philosophy in respect of 2024.

Philosophy	
Attract and retain talent needed to deliver Barclays' strategy	Long-term success depends on the talent of our employees. This means attracting and retaining an appropriate range of talent to deliver against our strategy, and paying the right amount for that talent.
Align pay with investor and other stakeholder interests	Remuneration should be designed with appropriate consideration of the views, rights and interests of stakeholders. This means listening to our shareholders, other investors, regulators, government, customers and employees and ensuring their views are appropriately represented in remuneration decision-making.
Reward sustainable performance	Sustainable performance means making a positive and enduring difference to investors, customers and communities, delivering good customer outcomes, taking pride in leaving things better than we found them and playing a valuable role in society.
Support Barclays' Values and culture	Results must be achieved in a manner consistent with our Values. Our Values, culture and Mindset should drive the way that business is conducted.
Align with risk appetite, risk exposure and conduct expectations	Designed to reward employees for achieving results in line with the Group's risk appetite and conduct expectations.
Be fair, transparent and as simple as possible	We are committed to ensuring pay is fair, simple and transparent for all our stakeholders. All employees and stakeholders should understand how we reward our employees, and fairness should be a lens through which we make remuneration decisions.

Our Fair Pay Agenda

Paying people fairly is an essential element of our pay philosophy. We have developed our fair pay approach over a number of years, and we continue to ensure that fairness is a key and explicit consideration in the way we make all of our pay decisions.

Our fair pay principles

Fair pay for the lowest paid
Paying fairly for work done, in a simple and transparent way.

Equal opportunities to progress
Providing equal employment opportunities to all, so everyone can enjoy a successful career at Barclays.

Engaging with colleagues
Engaging with colleagues to understand their views on the culture of the organisation and enabling the representation of employees in our remuneration decision-making process.

Alignment of employee and Executive Director pay
Linking both Executive Director and employee pay to sustainable business performance.

Equal pay commitment
Rewarding employees fairly for their contribution and making sure pay and performance decisions never take into account any protected characteristics.

Supporting our colleagues

- Over 97% of employees are eligible for private medical cover
- In the UK, over 28,000 private doctors' appointments were booked in 2024
- Continued to enhance our wellbeing provision – over 48,900 colleagues registered on our Be Well wellbeing portal
- Increased transparency of skills, pay and career progression using the features of our new HR platform
- One-off share award for all employees globally (except the most senior) recognising their collective effort and to share in our success

More information on our fair pay approach can be found in our Fair Pay Report 2024 at: **home.barclays/annualreport**

Diversity ambitions and pay gaps

Diversity ambitions

33%	33% females at Managing Director and Director level by 2025
50%	50% increase in Managing Directors from underrepresented ethnicities in the UK and US combined by 2025 (from 2022 baseline)
12.5%	Increase underrepresented minority representation in the UK by 12.5% by 2025 (from 2023 baseline)
5%	Increase underrepresented minority representation in the US by 5% by 2025 (from 2023 baseline)

Pay gaps

We disclose pay gaps for locations including the UK, Ireland and France.

- Our gender and ethnicity pay gaps are primarily due to representation differences for males and females, and for certain ethnic minority groups compared to white employees.
- Being transparent about this, and the resulting pay gaps, is important as it helps us track where we are in the pursuit of our goals and understand what tangible actions we can take to improve representation over time.

For information on our progress against our diversity ambitions, see **page 217**

More information on our diversity ambitions and pay gaps can be found at: **home.barclays/diversity**

UK gender and ethnicity pay gaps for 2024 are shown in our UK Pay Gaps 2024 disclosure, which can be found at: **home.barclays/diversity**

Remuneration report (continued)

Alignment of remuneration policy for the wider workforce and Executive Directors

A new Directors' Remuneration Policy (DRP) is to apply to Executive Directors from 2025, subject to shareholder approval at the 2025 AGM. Most elements of the remuneration policy are aligned for the wider workforce and the Executive Directors. Differences in policy implementation between seniority levels reflect our remuneration philosophy. For example, the balance between fixed and variable pay is shifted toward fixed pay for employees in more-junior roles and towards variable pay for those in more-senior roles. A large proportion of variable pay for senior employees, or the majority of variable pay for the Executive Directors, is delivered in shares over multiple years – aligning their interests more closely with those of shareholders – whereas pay is primarily in cash for more-junior employees. Aligned with our Fair Pay Agenda, UK employer pension contributions are also higher for our junior employees.

The table below provides a summary of remuneration arrangements for the wider workforce and the Executive Directors.

Element	Junior employees	Senior employees	How Executive Director policy aligns
Fixed pay	Reflects the individual's role, skills and experience and is reviewed annually. Fixed pay is increased where justified by role change, increased responsibility or a change in the market rate for the role. Salaries may also be increased in line with local statutory requirements and with union and works council commitments.		Reflects the individual's role, skills and experience, and is reviewed annually. Annual increases will typically be no more than the average increase for UK employees.
Delivery	All in salary for most, paid in cash. Some roles are also entitled to receive certain cash allowances.	All in salary for most. For a small number of senior employees (2% globally) a proportion is delivered in Role Based Pay (RBP), in cash or shares, to recognise the seniority, scale and complexity of their role.	All will be paid in salary, delivered in cash. No entitlement to any allowances.
Pension	Competitive pension offering set by location. Minimum of 12% of salary for more-junior colleagues in the UK.	Competitive pension offering set by location. Minimum of 10% of salary in the UK.	The Executive Directors receive cash in lieu of pension equal to 10% of salary.
Benefits	Market-aligned benefits offering appropriate to the role and reflecting local market practice to support with health and wellbeing.	Market-aligned benefits offering, but typically a lower proportion of total pay than for junior employees.	Market-aligned benefits offering, but typically a lower proportion of total pay than for the wider workforce.
Annual bonus	Annual bonuses incentivise and reward the achievement of Group, business and individual objectives, and reward employees for demonstrating individual behaviours in line with Barclays' Values and Mindset. All employees are considered, subject to eligibility criteria.		Assessed against predetermined targets and measures to align with financial performance, strategic objectives and strategic non-financial key performance indicators.
Delivery	In cash following the performance year.	For many a proportion of annual bonus is deferred to future years. Deferred bonuses are generally delivered half in deferred cash and half in deferred shares, released in equal annual instalments over three, four, five or seven years, with shares subject to a further six or 12-month holding period for some roles.	A substantial proportion of annual bonus is generally deferred in shares and then subject to a further 12-month holding period. Across the annual bonus and any LTIP award combined, deferral will always at least meet regulatory requirements.
Long Term Incentive Plan (LTIP) award	Not applicable to the wider workforce.		The value received from LTIP awards depends on assessment of performance over a three-year period against Group-wide financial and non-financial measures. Delivery is in shares between the third and seventh year from grant, with each release subject to a further 12-month holding period.
All-employee share plans	Provide an opportunity for all employees to acquire Barclays shares, in some locations on beneficial terms. Barclays operates all-employee share plans in locations representing 99% of employees globally.		

Role of the Remuneration Committee in wider workforce remuneration

The Committee considers the overarching objectives, principles and parameters of remuneration policy across the Group, ensuring a coherent approach in respect of all employees. In discharging this responsibility the Committee seeks to ensure the policy is fair, transparent and avoids complexity. It assesses, among other things, the impact of pay arrangements in supporting the Group's culture, Values and strategy, and on all elements of risk management. The Committee performs the following activities in relation to wider workforce remuneration:

- Ensures alignment of remuneration with the remuneration philosophy, Fair Pay Agenda and Barclays' Purpose, Values, Mindset, conduct expectations and long-term success
- Ensures alignment of wider workforce and Executive Director remuneration policies
- Approves the bonus pool across the wider workforce and reviews wider workforce pay outcomes
- Reviews the annual Group fixed pay budgets.

Remuneration report (continued)

Performance management

Performance management plays a key role in enabling colleagues to deliver to a higher standard as well as supporting their career progression.

Our performance management approach centres on continuous performance management principles.

This encourages people leaders to discuss performance throughout the year, including reviewing progress made against 'what' has been delivered (performance against objectives) and 'how' this has been achieved (demonstration of our Values and Mindset for all colleagues, as well as leadership behaviours for all leaders). At year-end, colleagues are assessed separately on the 'what' and the 'how' of their performance.

This assessment is reflected in colleague performance ratings and bonus outcomes.

For 2024, higher standards of delivery were further embedded into our performance approach through global objectives for all colleagues aligned to the consistently excellent standard, as well as our leadership behaviours being embedded as part of the 'how' for all leaders.

For Group Executive Committee members, the performance assessment is more structured, reflecting key Group and business area priorities in support of our three-year plan.

For more details see our Fair Pay Report 2024 at: **home.barclays/annualreport**

How stakeholder views are considered in remuneration decisions

We seek to consider the views of all of our stakeholders in remuneration decision-making, including colleagues, investors and regulators.

Colleagues

We engage with colleagues to understand their views through our regular all-colleague Your View surveys, union and works council engagements, and 'townhall' meetings. We also engage with colleagues through our Employee Resource Groups, webcasts, and workshops.

Our ongoing engagement with the union Unite in the UK covers a range of topics, such as fair pay and how we support colleagues, and this enables the views of colleagues to be shared directly with senior leaders to inform decision-making. For information on our 2025 pay deal with Unite see 'Salary budget for 2025', below.

We publish information to explain to colleagues how the Group's performance and pay approach aligns to the Fair Pay Agenda, and to help them understand the employee benefits Barclays provides – so they can make the most of what is on offer. To communicate pay in a clear way, each colleague receives a Compensation Profile detailing their fixed pay and incentives for the previous year and their fixed pay for the following year.

Investors

We recognise that remuneration is an area of particular interest to shareholders. We listen to their views and take these into account when setting remuneration or considering changes to remuneration policies. Accordingly, the Group Chair or Remuneration Committee Chair hold meetings each year with major shareholders and representative groups to understand their views, accompanied by senior Barclays employees. This kind of engagement helps inform the Committee's work and contributes directly to the decisions it makes in relation to Executive Directors' remuneration.

In 2024, we discussed proposed changes to the DRP with our largest shareholders. The shareholder feedback we received was a key consideration in the Committee's decision to put forward a new DRP for shareholder approval one year early, at the 2025 AGM. The details of the new policy are set out from page 204. More information on shareholder engagement on the DRP is provided from page 208).

Other stakeholders

Each year, the Barclays Internal Audit or Chief Controls Office teams review our remuneration policies and how we've operated our remuneration processes, to provide assurance to the management team and the Committee that we are compliant with regulatory requirements.

Whenever regulations on remuneration are changed, we review our remuneration policies and practices to ensure they are compliant – and make changes if necessary.

In 2024, following changes to UK regulations, we replaced the 2:1 bonus cap for MRTs with a new bonus cap of 10:1.

We continued to engage with our regulators to ensure we understand their perspectives, and to explain our performance, pay priorities and decision-making. We took their views into consideration when making our remuneration decisions for 2024, and continue to ensure we have ongoing regulatory dialogue on remuneration.

Fixed pay decisions for 2025

Living wage employer

We continue to ensure that we at least meet the living wage benchmarks for each location in which our colleagues are based, and are an accredited Living Wage employer in the UK.

Salary budget for 2025

We targeted our salary increase budgets so there are higher increases for the most junior colleagues. In the UK, with the union Unite, we have agreed a salary increase budget of 3.23% for our junior employees and 2.27% for other union-recognised employees. For junior employees in India and the US, salary increase budgets are 9% and 3.5% respectively.

Exceeding the living wage

We pay at least the living wage in all locations. Below are our minimum hourly rates from 1 March 2025 for the UK, USA and India, where 93% of employees are based.

£13.74	$22.50	₹158.00
UK	**USA**	**India**
2024: £13.19	2024: $22.50	2024: R150.00

Pay transparency

Our pay approach for junior colleagues is set in a simple and easy to understand way – pay levels and annual salary increases for our most junior roles in Barclays UK and support functions in the UK are based on role type, and starting salaries are published.

Annual bonus approaches for those populations are harmonised with outcomes set as a percentage of salary, differentiated by each employee's performance rating.

In 2024, we implemented a new global HR system, which provides additional features to make jobs, skills, pay and career progression more transparent for colleagues and their managers.

Remuneration report (continued)

Incentive pool and annual bonus outcomes for 2024

Determining the Group incentive pool

In determining the 2024 Group incentive pool, the Committee considered:

- The Group's financial and non-financial performance during 2024
- The performance of individual businesses within the Group and their contributions to our strategic targets and vision
- The Group's capital position and current and future risks
- The need to reward strong performers appropriately, as well as recognising colleagues who have exemplified the Barclays Values and Mindset
- Compensation market data and expected market trends, to maintain competitiveness where performance warrants.

The Committee used its judgement to reach a balanced decision on the level of the Group incentive pool, in line with our remuneration philosophy. The 2024 incentive pool supports outcomes that reflect the performance of the Group without paying more than is necessary. It will support the Group's continuing ability to attract, retain and reward colleagues who will drive the delivery of the Group's strategy and sustainable growth for shareholders in the future.

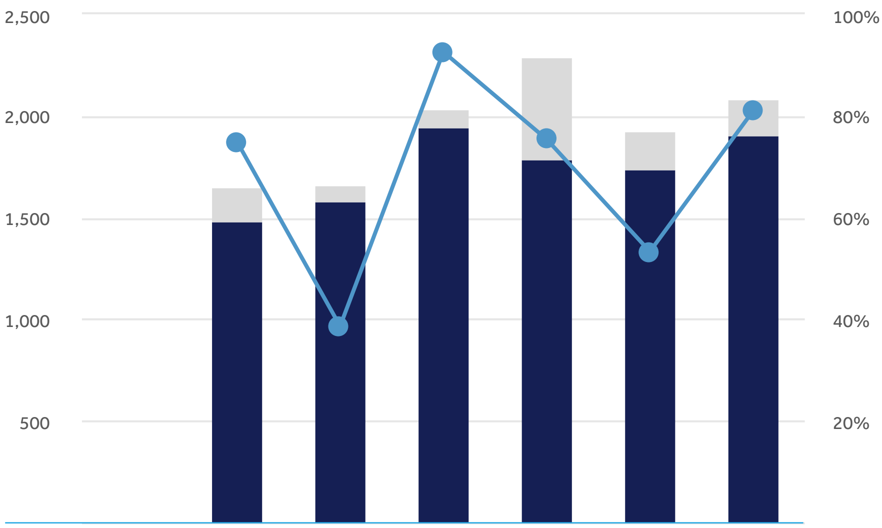
On that basis, the Committee approved a Group incentive pool for 2024 performance of £1,914m (2023: £1,745m), up 10% compared to the final incentive pool for 2023. The incentive pool reflects risk and conduct adjustments of £174m. The incentive pool before risk adjustments each year rose by c.8% from 2023 to 2024, as seen in the chart on the right.

The Group incentive pool and Group Chief Executive bonus outcomes

The incentive approach for our Executive Directors is significantly more structured than for other employees, as required by institutional shareholders for directors of UK-listed companies. This more-structured approach, with a need for direct alignment to specific financial performance metrics, leads to greater year-on-year volatility in incentive outcomes – both up and down – for the Executive Directors compared to other employees.

For 2024, like every year, the Committee considered the Executive Director bonus outcomes in the context of the bonus outcomes for the wider workforce, ensuring appropriate alignment both this year and over a multi-year period. It also reviewed the historical outcomes for the Executive Directors in the context of performance each year. It concluded they were appropriate in the context of the performance achieved.

Group incentive pool and Group Chief Executive bonus outcomes over the years



Key performance metrics	2019	2020	2021	2022	2023	2024
Profit before tax	£4,357m	£3,065m	£8,194m	£7,012m	£6,557m	£8,108m
Profit before impairment (ex. adjusting items)[1]	£8,118m	£8,056m	£7,761m	£8,906m	£9,365m	£10,090m
RoTE	5.3%	3.2%	13.1%	10.4%	9.0%	10.5%
RoTE (ex. adjusting items)[1]	9.0%	3.4%	13.5%	11.6%	10.6%	10.5%
CET1 ratio	13.8%	15.1%	15.1%	13.9%	13.8%	13.6%
Group compensation to income ratio	33.9%	34.2%	34.7%	33.5%	34.4%	32.7%

- Group incentive pool (£m)
- Group Chief Executive bonus outcome (% of maximum)
- Risk and conduct adjustments (£m)

Note:
1 Figures exclude the following adjusting items (pre-tax for profit and post-tax for RoTE): 2024: no adjusting items; 2023: Q423 structural cost actions (£927m pre-tax and £739m post-tax); 2022: impact of Over-issuance of Securities (£674m pre-tax and £552m post-tax); 2021: impact of Over-issuance of Securities (£220m pre-tax and £170m post-tax); 2020: litigation and conduct (£153m pre-tax and £112m post-tax); 2019: litigation and conduct (£1,849m pre-tax and £1,733m post-tax);

Annual percentage change in fixed pay of Group Chief Executive and employees

- The annual percentage change in fixed pay earned in 2024, compared to 2023, is **2.6%** for the Group Chief Executive and **3.1%** for the UK employee median – reflecting the Fixed Pay and salary increases awarded in early 2024.

Full details and supporting narrative.
See **page 233**.

Group Chief Executive pay ratio: 182:1

- Our Group Chief Executive median pay ratio for 2024 is up vs. 2023 (83:1). This principally reflects the Group Chief Executive having a vesting LTIP award this year, the value of which also reflects share price growth since it was granted.

Full details and supporting narrative.
See **page 232**.

Remuneration report (continued)

Alignment with Provision 40 of the UK Corporate Governance Code

Code requirements	How the Committee has addressed the requirement
Clarity **Remuneration arrangements should be transparent and promote effective engagement with shareholders and the workforce**	• A clear remuneration philosophy with aligned policies and practices for Executive Directors and the wider workforce • Our Fair Pay Report, which sets out how pay fairness is central to what we stand for, is used to engage with our shareholders and our colleagues • Regular engagement on remuneration with our largest institutional shareholders, including extensive shareholder engagement on the DRP review • Clear and transparent disclosure of the context and rationale for the proposed DRP changes
Simplicity **Remuneration structures should avoid complexity and their rationale and operation should be easy to understand**	• Clear disclosure of rationale for and operation of each element of the DRP • The new DRP proposes simplified fixed pay for the Executive Directors, all in cash and renamed as salary, in line with normal practice • Executive Directors incentivised via annual bonus with deferral and LTIP • Prospective disclosure of bonus metrics and LTIP targets, and full retrospective disclosure of outcomes against financial and non-financial targets and criteria, with full supporting commentary
Risk **Remuneration arrangements should ensure reputational and other risks from excessive rewards, and behavioural risks that can arise from target-based incentive plans, are identified and mitigated**	• Assessment of 'What' and 'How' performance is achieved • Ex-ante and ex-post risk factored into the assessment of business performance • Significant deferral into shares, to align with shareholder experience • Committee discretion to adjust all variable remuneration outcomes • Malus and / or clawback provisions apply to all elements of variable remuneration
Predictability **The range of possible values of rewards to individual Directors and any other limits or discretions should be identified and explained at the time of approving the policy**	• Maximum incentive outcomes set out in the DRP • Scenario charts illustrate potential payouts under each element of the Policy • Key areas of Committee discretion clearly outlined in the Policy
Proportionality **The link between individual awards, the delivery of strategy and the long-term performance of the company should be clear. Outcomes should not reward poor performance**	• The new DRP would increase alignment of pay and sustainable performance, via higher weightings to financial performance measures, higher weighting to LTIP and higher shareholding requirements • Annual bonus and LTIP measures reviewed each year to maintain alignment to strategic priorities and KPIs • Significant deferral into shares, to align with shareholder experience • Committee discretion, malus and clawback provisions apply to all elements of variable remuneration, to ensure outcomes do not reward poor performance
Alignment to culture **Incentive schemes should drive behaviours consistent with company Purpose, Values and strategy**	• The Committee reviews all policies and practices, including incentive schemes, ensuring alignment to the Group's Purpose, Values, Mindset and conduct expectations • A key aspect of remuneration philosophy is rewarding sustainable performance • Executive Directors' bonus and LTIP based on a balanced scorecard of financial and non-financial measures, with financial measures aligned to external financial targets and non-financial measures aligned to supporting Customers & clients, Colleagues, and to the Group's Sustainability ambitions • Commitment to pay fairness across the workforce • Executive Director remuneration outcomes considered in the context of outcomes across the wider workforce

Remuneration report (continued)

Sustainability and remuneration

Executive Directors

The Committee reviews the Executive Directors' incentive measures each year to ensure they continue to support the delivery of our strategic priorities, including ESG priorities.

The Executive Directors' annual bonus and LTIP have included sustainability-related measures over recent years. The Committee aligns these measures each year with the Group's evolving sustainability ambitions, metrics and targets. As most of our sustainability-related measures and targets are longer term, including those relating to financing the transition and financed emissions, a larger weighting was placed on these measures in the 2024-2026 LTIP vs. the 2024 annual bonus.

As described earlier, for this year's forward-looking incentives the Committee has shifted the climate / sustainability measures fully to the LTIP, as progress towards these targets is expected to be volatile and non-linear and is best assessed over a multi-year period. For the 2025-2027 LTIP the sustainability measures are included as part of a broader, renamed category of measures relating to Sustainability, customers & clients, weighted at 25%. The Sustainability measures will include financing the transition, reducing our financed emissions and achieving net zero operations, as well as supporting our communities.

Additionally, 10% of the 2025 bonus will be determined on a combination of colleagues measures, including inclusion and engagement, and measures relating to customers and clients, including customer and client satisfaction, reduction in customer complaints, maintaining rankings and market share, and increasing digital engagement. Risk & operational excellence measures are also weighted at 5% in the 2025 bonus, as the management of risk underpins delivery against our strategy. Outcomes will be determined based on an assessment of performance against a range of measures of our risk culture, operational precision and controls.

Other employees

Barclays' performance against non-financial measures, including sustainability-related measures, is factored into the determination of the Group incentive pool – impacting annual bonus awards of all employees. In determining the Group incentive pool for 2024 performance, the measures used for the non-financial assessment included climate-related measures focused on our progress towards our Sustainable and Transition Financing target, reductions in our financed emissions and reductions in our operational emissions.

The incentive pool is also adjusted to take account of risks, both crystallised and potential future risks. Consideration is given to vulnerabilities across all of Barclays' Principal Risks, including Climate Risk.

Individual bonus outcomes are determined based on Group, business, and individual performance. Performance for all colleagues is assessed against colleague-specific performance objectives, which are aligned to the five lenses of the consistently excellent standard and include sustainability considerations, where relevant. Specific sustainability-related objectives will depend on the role of the individual.

The Group Executive Committee members responsible for Barclays' five business divisions have specific sustainability-related objectives relevant to the businesses they manage included in their performance objectives and assessment.

Remuneration report (continued)

Our 2025 Directors' Remuneration Policy (DRP) review

The Committee in 2024 commenced an in-depth review of the remuneration policy for the Executive Directors.

At the forefront of our thinking was a desire to align the Executive Directors' pay outcomes more closely to the performance of our business and the experience of our shareholders, in support of our strategy and the delivery of our three-year plan.

The feedback shareholders provided was invaluable to help shape our thinking and inform our final DRP proposals. We engaged with shareholders representing c.60% of our shareholder register, to better understand their views and perspectives on both the challenges we are trying to address and the proposals we are putting forward to do so. More information on the shareholder feedback received is provided from page 208.

And throughout, our thinking has been aligned with the Barclays remuneration philosophy, which remains the cornerstone of our remuneration approach across the Group.

On the next few pages we set out more information on the context and rationale for the DRP changes that we propose, and a summary of the proposed changes. The DRP itself is set out from page 204.

Context for considering DRP changes

Additional flexibility following UK regulatory changes

Our current DRP was approved by shareholders at the 2023 AGM, to apply for up to three years from that date. That DRP was designed within the constraints of the 2:1 bonus cap, and consequently sets higher Executive Director fixed pay and lower variable pay opportunities than the Committee would otherwise have chosen. The 2:1 cap has limited our ability to pay competitively, with maximum total compensation opportunities well below the levels typically seen at peers that were not subject to the same rules.

The removal of the 2:1 bonus cap requirement by UK regulators, and the adoption by Barclays of a 10:1 bonus cap for other MRTs, provided us with additional flexibility to consider improving the structure of Executive Director pay.

Supporting and driving continued strategic progress and growth

We are still on our journey to make Barclays Better, Simpler and More balanced. It is therefore vital that we remain execution focused, and continue to deliver against our plan, with a focus on shareholder value creation for the longer term.

Our CEO and GFD have already driven significant progress for the Group since they were appointed, in 2021 and 2022 respectively:

- Delivered consistent RoTE in excess of 10% each year[1], achieving our previous longstanding RoTE target of greater than 10%
- Set out a new three-year plan in February 2024, with ambitious and clear targets for the Group, including 2026 RoTE of greater than 12% and returns to shareholders of at least £10bn across 2024 to 2026, supported by targets for each business area
- Simplified our business into five divisions that reflect how we serve our customers and clients, providing greater accountability and transparency to our shareholders
- Driven Group-wide culture change, establishing delivery to a consistently excellent standard as an integral part of our culture via an ongoing multi-year change programme
- The progress made to date in delivering our three-year plan has supported a £19bn increase in market capitalisation[2] (up 78%), and £3.0bn of distributions to shareholders, since we announced our three-year plan.

The proposed new DRP will support the achievement of our plans, by providing significantly greater performance alignment in the Executive Directors' remuneration, with incentive performance measures strongly aligned to our strategic priorities and stretching external targets, and beyond.

Improving the competitive positioning of Executive Directors' maximum total compensation opportunity

In considering the competitive positioning of the Executive Directors' maximum total compensation opportunity, we first reviewed the companies against which Barclays Executive Directors' pay levels are compared. The Committee satisfied itself that the international banking peers described on the following page – the principal companies against which investors, employees and other stakeholders compare Barclays, and our key competitors for management talent – are the relevant comparators. Compared to those peers, our Executive Directors' maximum total compensation opportunities under the current DRP are well below market, and not commensurate with the Executive Directors' roles given Barclays' scope and complexity.

The proposed new DRP seeks to deliver maximum total compensation opportunities that are more reflective of the skills required for their roles. More detail in support of these competitiveness considerations is set out on the following page.

Notes:
1 Excluding Q423 structural cost actions in 2023.
2 At the 10 February 2025 mid-market closing share price.

Remuneration report (continued)

Ensuring Executive Director pay is appropriately competitive

An important part of the context for our DRP review is the market competitiveness of the ED remuneration packages.

International banking peers

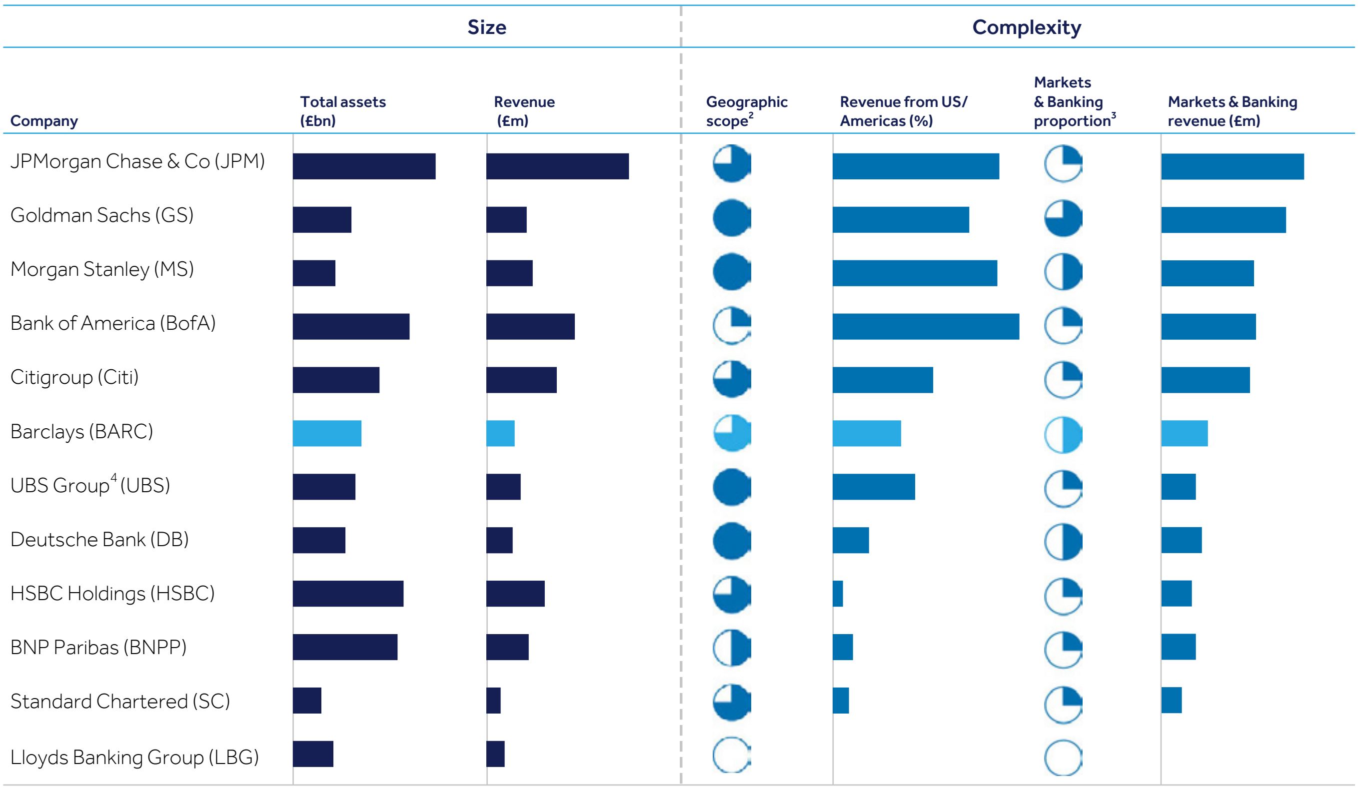
Our current and potential investors, employees and other stakeholders compare Barclays to international banking peers. We have deep roots in the UK, where we support retail customers, small businesses and corporations. The Group also includes a top-tier investment bank, with a strong global ranking, and has a significant and important US presence. As a result, these stakeholders compare Barclays to other large and complex international banks headquartered in the US, Europe and the UK.

The international banking peer group against which the Committee compares the EDs' pay competitiveness consists of the same kinds of companies, as the most relevant comparators to Barclays: other large universal banks from continental Europe/ the UK, and the large US universal and investment banks. We also include the most comparable to Barclays of the other large UK-listed banks, to help maintain balance. Five firms out of 11 in the peer group are US based, reflecting the Group's large US operations and key competitors.

Based on the size and complexity analysis below, Barclays is more complex than most UK and European peers, and around the mid-point versus this peer group overall, if taking the average across the different measures shown.

Size and complexity of Barclays versus the peer group[1]

Companies are ordered based on average score across all measures and bar lengths are relative to largest value in each category

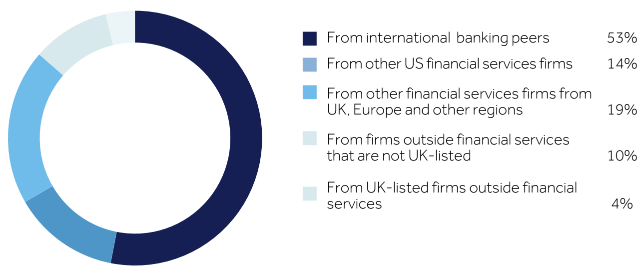


Notes:
1 Peer group data relate to the 2023 financial year, and are provided by the independent advisors to the Committee (PwC).
2 'Geographic scope' based on peer Annual Reports indicating geographic breadth of revenue origination, e.g. empty circle indicating 100% of revenues from the country where the company is headquartered; full circle >10% of revenues from each of three other regions. Citigroup geographic scope estimated as disclosure is insufficiently granular.
3 'Markets & Banking proportion' based on those businesses' revenues as a proportion of total revenues. BNP Paribas includes only Markets, as their disclosures combine investment banking and corporate banking revenues.
4 UBS: underlying revenue includes Credit Suisse revenues but excludes one-off transaction impacts. Geographical scope excludes Credit Suisse as revenues by geographical regions are not disclosed on the same basis.

Sources of senior management talent

The same banking peers that we referred to above are also our main source of senior talent. Over the last 10 years, 53% of hires into roles on the Barclays Group Executive Committee and their direct reports have come from our international banking peers. The percentage increases to c.70% if we include other US financial services firms. Very few of these hires (less than 5%) were from UK-listed companies outside of financial services, reflecting the need for relevant banking experience.

Barclays' hiring over the last 10 years – ExCo and ExCo-1



Remuneration report (continued)

Executive Directors' maximum total compensation opportunity versus market

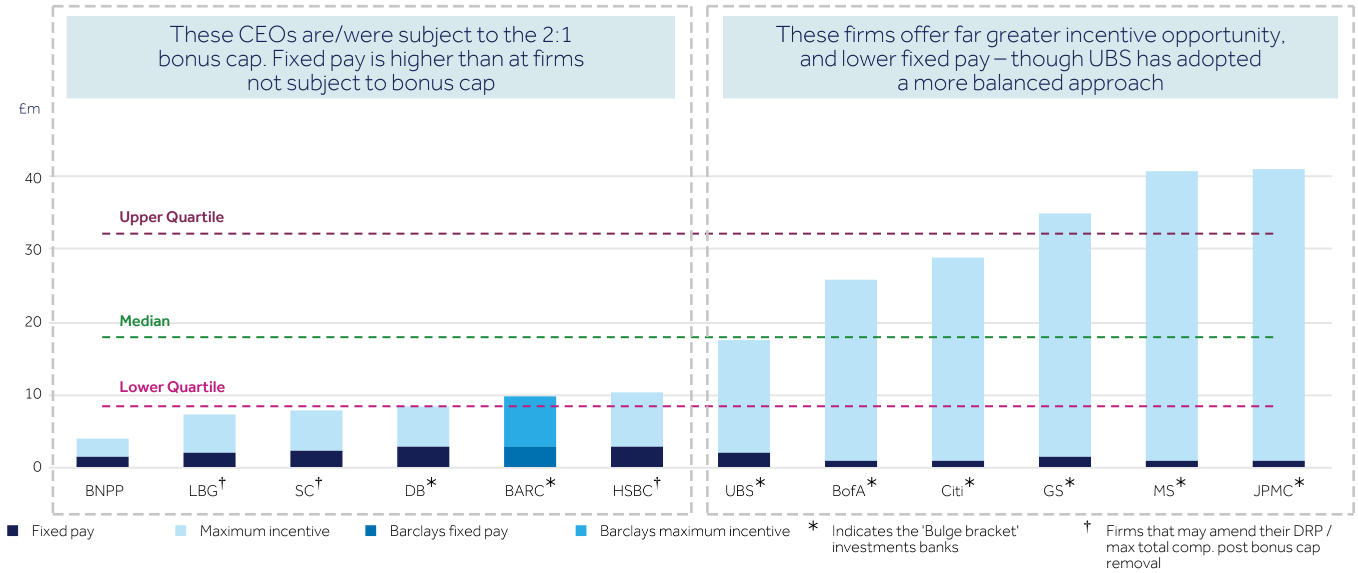
When the 2:1 bonus cap was introduced, we reduced variable pay opportunity and increased fixed pay, to remain competitive with international peers not subject to the same rules. Fixed pay is more certain than variable pay, so the amount by which we increased the Executive Directors' fixed pay was less than the amount by which we reduced their variable pay opportunity; each £100 reduction in variable pay opportunity saw a £41 increase to fixed pay for the CEO, or a £44 increase for the GFD. This significantly reduced the maximum total compensation opportunity for each Executive Director.

Since then, when reviewing the Executive Directors' fixed pay, for several years the Committee made no increases, given the very high level of fixed pay required under the 2:1 bonus cap. However, over time the Committee noted that the Executive Directors' maximum total compensation opportunities were falling even further behind market, and so when reviewing fixed pay in recent years we moved to award the Executive Directors modest increases that would feed through to slightly higher maximum total compensation opportunities, within the confines of the 2:1 bonus cap.

Nonetheless, the reduction in pay opportunity on implementing the 2:1 bonus cap, combined with only moderate fixed pay increases since then, has left the maximum total compensation opportunity for the Barclays CEO uncompetitive versus market, as shown in the chart below. The same is true for the GFD.

The competitive positioning would have been better had the 2:1 bonus cap not been introduced. For example, if we were to take the maximum total compensation opportunity of the Barclays CEO in 2011, and assume salary increases of 2%-3% per annum thereafter, the maximum total compensation opportunity for the Barclays CEO in 2025 might have been in the range of c.£15m-£17m.

Barclays CEO maximum total compensation opportunity for 2024 compared to market (£m)[1]



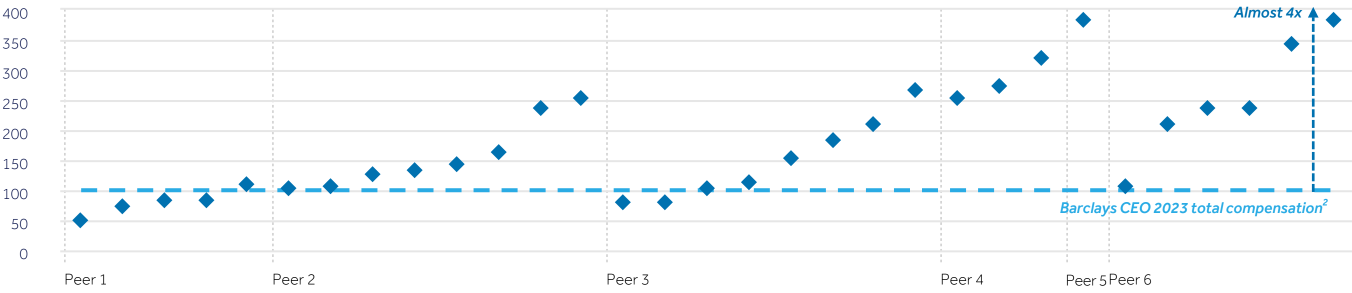
Note:
1 Market total compensation opportunity data provided by Willis Towers Watson (WTW), from each company's public financial year 2023 disclosures (including assumptions if no maximum total compensation was disclosed).

The uncompetitive pay positioning creates other challenges. For example, the Committee is conscious that the uncompetitive pay positioning compared to market would likely cause significant challenges if we were faced with a succession scenario. Candidates for the Barclays CEO or GFD roles must have significant breadth and depth of investment banking and global markets knowledge and experience, so the candidate pool is limited, and the current ED pay opportunity is likely to be unattractive for many of these candidates, both internal and external:

- Internally, over recent years the total compensation awarded to several Barclays Executive Committee members has been materially higher than that awarded to the Barclays CEO (in some cases up to 50%). This is reflective of the levels of pay these roles command in the market. Venkat himself had to agree to a pay reduction when he was promoted to the CEO role.
- While the DRP does not cap pay below Board level, the current level of ED pay opportunity can also make it more challenging to hire into other senior roles that are critical to delivering our strategy, due to candidates' concerns and perception around potential pay compression and future opportunity.
- Externally, pay opportunity for business heads reporting to the CEO is in many cases higher than the pay opportunity for the Barclays CEO. Business heads' pay at those peer companies for which this data is available can be seen in the chart on the following page.

Remuneration report (continued)

Pay for illustrative external candidate pool[1] versus current Barclays CEO pay
(%)



◆ Peer business head (Barclays ExCo equivalent) 2023 total compensation as a % of Barclays CEO total compensation

Notes:
1 2023 total compensation of US and European peers' business heads estimated by WTW, based on those firms' public disclosures in 2024, where available.
2 Barclays CEO total compensation is 2023 year-end Fixed Pay, 2023 annual bonus and 2024-2026 LTIP, assuming 50% vesting (in line with average vesting over the last five cycles).

Objectives and improvements under the new DRP

The Committee identified the following key objectives and improvements for the new DRP, reflecting on the context for the DRP review and on feedback received from shareholders during engagement in support of the review:

- **A material salary reduction** compared to the EDs' current level of Fixed Pay
- **Significantly greater performance alignment**, so the EDs would receive lower pay than under our current DRP at lower levels of performance but have the potential to earn more if justified by strong performance
- **Incentive performance measures strongly aligned to our stretching external targets**, with fewer, simpler and more-focused measures – and an increased weighting to financial measures while still maintaining appropriate balance vs. non-financial factors
- **More longer-term alignment to sustainable performance**, via higher LTIP weighting (rather than bonus) and materially higher shareholding requirements
- **Higher maximum total compensation opportunities**, though still below the median across our international banking peers, to reflect our UK-listed context

Each of these is addressed via our proposed DRP changes.

Proposed changes to the DRP

Having considered a broad range of factors and options for improving the Executive Directors' pay structure (including a less significant reduction in fixed pay and alternative incentive plan structures), alignment with shareholders and other stakeholders, and addressing competitiveness challenges, the proposed changes to the policy and Executive Directors' salaries for 2025 are presented in the table below:

DRP element	Proposed changes
Salary **In place of 'fixed pay' under the current DRP**	• Reduced by 46% for the CEO, from £2.95m to £1.59m, and by 49% for the GFD, from £1.85m to £0.95m. • Alongside that, we will simplify the structure of fixed pay. Under the current DRP, half of fixed pay is delivered in fixed pay shares. As fixed pay is being brought into line with norms at banking peers that are not (and were not) subject to the 2:1 cap, this unusual, complex delivery structure will be removed, so fixed pay will revert to being 'salary' and be paid entirely in cash. • With lower fixed pay, a greater proportion of Executive Directors' pay will be performance-based.
Annual bonus	• Increased maximum annual bonus opportunity to 250% of salary for both the CEO and GFD. Of this, financial factors will normally guide at least 65% of the bonus opportunity. • Under the current DRP, the annual bonus opportunities are 93% and 90% of fixed pay respectively, though those are multiples of significantly higher fixed pay so are not directly comparable. Financial factors normally guide at least 60% of the opportunity.
LTIP award	• Increased maximum LTIP opportunity to 550% of salary for the CEO and 500% for the GFD. Of this, financial measures will normally make up at least 75% of the total opportunity. • Under the current DRP, the maximum LTIP grant is 140% of fixed pay for the CEO and 134% for the GFD, noting again that these multiples are based on significantly higher fixed pay so are not directly comparable. Financial measures normally make up at least 70% of the total opportunity.
Balance of incentives	• Larger proportion of variable pay opportunity delivered in LTIP (69% vs 60% currently), rather than bonus, to promote a longer-term focus. • Increased weighting to financial measures, which we will use to make a larger proportion of pay dependent on delivery of sustained performance in line with the targets set out in our February 2024 Investor Update, and beyond.
Pension	• Will be 10% of salary, largely unchanged – under the current DRP the maximum annual cash allowance in lieu of pension for the EDs is 10% of the cash element of Fixed Pay. • The percentage cash in lieu of pension remains aligned to that for the wider workforce.
Shareholding requirement	• Increased to the level of the new LTIP opportunity – minimum shareholding is up 27% for the CEO, to 550% of salary, and 15% for the GFD, to 500% of salary.

Remuneration report (continued)

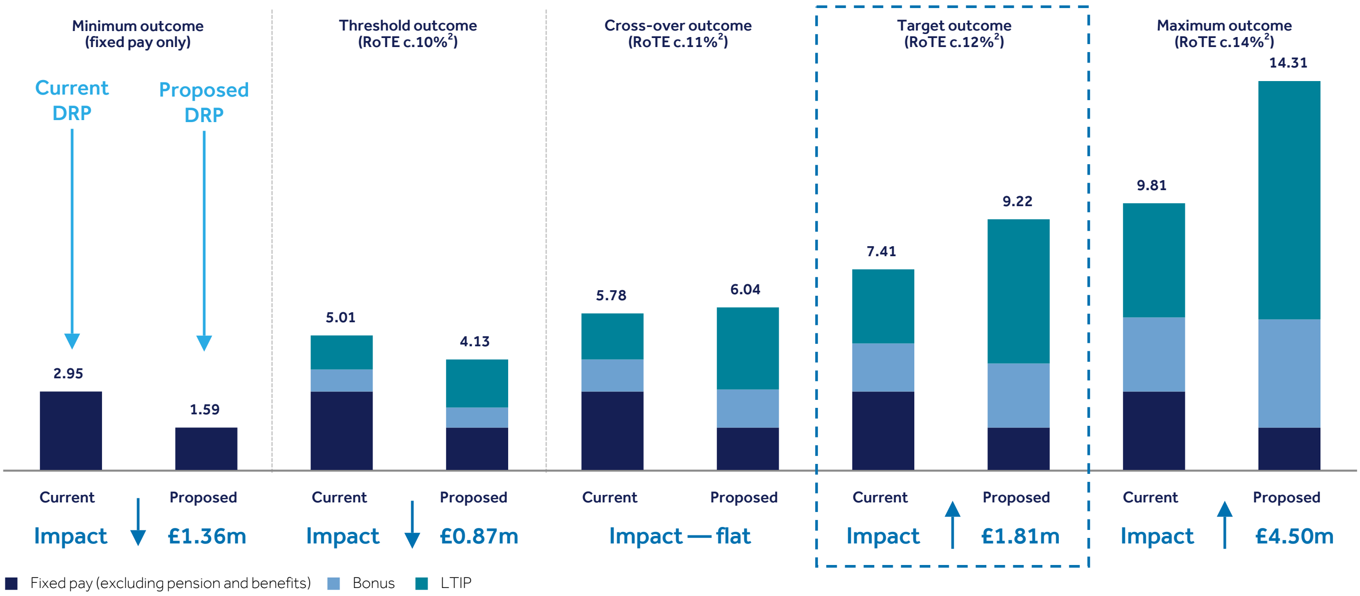
Significantly greater pay-for-performance alignment

Alongside the DRP review, the Committee also reviewed the performance measures and weightings in the Executive Directors' incentives (as set out on page 228 in respect of the 2025 annual bonus and page 229 in respect of the 2025-2027 LTIP). Based on shareholder feedback, the 2025 annual bonus and the 2025-2027 LTIP measures were simplified, to uplift the weighting to financial measures, to have fewer different measures, and to ensure greater alignment to the Group's external targets in support of our three-year plan. These changes in measures, as well as the DRP changes described, deliver a greater pay-for-performance alignment under the new DRP:

- Lower pay than under the current DRP for lower levels of performance, with total compensation down c.20% vs. the current DRP at threshold performance (e.g. RoTE of 10% based on 2025-2027 LTIP targets).
- A 'crossover', where payout under the proposed DRP equals that under the current DRP, is at RoTE of c.11%, which was achieved in only one of the last 10 years and is higher than our previous long-standing greater-than-10% RoTE target.
- Higher pay outcomes for achieving sustained performance commensurate with our stretching three-year plan – e.g. c.12% average RoTE would result in payouts of c.£9m for our CEO and c.£5m for our GFD.
- Maximum pay, £14.3m and £8.1m respectively, only for outstanding performance well beyond our external targets, including average RoTE of at least 14%, compared to our external target of greater than 12% RoTE in 2026.

The full impact of policy changes will not be realised until 2033, when the final tranche of the first LTIP award made under the new policy is released.

Illustrative CEO total compensation outcomes under different performance scenarios (£m)[1]



Notes:
1. 'Proposed' DRP outcomes reflect changes in pay mix (fixed pay at £1,590k) and performance measures, with target modelled at c.60% and threshold at c.20%. 'Current' DRP outcomes reflect old pay mix and historic performance measures.
2. The RoTE levels shown as representative of 'threshold', 'cross-over', 'target' and 'maximum' performance are based on the calibration used within the 2025-2027 LTIP.

Competitive maximum total compensation opportunities for the Executive Directors

The Committee concluded that our Executive Directors' maximum total compensation opportunities under the current DRP are well below market, and not commensurate with the Executive Directors' roles given Barclays' scope and complexity.

At the same time, we recognise that some of our peers are larger than Barclays. We also recognise that market pay levels for executive directors of US companies are often higher than those of UK companies.

In light of this, in determining the appropriate level of the Executive Directors' maximum total compensation opportunity under the new DRP, the Committee increased pay opportunity but determined that the competitive positioning should remain below market median – and very significantly below the pay levels of US peers, to reflect our UK-listed context.

The resulting competitive positioning of the maximum total compensation opportunity for each Executive Director is shown on the following page, relative to international banking peers, and to the FTSE 30 companies (i.e. the 30 largest FTSE 100 companies, based on their market capitalisation at 31 December 2024, from which Barclays itself was then removed).

Remuneration report (continued)

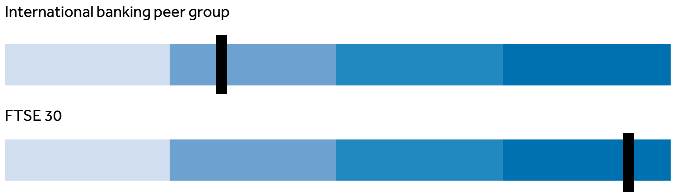
Executive Director maximum total compensation opportunity under the proposed DRP relative to market benchmarks

Group Chief Executive

C.S. Venkatakrishnan

Group Finance Director

Anna Cross



Bottom quartile | 3rd quartile | 2nd quartile | Top quartile | Positioning of maximum total compensation opportunity at Barclays relative to market benchmarks

Notes:

- Barclays and market benchmark data reflect maximum total compensation opportunity, excluding pension and benefits.
- Benchmark data for the international banking peer group and FTSE 30 was provided by WTW, based on publicly disclosed data in respect of each company's 2023 or 2023/24 financial years, incorporating assumptions where companies do not disclose a maximum total compensation opportunity.
- Maximum total compensation opportunities across the FTSE 30 have been increased, assuming modest salary increases of 2% since the underlying data was published, reflecting that maximum total compensation in respect of 2025 will be higher than for 2024.

Ensuring outcomes under the new DRP are appropriate

An important part of the DRP remains the Board-level overrides and discretions, and the other guardrails that ensure alignment to risk and conduct. Using these, we will continue to ensure that outcomes are appropriate.

In this context, the proposed new DRP:

- Maintains a balance of incentive performance measures, both financial and non-financial, including risk.
- Continues to deliver the vast majority of variable pay in shares, which release over a multi-year period.
- Retains the Committee's discretion to reduce incentive outcomes if these are considered not to be commensurate with performance delivered – the Committee has a proven track record of using discretion to reduce ED outcomes when it determines that to be appropriate.
- Delivers a larger proportion of variable pay opportunity via LTIP, so based on longer-term performance measured over concurrent overlapping multi-year periods.
- Includes increased shareholding requirements, and continues to require Executive Directors to maintain a shareholding for two years after stepping down as an Executive Director.
- Continues to apply malus and clawback provisions to all variable pay, whereas malus and clawback terms cannot be applied to fixed pay, so the shift to lower fixed pay means these provisions apply to significantly more of total compensation. Malus and clawback mean variable pay awards can be revisited and reduced, or forfeited entirely, if conduct or performance later comes to light that would warrant such an adjustment.

Amending our LTIP rules to support the new DRP

To support the operation of the new DRP, we are proposing a corresponding change to the individual limits set out in our LTIP rules. Currently, the LTIP rules limit awards granted to an Executive Director each year to the lower of the maximum LTIP grant permitted under the DRP, or 500% of fixed pay. This was based on our old Executive Director pay construct, with very high fixed pay under a 2:1 bonus cap.

The new DRP sees salaries almost 50% lower, and the Group Chief Executive's maximum LTIP award increased to 550% of salary.

As a result, we propose to amend the LTIP rules, so that the maximum award that might be granted to an Executive Director each year is set as the maximum permitted under the binding DRP that shareholders have approved at that time.

The Board recommends that shareholders vote in favour of the proposed new DRP and corresponding LTIP rule change at the 2025 AGM

The new DRP will strengthen the alignment of the Executive Directors' pay with performance, and with shareholder interests, achieved by delivering a greater proportion of maximum total compensation opportunity in the form of variable pay and reducing fixed pay, placing a higher weighting on LTIP and increasing shareholding requirements.

The pay opportunity under the new DRP will better reflect the size, scope and complexity of the Executive Directors' roles, with CEO pay of c.£9m for sustained performance commensurate with our stretching three-year plan, and maximum payout only for significant and sustained outperformance across all performance measures, including RoTE of 14% or higher.

We believe that the changes proposed to Executive Directors' pay under the new DRP will further support the delivery against our strategy and we look forward to your support of our proposals at the forthcoming AGM.

Remuneration report (continued)

Directors' Remuneration Policy (DRP)

This section sets out the formal terms of the proposed new DRP, which will apply for three years beginning on the date of the 2025 AGM, subject to shareholder approval. The proposed changes and the rationale for those changes are detailed in the discussion of the DRP review from page 198, and a summary of how shareholder views were taken into account by the Committee in setting the policy can be found from page 208. The current DRP can be found on pages 209 to 217 of the 2022 Annual Report at **home.barclays/annualreport**.

Remuneration policy – Executive Directors

Element and purpose	Operation	Maximum value and performance measures
Salary To support the recruitment, retention and development of the right calibre of individual for the role.	**Determination of salary** When setting salary for the Executive Directors, the factors the Committee considers include: • the size and scope of the role, taking into account the size, complexity and breadth of the organisation • the skills, experience and performance of the individual • market practice and market data (on which the Committee receives independent advice). The salary level for each Executive Director is set to provide fixed remuneration and maximum total compensation opportunity that is appropriately competitive, within the framework of the policy. Each Executive Director's salary and resulting maximum total compensation is benchmarked against similar roles at a peer group of international banks of comparable scope and complexity, as determined by the Committee. The Committee reviews the peer group regularly to ensure it remains a relevant comparison to Barclays or if circumstances make this necessary (for example, as a result of takeovers or mergers). **Delivery structure** Salary is paid in cash, monthly via payroll. Risk and conduct adjustment, malus and clawback provisions do not apply to salary.	The salary for each Executive Director is reviewed annually. Percentage increases will normally be no more than the average annual percentage increase for UK employees. A higher increase may be made if the Committee considers it appropriate, for example to reflect an increase in the scope and/or responsibility of the individual's role, development of the individual within the role, or because a significant gap to market has arisen over time. Payment of salary is not contingent on any performance measures.
Pension To support Executive Directors to build long-term retirement savings.	Executive Directors receive an annual cash allowance in lieu of participation in a pension arrangement, paid monthly via payroll. Risk and conduct adjustments, malus and clawback provisions do not apply to pension.	The maximum annual cash allowance value is currently 10% of salary. The Committee may change the maximum annual cash allowance in lieu of pension, provided that the maximum allowance will not exceed the employer pension contribution rate provided to the wider UK workforce. There are no performance measures.

Remuneration report (continued)

Element and purpose	Operation	Maximum value and performance measures
Benefits To provide a competitive and cost-effective benefits package appropriate to the role and reflecting local market practice, and to support the health and wellbeing of the Executive Directors.	Executive Directors' benefits provision includes, but is not restricted to, private medical cover, annual health check, life assurance and ill health income protection, and use of a Company vehicle and driver for business purposes (including any tax liabilities that may arise from these benefits). All-employee share plans – Executive Directors are eligible to participate in the Company's all-employee share schemes on the same terms as other eligible employees. Mobility policy – if an Executive Director relocates to perform their role, additional support may be provided for a defined and limited period, in line with Barclays' general employee mobility policies and practices. This would include, but is not restricted to, the provision of temporary accommodation, tax advice, home leave flights, removals assistance and relocation flights for the Executive Director and their dependents as well as tax and/or social security costs arising in connection with such benefits.	The maximum value of benefits is determined by the nature of the benefit itself and costs of provision may depend on external factors, e.g. insurance costs. There are no performance measures.
Annual bonus To reward delivery of short-term financial targets and strategic objectives, and the individual performance of the Executive Directors in achieving those. Delivery in part in shares increases alignment with shareholders and encourages longer-term focus.	**Determination of annual bonus** Annual bonuses are entirely discretionary and decisions are based on the Committee's judgement of Executive Directors' performance in the year, measured against financial and other strategic objectives. Although the Committee takes a structured approach to considering the level of bonus outcome each year, any amount may be awarded from zero to the maximum value. **Delivery structure** Annual bonuses are typically delivered as a combination of cash and shares. A proportion of annual bonus may be deferred and/or subject to a holding period including where required by regulations. Malus and clawback provisions apply to annual bonus awards (described later in this policy). Deferral proportions and vesting schedules will be structured so that, in combination with any LTIP award, the proportion of variable pay that is deferred is no less than that required by regulations (currently 60%). Deferred bonuses are granted subject to the relevant plan rules. Vesting is dependent on certain requirements, including continued employment, and is subject to malus and clawback provisions. If regulations do not permit dividend equivalents to be awarded, the number of shares to be awarded under the deferred portion of any bonus may be based on the adjusted fair value of the shares over which awards are granted taking into account that dividends do not accrue during the vesting period. In such circumstances, the Committee has discretion to reduce the number of shares that vest if actual dividends paid over the period are materially lower than the original dividend assumption (but does not have a corresponding discretion to increase the number of shares if dividends were higher than originally assumed).	The maximum annual bonus opportunity is 250% of salary for each of the Group Chief Executive and Group Finance Director. Performance measures, weightings and targets for the annual bonus are set by the Committee near the start of each year, covering financial and non-financial measures. Financial measures will normally make up at least 65% of annual bonus opportunity. The targets are set each year so that they are appropriately stretching in the context of the Board-approved business plan for the year, taking into account factors such as strategic priorities, external targets, prior-year performance outcomes, market expectations and the wider economic landscape. At the end of the year, the Committee considers performance against those measures and targets in determining the annual bonus outcomes for the Executive Directors. Although the Committee takes a structured approach to considering the level of annual bonus outcome each year, it is able to apply discretion to ensure the annual bonus award is reflective of the performance of the Group and the individual over the period.

Remuneration report (continued)

Element and purpose	Operation	Maximum value and performance measures
Long Term Incentive Plan (LTIP) award To incentivise execution of Barclays' strategy over the longer term. The multi-year performance period and deferral into Barclays shares encourage a long-term view and serve to align Executive Directors' interests with those of shareholders.	**Determination of LTIP award** LTIP award levels are determined by the Committee following discussion of recommendations made by the Chairman (for the Group Chief Executive's LTIP award) and by the Group Chief Executive (for the Group Finance Director's LTIP award), based on satisfactory performance over the prior year (i.e. preliminary performance period). **Delivery structure** LTIP awards are granted subject to the plan rules, in the form of conditional rights to receive Barclays shares at no cost (although they may be satisfied in other instruments as may be required by regulation). Vesting is dependent on certain requirements, including the achievement of performance measures and continued employment, and subject to malus and clawback provisions. LTIP awards are structured so that when combined with the annual bonus the proportion of variable pay that is deferred is no less than that required by regulations (currently 60%). No part of an award vests before the third anniversary of grant, and the final tranche of the awards will be released no earlier than the fifth anniversary of grant, and no faster than permitted by regulations (currently, vesting in five equal annual instalments after the third to seventh anniversaries of grant with shares then subject to an additional holding period). If regulations do not permit dividend equivalents to be awarded, the number of shares to be awarded under the LTIP may be based on the adjusted fair value of the shares over which awards are granted, taking into account that dividends do not accrue during the vesting period. In such circumstances, the Committee has discretion to reduce the number of shares that vest if actual dividends paid over the period are materially lower than the original dividend assumption (but does not have a corresponding discretion to increase the number of shares if dividends were higher than originally assumed).	The maximum annual LTIP award is 550% of salary for the Group Chief Executive and 500% of salary for the Group Finance Director. For each award, the Committee sets forward-looking performance measures, weightings and targets around the time awards are granted, covering financial and non-financial measures. Financial measures will normally make up at least 75% of the total opportunity. The targets over the performance period are set so that they are appropriately stretching in the context of the Board-approved medium-term business plan, taking into account factors such as strategic priorities, external targets, recent performance, market expectations and the wider economic landscape. Straight-line vesting typically applies between the defined threshold and maximum performance targets. For each measure, no more than 25% will vest at threshold performance. At the end of the performance period, the Committee considers performance against those measures and targets in determining the LTIP outcome for the Executive Directors. There is no retesting allowed of performance in future years if targets are not met. The Committee is able to apply discretion to reduce the vesting of any award, to ensure the proportion that vests is reflective of the performance of the Group and the individual over the period.

Remuneration report (continued)

Element and purpose	Operation	Maximum value and performance measures
Shareholding requirement To further enhance the alignment of Executive Directors' interests with those of shareholders, in long-term value creation.	Executive Directors have a contractual obligation to build up a shareholding, within five years from their date of appointment as an Executive Director, with a value equivalent to 550% of salary for the Group Chief Executive and 500% of salary for the Group Finance Director. Executive Directors will have a reasonable period to build up to this requirement again if it is not met because of a significant share price depreciation. For two years after stepping down as an Executive Director, they must maintain a shareholding at a level equal to: (i) the number of shares to be held under the shareholding requirement, as determined immediately prior to their stepping down as an Executive Director; or (ii) the actual number of shares held on stepping down, if lower (subject to the Committee determining that the resulting level of shareholding is appropriate given the relevant Executive Director's tenure). Shares that count towards the shareholding requirement are those beneficially owned by the Executive Director, plus the value of any vested share awards (including those subject only to holding periods), the estimated after-tax value of any shares from unvested deferred share bonuses, and the estimated after-tax value of any unvested LTIP awards provided that no performance conditions remain untested. After the Executive Director has stepped down, the shareholding requirement will be maintained through self-certification, to the extent it is not met via relevant awards under the Group's employee share plans or shares held in Barclays nominee accounts.	No maximum. The requirement sets out the minimum required shareholding and timeframes.

Legacy arrangements

This DRP also permits the Group to honour any commitments with current or former Directors entered into prior to the approval and implementation of the policy (such as the grandfathering of past deferred compensation awards), provided that such commitments complied with any applicable remuneration policy in effect at the time they were entered into.

Risk and conduct adjustment – malus and clawback

Any annual bonus or LTIP awarded is subject to malus and clawback provisions.

The malus provisions enable the Committee to reduce the amount of unvested bonus or LTIP (including to nil) prior to vesting in specified circumstances, including but not limited to:

- a participant deliberately misleading Barclays, the market and/or shareholders in relation to the financial performance of the Barclays Group
- a participant causing harm to Barclays' reputation or where his/her actions have amounted to misconduct, incompetence, poor performance, material error or negligence
- a material restatement of the financial statements of the Barclays Group or any subsidiary, or the Group or any business unit suffering a material downturn in its financial performance
- a material failure of risk management in the Barclays Group
- a significant deterioration in the financial health of the Barclays Group.

The clawback provisions enable amounts to be recovered after they have been paid or vested, for a period in line with applicable regulation – currently seven years from grant (which can be extended to up to 10 years if a relevant investigation is ongoing at the end of the initial seven-year period) where (i) a participant's actions or omissions have amounted to misbehaviour or material error and/or (ii) Barclays or the relevant business unit has suffered a material failure of risk management.

Performance measures and targets for the Executive Directors' annual bonus and LTIP awards

The Committee selects financial performance measures that are fundamental to delivery against the Bank's strategy and are considered to be the most important financial measures used by the Executive Directors and the Board to oversee the direction of the business. The non-financial performance measures are chosen to represent key indicators of the success of our strategy, to provide a balanced view of our performance during the period, and are robustly monitored and reported on to management.

Financial targets for both the annual bonus and LTIP are set to be stretching but achievable and are aligned to enhancing shareholder value. The financial measures and weightings for the annual bonus will be disclosed at the start of the relevant performance year, as part of the previous year's Annual report on Directors' remuneration.

Remuneration report (continued)

Where the Committee considers the annual bonus targets to be commercially sensitive and that it would be detrimental to disclose the targets at the start of the relevant performance year, the specific targets will be disclosed at the end of the relevant performance year, alongside details of the actual performance achieved against those targets, in that year's Annual report on Directors' remuneration (subject to commercial sensitivity no longer remaining). In respect of the LTIP, the financial measures, weightings and targets will be disclosed in the Annual report on Directors' remuneration published shortly after the start of the relevant performance period.

Discretion

The Committee applies judgement where necessary to ensure that amounts paid out under the annual bonus and LTIP are not out of line with the Group's overall performance. This policy provides it with discretion to adjust the formulaic outcome of incentives to ensure amounts paid out are reflective of the performance of the Company and the individual over the period.

In exceptional circumstances, the Committee has discretion (permitted under the plan rules approved by shareholders) to amend targets, measures, or the number of shares under the LTIP if an event happens (for example, a major transaction) that, in the opinion of the Committee, causes the original targets or measures no longer to be appropriate or such adjustment to be reasonable.

In addition to the various operational discretions that the Committee can exercise in the performance of its duties (including those discretions set out in the Company's share plans), the Committee also reserves the right to make minor or administrative amendments to the policy to benefit its operation. The Committee further reserves the right to make more material amendments in light of new laws, regulations and/or regulatory guidance, if these could not be accommodated within the existing policy. The Committee would only exercise this right if it believed it was in the best interests of the Company to do so and where it is not possible, practicable or proportionate to seek or await shareholder approval in a General Meeting.

Remuneration policy alignment between the Executive Directors and all other employees of the Group

The structure of remuneration packages for the Executive Directors is closely aligned with that for the broader employee population. Employees receive salary, pension and benefits and are eligible to be considered for a bonus. The broader employee population typically does not have a contractual limit on the quantum of remuneration (though an internal cap on the ratio of variable to fixed remuneration currently applies for MRTs).

As for the Executive Directors, variable pay for the broader employee population is performance based. Variable pay for both the Executive Directors and the broader employee population is subject to deferral requirements. Executive Directors and other MRTs are subject to deferral at least equal to that required by regulation, currently a minimum rate of 40% to 60%, depending on the total value of variable pay. For non-MRTs, bonuses in excess of £65,000 are currently subject to a graduated level of deferral. The terms of deferred bonus awards for Executive Directors and the wider employee population are broadly the same, in particular the vesting of all deferred bonuses is subject to service and malus conditions. The broader employee population does not participate in the Barclays LTIP.

While we have not sought employee views on the DRP, we have considered remuneration policies for the broader employee population when reviewing the DRP. In our Fair Pay Report, we explain in more detail how employee and Executive Director pay is aligned.

How shareholder views are taken into account by the Committee in setting the policy

We recognise that remuneration is an area of particular interest to shareholders and that it is important that we listen to shareholder views and take these into account when setting and considering changes to remuneration.

In developing the new DRP, we engaged with shareholders and had meetings with shareholder representative bodies and proxy agencies, in the latter part of 2024 and the early part of 2025.

The Committee found the feedback from shareholders during consultation on the DRP review invaluable, in converging on the proposed DRP changes. Shareholders expressed alike views across a wide range of topics. There was universally strong support to proceed with a revised DRP in 2025, in light of the removal of the 2:1 bonus cap regulations. There was also wide-ranging recognition of the strong rationale for change and desire to increase pay for performance alignment. On some topics shareholder views differed, for example on the favourability of relative TSR as a measure for Executive Directors' LTIP awards. The Committee reflected on and discussed the feedback received, to understand the broad gamut of shareholder perspectives. Importantly, the Committee worked to ensure that the proposed DRP changes reflect the views that shareholders provided, using its judgement to balance differing perspectives and other key DRP considerations. The table below summarises the key feedback from shareholders and how the Committee reflected that in its proposals.

Remuneration report (continued)

How shareholder feedback is reflected in the proposed DRP

Shareholder feedback	Committee considerations and how the feedback is reflected in the proposed DRP
Support to significantly reduce fixed pay, and increase variable pay, within our 10:1 bonus cap	The proposal is to reduce fixed pay by 46% for the CEO and 49% for the GFD, while increasing variable pay opportunity. The Committee considered smaller reductions in fixed pay, but in context of broader considerations on the most appropriate ED pay structure, deemed this to be the appropriate level of reduction. The Committee chose a ratio of variable pay opportunity to fixed pay of 8:1 for the CEO, and 7.5:1 for the GFD.
Preference to increase weighting to financial measures	The weighting to financial measures will normally be at least 65% for the annual bonus and 75% for LTIP awards, up from 60% and 70% respectively. The weightings to key financial targets, such as RoTE, have been increased (up from 30% in the 2024-2026 LTIP to 50% in the 2025-2027 LTIP).
Preference to reduce the number of measures	The number of financial measures has been reduced from four to two in the LTIP (2024-2026 cycle: RoTE: 30%, cost: income ratio: 10%; CET1 ratio: 10%, TSR: 20%; 2025-2027 cycle: RoTE: 50%, TSR: 25%).
Preference to simplify the non-financial measures	Non-financial measures have been simplified in the 2025 annual bonus and 2025-2027 LTIP. Sustainability measures are moved into LTIP, accompanied by measures relating to customers and clients. In annual bonus, we have increased the weighting allocated to the strategic objectives that support our three-year plan.
Emphasis that it is important not to incentivise excessive risk taking	The Committee considered this in detail and ensured that the new DRP retains existing guardrails, such as the Committee's overrides and discretions to ensure incentive outcomes are aligned with the results achieved. With the reduction in fixed pay and increase in variable pay opportunity, the new DRP will see a greater proportion of pay subject to malus and clawback provisions.
Support for higher pay opportunities – provided any higher payout is justified by strong performance	The new DRP increases the Executive Directors' pay competitiveness, though without the maximum total compensation opportunity approaching that of US peers, recognising the Group's UK-listed context – and recognising that maximum would only be delivered for outstanding outperformance, e.g. average RoTE of 14% or more. Payout 'cross-over' versus the current DRP, where payout under the proposed DRP equals that under the current DRP, is c.11% RoTE, a level achieved in only one of the last 10 years, and higher than our previous greater-than-10% external RoTE target. Other levels of maximum total compensation opportunity were considered. Balancing the range of considerations and perspectives, the Committee determined the proposals to provide the appropriate level of maximum total compensation opportunity.
Recognition that Barclays has consistently set stretching targets, and will continue to do so	For example, over 2019-2023 (the five years prior to the DRP review) the average CEO annual bonus outcome was 67% of maximum, and the average LTIP vesting was 49%. Recent bonus and LTIP calibrations are aligned with the Group's external targets and truly stretching, with maximum payout only for performance well above those targets. For example, maximum 2024-2026 LTIP payout requiring delivery of 2026 RoTE of 14% is extremely stretching in light of our 2026 external target of >12% RoTE. Calibrations for 2025-2027 LTIP require sustained RoTE performance of 14% over 2026 and 2027 to achieve maximum payout (as shown on page 202).
Support for increased shareholding requirements	Shareholding requirements to be equal to the LTIP opportunity. This results in a significant increase in the absolute value from the shareholding required under the current DRP, an increase by 27% for the CEO and 15% for the GFD.

Remuneration report (continued)

Executive Directors' policy on recruitment

Barclays operates in a highly specialised sector and many of its competitors for talent are outside of the UK. The Committee's approach to remuneration on recruitment of a new Executive Director is to pay the amount necessary to fill the role with a suitable candidate of the quality required to fulfil the role successfully, while avoiding paying more than is necessary.

Approval of the remuneration package offered on appointment to any new Executive Director is a specific requirement of the Committee's Terms of Reference. The terms of such packages must be approved by the Committee in consultation with the Chairman and (except for the terms of his own remuneration or that of his successor) the Group Chief Executive.

Any new Executive Director's package would include the same elements as those of the existing Executive Directors, as follows.

Element and purpose	Operation
Fixed Pay	In line with policy
Pension	In line with policy
Benefits	In line with policy
Annual bonus and LTIP award	The ongoing annual bonus and LTIP award eligibility for an appointment to the Group Chief Executive or Group Finance Director role would be as set out in the policy table for Executive Directors. If any new Executive Director role is appointed to the Board, the Committee will consider the appropriate maximum annual bonus and maximum LTIP opportunities for the role, as a multiple of salary. Neither of these will exceed the parameters of the policy for the Group Chief Executive. The maximum level of variable remuneration that may be awarded following recruitment is 250% of salary under the annual bonus and 550% of salary for the Group Chief Executive and 500% of salary for the Group Finance Director under the LTIP (excluding any buy-outs, as described below), in line with policy maxima for the existing Executive Directors.
Buy-out	The Committee can consider buying out forfeited incentive opportunity and/or incentive awards that the new Executive Director has forfeited as a result of accepting the appointment with Barclays, subject to proof of forfeiture where applicable. The Committee will take reasonable steps to ensure that any award made to compensate for forfeited remuneration from the new Executive Director's previous employment is not more generous than, and mirrors as far as possible the expected value, timing, form of delivery and terms of the forfeited remuneration, and ensure the award is in the long-term best interests of Barclays. All buy-out awards will comply with regulations and Barclays' deferral policy shall apply as a minimum to any buy-out of annual bonus opportunity. The value of any buy-out is not included within the maximum annual bonus and LTIP award levels above since it relates to a buy-out of forfeited incentive opportunity or incentive awards from a previous employer.
Notice periods	Notice from the Company and from the Executive Director will normally be six months.
Legal fees	The Group may pay reasonable fees (plus any associated tax liabilities) for a new Executive Director to obtain independent legal advice in relation to their appointment.

Any remuneration commitment made prior to an individual becoming a Director and not in anticipation of their appointment to the Board may be honoured, even where it is not consistent with the DRP in place at the time the commitment was made or at the time it is fulfilled. For these purposes, commitments include but are not restricted to the satisfaction of past awards of variable remuneration, the terms of which are set at the time the award is granted.

Remuneration report (continued)

Executive Directors' policy on payment for loss of office (including following a takeover)

The Committee's approach to payments in the event of termination is to take account of the individual circumstances including the reason for termination, individual performance, contractual obligations and the terms of the deferred bonus plans and LTIPs in which the Executive Director participates.

Standard provision	Commentary
Notice period	Executive Directors may be required to work during their notice period, or may be placed on garden leave, or may not be required to work the full notice period and instead may be provided with pay in lieu of notice. For C.S. Venkatakrishnan, the contractual notice period is 12 months' notice from the Company and six months' notice from the Executive Director, as his existing notice period prior to his appointment to the Board was honoured when he was promoted to the Board. For Anna Cross, the contractual notice period is six months' notice from the Company and six months' notice from the Executive Director (she did not have any pre-existing contractual commitment to a longer period).
Pay during notice period or payment in lieu of notice per service contracts	Salary and pension allowance will continue to be paid monthly, and other contractual benefits provided, through the notice period. Where Barclays elects to terminate employment with immediate effect by making a payment in lieu of notice, the Executive Director will receive salary as a lump sum or in instalments. Any payments may be subject to mitigation as relevant. In the event of termination for gross misconduct neither notice nor payment in lieu of notice is given.
Eligibility for annual bonus and LTIP awards	There is no automatic entitlement to be granted a bonus or LTIP award for the year of termination, but eligibility for either or both may be considered at the Committee's discretion, pro-rated for service, and subject to performance measures being met. No annual bonus or LTIP award would be granted in the case of gross misconduct or resignation.
Treatment of unvested deferred bonus and LTIP awards	The treatment of unvested deferred bonus or LTIP awards will be in accordance with the relevant plan rules. Unvested deferred bonus and LTIP awards normally lapse if the Executive Director leaves by reason of resignation prior to the fifth anniversary of the date of grant, is terminated for gross misconduct or cause, or is otherwise not an 'eligible leaver'. Eligible leaver is defined as leaving due to injury, disability or ill health, retirement, redundancy, the business or company which employs the Executive Director ceasing to be part of the Group, or otherwise at the discretion of the Committee. The Committee will normally apply its discretion to apply eligible leaver status in the event of resignation after the fifth anniversary of grant, or in the case of deferred bonuses if it is the employer that terminates employment (other than in circumstances that amount to gross misconduct or dismissal for cause). Where eligible leaver treatment applies, deferred bonus and LTIP awards will normally continue to vest, on the scheduled vesting dates and subject to the rules of the relevant plan, unless the Committee determines otherwise in exceptional circumstances. On death, deferred bonus and LTIP awards are normally accelerated and deferred bonus awards are released in full. In an 'eligible leaver' situation and in the case of death, LTIP awards are pro-rated for time (over the whole performance period, including the preliminary performance period prior to grant) and with the proportion that vests remaining subject to performance against the performance conditions, subject to the Committee's discretion to determine otherwise, in accordance with the plan rules, as amended from time to time. Any post-vesting holding period to which vested or unvested shares may be subject, under the terms of their award, will normally continue to apply following cessation of employment. Unvested awards that continue beyond termination remain subject to malus provisions, which enable the Committee to reduce the vesting level of deferred bonuses and LTIP awards (including to nil), and after vesting awards remain subject to clawback provisions (as described in the main policy). In the event of a takeover or other major corporate event, the Committee has absolute discretion to determine whether all outstanding awards would vest early (subject to applicable regulation and to achievement, or the Committee's estimate of achievement, of any performance conditions for the LTIP) or whether they should continue in the same or revised form following the change of control. The Committee may also determine that participants may exchange existing awards for awards over shares in an acquiring company with the agreement of that company. In the event of an internal reorganisation, the Committee may determine that outstanding awards will be exchanged for equivalent awards in another company.
Repatriation	Except in the case of gross misconduct or resignation, where an Executive Director has been relocated at the commencement of or during their employment, the Company may pay for the Executive Director's repatriation costs in line with Barclays' general employee mobility policy including temporary accommodation, payment of removal costs and relocation flights for the Executive Director, spouse and children. The Company will pay the Executive Director's tax on the relocation costs but will not tax equalise and will also not pay tax on his or her other income relating to the termination of employment.
Other	Except in the case of gross misconduct or resignation, the Company may pay for the Executive Director's legal fees and tax advice relating to the termination of employment and other reasonable benefits and provide outplacement services, plus any tax liabilities that may arise as a result.

Remuneration report (continued)

Illustrative scenarios for Executive Directors' remuneration

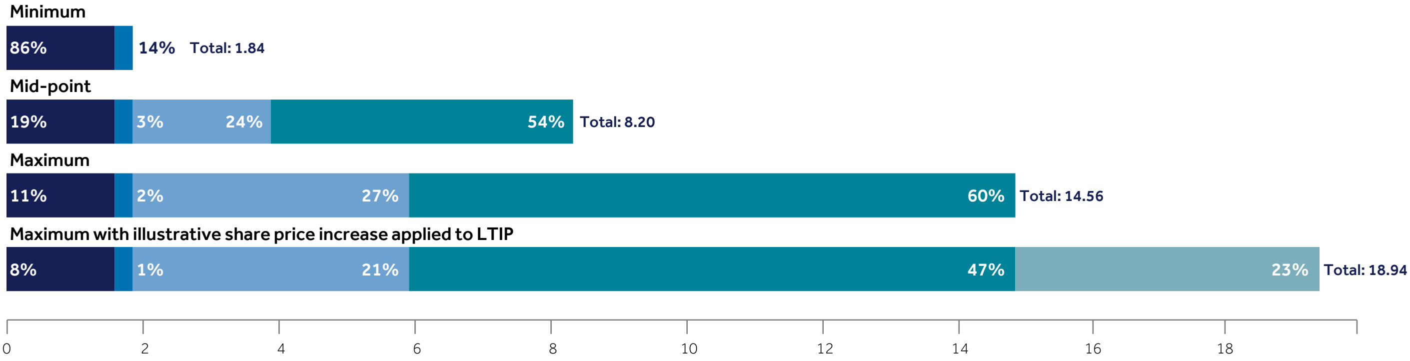
The charts below show the potential value of the current Executive Directors' 2025 total remuneration in four scenarios: 'Minimum' (i.e. salary, pension and benefits), 'Mid-point' (i.e. salary, pension, benefits and 50% of the maximum variable pay that may be awarded), 'Maximum' (i.e. salary, pension, benefits and the maximum variable pay that may be awarded) and 'Maximum with illustrative share price increase applied to LTIP' ('Maximum' scenario, assuming share price appreciation of 50% on the LTIP). These charts assume a constant share price, save for the illustrative share price appreciation applied to the LTIP value only in the latter scenario.

The value of pension and benefits in these charts is based on an estimated annual value for regular contractual benefits provision during 2025. Additional ad hoc benefits may arise (for example overseas relocation of Executive Directors if that was required) but will always be provided in line with the DRP.

A significant proportion of the potential remuneration of the Executive Directors is performance related, delivered in Barclays shares, subject to deferral, and subject to malus and clawback terms.

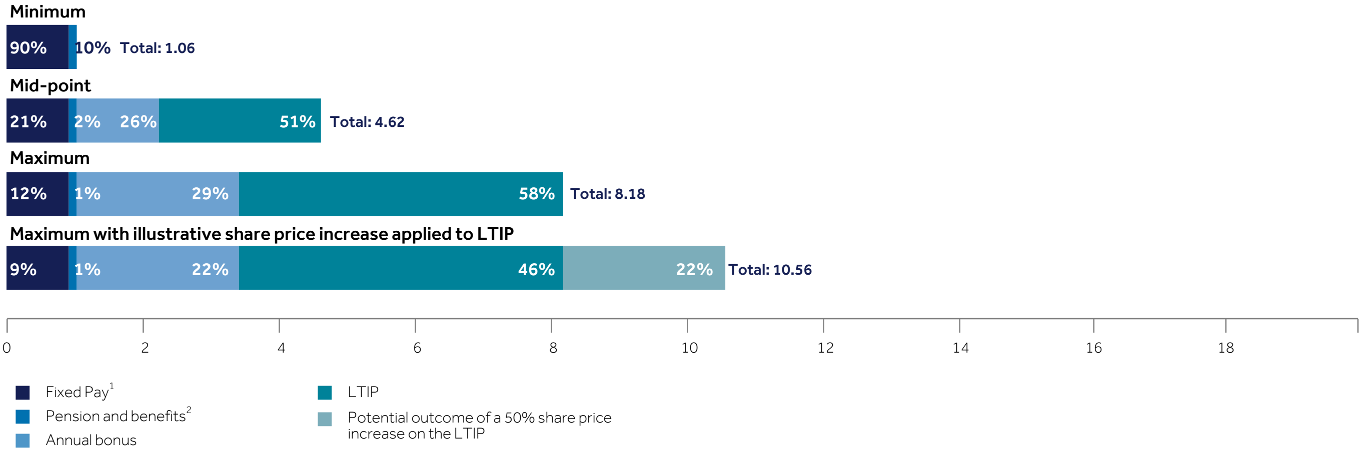
Group Chief Executive

£m



Group Finance Director

£m



Notes:
1 The Fixed Pay shown reflects each Executive Director's annual salary under the new DRP with effect from 7 May 2025.
2 Pension and benefits include the value of cash in lieu of pension and the anticipated value of taxable benefits.

Remuneration report (continued)

Remuneration policy – Non-Executive Directors

Element and purpose	Operation	Maximum value
Fees Reflect individual responsibilities and membership of Board Committees and are set to attract Non-Executive Directors who have relevant skills and experience to oversee the implementation of our strategy Fees are set at a level which reflects the role, responsibilities and time commitment which are expected from the Chair and Non-Executive Directors	The Chair is paid an all-inclusive fee for all Board responsibilities. The Chair has a time commitment equivalent of up to 80% of a full-time role. The other Non-Executive Directors receive a basic Board fee, with additional fees payable where individuals take on additional roles or responsibilities, including, but not limited to, serving as a member or Chair of a Committee of the Board or as a Senior Independent Director. Fees are periodically reviewed by the Board. Non-Executive Directors may also receive fees where they serve as directors of subsidiary companies of Barclays PLC. In the case of certain subsidiary appointments, such additional remuneration is approved by the Barclays PLC Board Remuneration Committee. No variable pay is provided, enabling the Chair and Non-Executive Directors to maintain appropriate independence, focus on long-term decision-making and constructively review and challenge the performance of the Executive Directors.	Fees are reviewed against those for Non-Executive Directors in banks and other companies of similar size and complexity. Other than in exceptional circumstances, fees will not increase by more than 20% above the current fee levels during this policy period. Additional fees may be paid for new Committees of the Board and/or where a Non-Executive Director takes on additional responsibilities and/or performs an additional role, provided these are not greater than fees payable for the existing roles on the Committees of the Board as detailed in the Annual report on Directors' remuneration. Any increases to such additional fees over the period of the policy will be made in accordance with the principles set out above for current fees.
Benefits To provide a competitive and cost-effective benefits package appropriate to the role and location	The Chair is provided with private medical cover subject to the terms of the Barclays' scheme rules from time to time, and is provided with the use of a Company vehicle and driver when required for business purposes (including settlement of any tax liabilities that may arise from this benefit). Benefits which are minor in nature and in any event do not exceed a cost of £500 may be provided to Non-Executive Directors. Non-Executive Directors are not eligible to join Barclays' pension plans.	
Expenses	The Chair and Non-Executive Directors are reimbursed for any reasonable and appropriate expenses incurred for business reasons. Any tax that arises on these reimbursed expenses is paid by Barclays.	
Bonus and share plans	The Chair may be invited to participate in Sharesave, an HMRC employee tax advantaged share scheme, due to the level of their time commitment to the role. The Chair is not eligible to participate in any other Barclays' cash, share or long-term incentive plans. All other Non-Executive Directors are not eligible to participate in Barclays' cash, share or long-term incentive plans.	
Shareholding requirements	An element of the basic fee before deduction of tax and other statutory deductions, equal to £100,000 for the Chair and £30,000 for each Non-Executive Director, is used to purchase Barclays' shares which are retained on the Non-Executive Director's behalf until they retire from the Board.	
Notice and termination provisions	Instead of service contracts, the Chair and the Non-Executive Directors each have a letter of appointment that reflect their responsibilities and time commitments. Non-Executive Directors are entitled to notice under their letters of appointment but, other than in respect of the Chair, no compensation is due in the event of termination, other than standard payments for the period served up to the termination date. Each Director's appointment is for an initial three-year term, renewable at Barclays' discretion for a further term of three years thereafter and subject to annual re-election by shareholders. Non-Executive Directors appointed beyond six years will be at the discretion of the Board Nominations Committee. **Notice period** Chair: Six months from the Company, six months from the Chair. **Termination payment policy** The Chair's appointment may be terminated by Barclays on six months' notice or immediately in which case six months' fees are payable in instalments at the times they would have been received had the appointment continued, but subject to mitigation if they were to obtain alternative employment. No continuing payments of fees (or benefits) are due if a Non-Executive Director is not re-elected by shareholders at the Barclays PLC AGM.	

In accordance with the policy table above, any new Chair would be paid an all-inclusive fee only and any new Non-Executive Director would be paid a basic fee for their appointment as a Non-Executive Director, plus fees for their participation on and/or chairing of any Board committees and for taking on additional responsibilities and/or performing an additional role, time apportioned in the first year as necessary. No sign-on payments are offered to Non-Executive Directors.

Annual report on Directors' remuneration

This section explains how our current Directors' Remuneration Policy (DRP) was implemented for 2024

Executive Directors
Single total figure for 2024 remuneration (audited)

The following table shows a single total figure for 2024 remuneration in respect of qualifying service for each Executive Director, together with comparative figures for 2023.

		1) Fixed Pay £000	2) Pension £000	3) Taxable benefits £000	Total fixed pay £000	4) Annual bonus £000	5) LTIP – excluding share price appreciation £000	6) LTIP – share price appreciation £000	7) Total LTIP[1] £000	Total variable pay £000	Total £000
C.S. Venkatakrishnan	2024	2,935	147	95	3,177	2,219	3,285	1,852	5,137	7,356	10,533
	2023	2,860	143	213	3,216	1,425	—	—	—	1,425	4,641
Anna Cross	2024	1,837	92	15	1,944	1,336	—	—	—	1,336	3,280
	2023	1,788	89	17	1,894	879	—	—	—	879	2,773

Note:
1 The LTIP amounts for 2024 relate to the award granted in 2022, with vesting based on performance measured over 2022 to 2024. The value was estimated using the Q4 2024 average share price of £2.5159. as this Annual Report 2024 was finalised prior to the vesting date. This is the first LTIP vesting for C.S. Venkatakrishnan following his appointment as Group Chief Executive on 1 November 2021. The share price increased by 56% between the date of grant and the share price used to estimate the award value, and column 6) separately shows the impact of share price appreciation contained in the total LTIP value.

Additional information in respect of each element of pay for the Executive Directors (audited)

1) Fixed Pay

Under the current DRP, Fixed Pay is delivered 50% in cash, paid monthly, and 50% in shares, delivered quarterly. The shares are subject to a holding period, with restrictions lifting over five years (20% each year).

More information on the Committee's considerations in respect of the Executive Directors' Fixed Pay is set out on page 217 of the Barclays PLC Annual Report 2023. More information on the Committee's DRP review, including in respect of the Executive Directors' future fixed pay, is set out from page 198.

2) Pension

Under the current DRP, Executive Directors are paid cash in lieu of pension contributions equal to 5% of their Fixed Pay (equivalent to 10% of the cash element of Fixed Pay). The pension cash allowance paid during 2024 was £146,750 for C.S. Venkatakrishnan and £91,875 for Anna Cross. No other benefits were received by Executive Directors from any Barclays' pension plan.

3) Taxable benefits

Taxable benefits include private medical cover, life assurance, income protection, tax advice and the use of a Company vehicle and driver when required for business purposes. For C.S. Venkatakrishnan, the benefits figure for 2024 also includes some minor relocation support costs to the Company, in line with Barclays' general employee mobility policies and practices, and consistent with the DRP (and for 2023 includes relocation support costs during 2023, as set out in last year's Remuneration report).

Remuneration report (continued)

4) 2024 annual bonus

The bonus amounts included in the single total remuneration figures are the value awarded or scheduled to be awarded in Q1 following the financial year to which it relates.

In determining the bonus in respect of 2024 performance, the Committee considered the performance achieved against the Financial (60% weighting) and Strategic non-financial (25% weighting) performance measures that had been set to reflect Group priorities for 2024. Performance against each Executive Director's Personal objectives (15% weighting) for 2024 was assessed on an individual basis.

The outcome for each of the Financial measures would be 0% for performance below threshold, and then was determined on a straight-line basis, between a 25% outcome for threshold performance and 100% for achievement of maximum performance. A summary of the assessment is provided in the following table.

2024 annual bonus outcomes

					Outcome	
Measures	**Weighting**	**Threshold**	**Maximum**	**2024 actual**	**C.S. Venkatakrishnan**	**Anna Cross**
Profit before tax (excluding material items), with CET1 ratio underpin	50%	£7.0bn	£9.0bn	£8.471bn[1]	40.1%	40.1%
Total operating expenses[3] (excluding material items)	10%	£16.9bn	£16.2bn	£16.255bn[1,2]	9.4%	9.4%
Strategic non-financial	25%	Performance against strategic measures, organised around four main categories: Customers & clients, Colleagues, Climate & sustainability, and Risk & operational excellence			17.5%	17.5%
Personal	15%	Individual performance against each of the Executive Director's personal objectives, assessed by the Committee			14.0%	13.5%
Total					81.0%	80.5%
Final 2024 annual bonus outcome approved by the Committee					**81.0%**	**80.5%**

Notes:

1 Both financial measures exclude 2024 structural cost actions of £273m and £90m provision in respect of the FCA motor finance review. The latter relates to historical activity that neither Executive Director was directly involved with given their roles at the time. C.S. Venkatakrishnan was the Chief Risk Officer when the decision was taken to exit the business in 2019.

2 Total operating expenses exclude the impact of the Bank of England (BoE) levy of £93m. The replacement by the BoE of the Cash Ratio Deposit scheme with the BoE levy moved this charge from negative income to an annual operating expense. This was not included when total operating expenses targets were set and so has been excluded from this measure.

3 Measured at specific FX rates so that achievement against this measure is more closely based on management's actions and decisions rather than external factors.

Based on the assessment outlined above, the Committee determined an overall formulaic 2024 annual bonus outcome for C.S. Venkatakrishnan and Anna Cross that equates to £2,219,000, and £1,336,000 respectively. Further detail on the assessment of the Strategic non-financial measures, and performance against Personal objectives, is set out on the following pages.

The Committee reflected on the appropriateness of these overall annual bonus outcomes, in the context of the performance achieved against the Financial measures, Strategic non-financial measures and Personal objectives. The Committee considered the underlying financial health of the Group, which is strong and well-capitalised, and more holistically the performance and contribution of each Executive Director during 2024. The bonus outcomes were considered in the context of those for the wider workforce – ensuring appropriate alignment both this year and over a multi-year period – and also by comparing to historical outcomes for the Executive Directors in the context of performance each year. The Committee believes that the overall 2024 bonus outcomes above are aligned appropriately with stakeholder considerations and with the performance achieved. Based on this, the Committee concluded that no discretionary adjustment was warranted.

The 2024 annual bonus award will be paid half in upfront cash, in March 2025, and half as a grant of deferred bonus shares that will vest in two equal tranches on the first and second anniversaries of grant, followed by an additional one-year holding period from each vesting date.

All of the 2024 variable pay (both the 2024 annual bonus award and the 2025-2027 LTIP award) is subject to clawback provisions, which allow the Committee to recover amounts that have been paid in certain circumstances, and the deferred elements are subject to malus provisions, which enable the Committee to delay or reduce the vesting of unvested amounts (including reducing to nil) in certain circumstances. Of the total variable pay to be awarded (the annual bonus and LTIP combined), a total of 90% of C.S. Venkatakrishnan's 2024 variable pay will be in Barclays shares, and 89% for Anna Cross.

In line with the DRP, due to regulations prohibiting dividend equivalents being paid on unvested deferred share awards, the number of shares awarded to each Executive Director under the Share Value Plan (the Group's main employee share plan for granting deferred bonus shares to employees) and LTIP will be based on the adjusted fair value of the shares over which awards are granted, taking into account that dividends do not accrue during the vesting period. The valuation will be aligned to IFRS 2 and determined by an independent adviser.

Remuneration report (continued)

Assessment of the Strategic non-financial measures for the 2024 annual bonus

The overall weighting of Strategic non-financial measures was 25%, within which the Climate & sustainability, Customers & clients and Colleagues categories were each weighted at 5% and the Risk & operational excellence category at 10%. The measures used in the Strategic non-financial assessment for bonus reflect key strategic priorities of the Group. Most outcomes are either measured by an external provider, such as NPS or Investment Banking fee ranking and share, or are subject to independent limited assurance by KPMG (indicated by the 'Δ' symbol)[1], including Climate & sustainability measures.

Progress in relation to each of the Strategic non-financial measures was assessed by the Committee. The overall assessment was based on the following scale:

For Climate & sustainability, Customers & clients and Colleagues (max weighting 5% each)	For Risk & operational excellence (max weighting 10%)	Overall outcome for the category
0% to 1.0%	0% to 2.0%	Behind track on most measures
1.5% to 2.5%	2.5% to 4.5%	Slightly behind track on most measures
3.0% to 4.0%	5.0% to 7.5%	On track or slightly ahead of track for most measures
4.5% to 5.0%	8.0% to 10%	Ahead of track on most measures

On this basis, the Committee agreed an overall outcome for the Strategic non-financial measures of 17.5% out of a maximum of 25%.

Detail supporting this assessment is set out in the tables that follow.

Customers & clients

Measure	Criteria	Performance	Commentary	Outcome
Global Markets revenue ranking and share[2]	Maintain client rankings and market share	6th (maintained since 2023) Revenue share is 6.3% (from 6.5% in 2023)	• Global Markets revenue ranking maintained, revenue share also largely unchanged. • We continued to focus on growing our share with the top 100 clients. We were ranked within the top 5 for 56 of these clients, up from 49 in 2023[3].	On track
Investment Banking fee ranking and share[4]		6th (maintained since 2023) Fee share increased to 3.3% (from 3.0% in 2023)	• Maintained sixth ranking with a slight increase in fee share – the highest of any non-US domiciled bank.	Slightly ahead of track
Customer and client satisfaction	Improve	Barclays UK: +17 (2023: +17) UKCB OSAT[6]: 62% (2023: 56%) USCB Non-Digital Care tNPS[7]: +51 (2023: +48) USCB Digital Composite tNPS[8]: +63 (2023: +61.3)	• NPS score for Barclays UK maintained at +17, while digital and Premier NPS[5] increased. • Client satisfaction has increased by 6% points in UKCB – measured by Overall Client Satisfaction (OSAT) score. • USCB continued to grow its customer base, adding c.3 million customers organically, while at the same time improving customer satisfaction – Transaction Net Promoter Scores for both digital and contact centre agent servicing increased in the year, averaging +63 and +51 respectively.	On track
Complaints	Reduce Barclays UK customer complaints and improve resolution time	Barclays UK Total Complaints (% movement year on year): -36%	• Targeted actions to improve customer experience led to a 36% reduction in customer complaints. This highlights the progress that we are making, but there is more to do to address the root cause of complaints. • 96% of complaints were resolved within 56 days (2023: 94%).	Ahead of track
Digital	Increase digital engagement	Barclays UK digitally active customers: 13.4 million (2023: 12.7 million) USCB digitally active customers[9]: 71.1% (2023: 68.7%)	• The number of digitally active Barclays UK customers increased, along with Barclays UK's digital NPS. • Further improvements were made to navigation and functionality in the Barclays app, which has nearly five billion logins a year. • USCB digital active rate improved by 240bps.	On track
				Total Customers & clients: 3.5% out of 5%

Notes:
1 2024 data subject to independent limited assurance under ISAE (UK) 3000 and ISAE 3410. Current limited assurance scope and opinions can be found within the ESG Resource Hub: home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/
2 Global Markets market share for Barclays is based on external reported revenues of peer banks BofA, BNP, CITI, DB, GS, JPM, MS and UBS.
3 Based on Barclays' analysis using internal and external sources.
4 Investment Banking market share for Barclays calculated by Dealogic for the period covering 1 January 2024 to 31 December 2024. 2023 fee share was subsequently adjusted from the 3.1% reported in the Remuneration report for 2023.
5 Premier NPS from © Ipsos 2024, Financial Research Survey (FRS), comparing Premier current accounts.
6 UKCB OSAT calculated by Savanta based on proportion of clients surveyed rating UKCB as 'Excellent' or 'Very Good', data as at December 2024.
7 USCB Non-digital Care tNPS measures USCB customer experience across Contact Centre Agent Servicing, including Care + Chat, Fraud, Disputes and Credit.
8 USCB Digital Composite tNPS measures USCB customer experience at the digital journey level.
9 USCB digitally active customers represents the percentage of USCB balance-active consumer card customers who have logged in to either web or app within the past 90 days.

Remuneration report (continued)

Colleagues

Measure	Criteria	Performance	Commentary	Outcome
Diversity	33% females at Managing Director and Director level by 2025	30%$^{\Delta}$ in 2024 (2023: 30%)	• Senior female representation largely unchanged versus 2023 and slightly below level expected to achieve our 2025 Gender Ambition.	Behind track
	Increase underrepresented minority[1] representation in the UK by 12.5% and in the US by 5% by 2025 (from 2023 baseline)	UK: 5.2% (2023 baseline of 5.1%) US: 18.6% (2023 baseline of 21%)	• Achieved our previous underrepresented minority ambition two years early and reset our ambition in 2023. • In 2024, underrepresented minority representation remained broadly flat in the UK and decreased in the US. • The number of Managing Directors from underrepresented ethnicities also decreased slightly versus 2023.	
	50% increase in the number of Managing Directors from underrepresented ethnicities in the UK and the US combined by 2025 (from 2022 baseline of 55)	50 Managing Directors (2023: 55)		
Inclusion	Improve inclusion indicators	Inclusion Index from all-colleague Your View survey 81% (2023: 83%)	• 89% of colleagues told us they feel included in their team (2023: 90%). • 83% of colleagues told us they believe that senior leaders are truly committed to building a diverse workforce (2023 85%).	Slightly behind track
Engagement	Maintain engagement at healthy levels	Employee Engagement score from Your View survey 85% (2023: 86%)	• Employee Engagement score is 85%, 4% points above the Qualtrics 2023 75th percentile Financials benchmark.	Ahead of track
Culture	Maintain culture indicators	88% of employees in Your View survey believe strongly in the goals and objectives of Barclays (2023: 89%) 93% of employees in Your View survey believe that they and their team do a good job of role-modelling the Barclays Values every day (2023: 94%) 92% of employees in Your View survey believe that they and their team do a good job of role-modelling the Barclays Mindset every day (2023: 93%)	• Since we launched our three-year plan in February 2024, we are focused on understanding colleague perception and belief in Barclays' goals and objectives. We have introduced this as one of our four main Colleague KPIs, and are disclosing data on this for the first time (see also page 30). We will continue to track this KPI over the next two years. • As part of the Consistently Excellent culture change programme, the higher operating standard was incorporated into our existing Values and Mindset behaviours, and as part of an enhanced set of leadership behaviours in 2023. For 2024, this was integrated into performance management processes for all employees. • 86% of colleagues told us that they felt their people leader 'clearly communicates the actions they need to take to deliver consistently excellent outcomes' (new question for 2024).	Slightly ahead of track
				Total Colleague: 2.75% out of 5%

Note:
1 Underrepresented minorities refers to individuals who are Black or Multiracial (referred to as Mixed or multiple ethnic groups in the UK Census) in the UK, and African American/Black, Multiracial, Hispanic/Latinx, Native Alaskan/Native American or Native Hawaiian/Pacific Islander in the US.

Remuneration report (continued)

Climate & sustainability

Measure	Criteria	Performance	Commentary	Outcome
Sustainable and Transition Financing	Facilitate $1trn of Sustainable and Transition Financing between 2023 and end of 2030	$94.4[Δ]bn	• Facilitated $94.4[Δ]bn of Sustainable and Transition Financing in 2024, up 39% versus 2023, making progress towards our 2030 target. • Future progress and our ability to meet our target will be dependent on a number of factors and variables outside our control, such as market conditions, policy, laws, regulation, geopolitical developments and stakeholder expectations.	On track
Reducing our financed emissions	Deliver progress on our commitment to align our financing with the goals and timelines of the Paris Climate Agreement:		• For power and upstream energy, we are on track to achieve 2025 targets. • We recognise that continued focus is required to reduce our financed emissions in line with our commitment to become a net zero bank by 2050. • Future progress against these targets will likely be non-linear and may be volatile due to the many external dependencies and variables beyond Barclays' control that may determine the pace of transition and impact our strategy and ability to achieve our targets.	On track
	30% reduction in power portfolio emissions intensity (Scope 1) by the end of 2025, from a 2020 baseline	Power portfolio emissions intensity: 219[Δ]KgCO2e/MWh, 30% down versus 2020		
	15% reduction in upstream energy portfolio absolute emissions (Scope 1, 2 and 3) by the end 2025, from a 2020 baseline	Upstream energy portfolio absolute emissions: 41.1[Δ]MtCO2e, 45% down versus 2020		
Reducing our greenhouse gas (GHG) emissions	90% reduction in Scope 1 and 2 GHG emissions by the end of 2025 (market-based, against a 2018 baseline)	95%[Δ] reduction	• Continued to track ahead of our target, reducing our absolute Scope 1 and 2 market-based emissions by 95%[Δ].	Ahead of track
Renewable electricity	100% renewable electricity sourcing for our global real estate portfolio by the end of 2025	100%[Δ]	• Maintained and continued to track ahead of our target date, sourcing 100%[Δ] renewable electricity for our global real estate portfolio[1].	Ahead of track
LifeSkills – people upskilled	Upskill 8.70 million people from 2023 to the end of 2027	1.95m[Δ] upskilled in 2024	• From 2023, new investment through LifeSkills is focused on targeted support for people in the most underserved communities and underrepresented groups. • In 2024, the number of people upskilled exceeded our per annum target.	Slightly ahead of track
LifeSkills – people placed into work	Place 250,000 people into work (2023 to the end of 2027)	53,494[Δ] people placed into work in 2024	• Exceeded our per annum target of 50,000 people placed into work in 2024.	Slightly ahead of track
Unreasonable Impact (partnership with the Unreasonable Group)	Support an additional 200 businesses solving social and environmental challenges (2023 to the end of 2027)	38[Δ] ventures supported in 2024	• The strategic partnership with Unreasonable Group was renewed in 2023 to enable Barclays to support an additional 200 entrepreneurs over five years. 348 ventures have been supported so far, collectively raising over $14bn in financing and employing more than 31,000 people. • We remain on track to achieve our 2027 target.	On track
				Total Climate & sustainability: 4.25% out of 5%

Note:
1 Global real estate portfolio includes offices, branches, campuses and data centres within our operational control.

Remuneration report (continued)

Risk & operational excellence

Category	Performance
Risk awareness	• The Committee was satisfied that the Group operated in line with its Board-approved risk appetite. • 'Being consistently excellent' workshops have been running throughout 2024. The workshops provide our people with the skills and knowledge to take personal accountability for driving higher standards across the organisation, with a focus on remediating risk and control weaknesses. All Managing Directors, Directors and Vice President People Leaders have completed their workshops. • Litigation and conduct costs were £220m, including a provision of £90m in respect of the FCA's review into historical motor finance commission arrangements. A management decision was taken in 2019 to exit this business, following a strategic review. Excluding this provision, litigation and conduct costs were £130m. • The trend of conduct breaches year on year improved.
Operational excellence	• The control environment continues to improve, as business areas and functions strengthened reporting and controls while pursuing remediation initiatives to address key issues. • During 2024, total operational risk losses[1] reduced to £124m (2023: £141m) and the number of recorded events for 2024 (2,395) decreased from the level for 2023 (2,925). The total operational risk losses for the year were mainly driven by events falling within the External fraud and Execution delivery & process management categories, which tend to be higher in volume but smaller in magnitude. • 58% reduction on major technology incidents vs. 2023. • High standards of internal service delivery retained during 2024, with 97% of Service Level Agreements meeting their target.
	Total Risk & operational excellence: 7% out of 10%

Overall strategic non-financial outcome for the 2024 annual bonus (out of a maximum possible 25%)	**17.5%**

Note:
1 The data disclosed includes operational risk losses for reportable events impacting the Barclays Group business areas, having an impact greater than £10,000 and excludes events that are compliance or legal risk, aggregate and boundary events. A boundary event is an operational risk events that results in a credit risk impact. Due to the nature of risk events that keep evolving, prior year losses are updated.

Further details on our approach to Key Performance Indicators are included in the Strategic report.
Refer to **home.barclays/sustainability/esg-resource-hub/** for more information on the ESG measures.

Remuneration report (continued)

Assessment of performance against the Personal objectives set for the 2024 annual bonus (15% weighting)

Individual performance against each of the Executive Directors' personal objectives for 2024 was assessed by the Committee. Performance for C.S. Venkatakrishnan and Anna Cross was assessed against both the individual objectives set for their respective roles and their shared personal objectives, which had a 15% weighting overall for each Executive Director's 2024 annual bonus.

The table below summarises performance against the shared personal objectives.

Shared personal objectives for C.S. Venkatakrishnan and Anna Cross

Objective	Outcomes
Deliver new financial targets including RoTE and capital distributions	• Met our 2024 financial targets, with operational and financial performance improvement driven by disciplined execution of the three-year plan announced in February 2024. • Delivered Group statutory RoTE of 10.5%, achieving 2024 target of >10%. • Group NII excluding IB and Head Office of £11.2bn, achieving 2024 target of >£11.0bn, of which Barclays UK NII was £6.5bn. • The Group cost: income ratio was 62% (2023: 67%), achieving our target of c.63%, as the Group delivered the targeted £1.0bn gross cost efficiency saving in FY24. • Total capital distributions of £3.0bn announced in relation to 2024 (2023: £3.0bn), comprising £1.2bn of dividends and £1.75bn of share buybacks.
Maintain robust capital ratios across the Group and within the main operating entities	• Strong capital position maintained, with a Group CET1 ratio of 13.6%, within our target range of 13% to 14%. • Similarly strong capital ratios prevail in all main operating entities: at the end of 2024, Barclays Bank PLC's CET1 ratio was 12.1% and Barclays Bank UK PLC's CET1 ratio was 14.2%, well in excess of regulatory minimums.
Continue to simplify the organisation in terms of its operations and financial reporting	• Introduced updated business structure in February 2024 with five business divisions – BUK, UKCB, PBWM, IB and USCB – which enables the Group to be organised and operate in a simpler way, delivering greater accountability and transparency to our shareholders, supporting synergies across the Group. • Delivered against the strategic actions we set out in February 2024, selling our German consumer finance business and Italian mortgage book. • Continued to upgrade legacy technology, decommissioning 210 legacy applications (450-500 legacy applications to be decommissioned over 2024 to 2026).
Deliver better customer outcomes, income quality and investment priorities across our businesses	• Continued to progress investment and income opportunities across our businesses, including completing the acquisition of Tesco Bank. • Invested in customer technology across the Bank – introduced enhanced features in the Barclays banking app, implemented our end-to-end global trade finance solution, Trade360, and improved our Smart Investor digital investing proposition. • The Investment Bank continued to grow income, with a focus on more stable income streams. Global Markets deepened relationships with the top 100 clients: we are now ranked top 5 at 56 of those clients (2023: top 5 at 49)[1]. Investment Banking maintained its traditional strengths in DCM, while making progress in rebalancing its footprint towards Advisory and ECM. • The US Consumer Bank launched a new co-branded card programme with Breeze Airways, and extended our existing partnership agreements with Hawaiian Airlines, Frontier and RCI, while also expanding its online retail deposits business.
Demonstrate progress towards reallocating capital to the highest returning businesses	• Deployed £13bn[2] of RWAs, of c.£30bn planned RWA growth through to 2026, into business growth activity across our three highest-returning divisions, including c.£7bn RWAs from the Tesco Bank acquisition. • Investment Bank RWAs as a percentage of Group RWAs reduced from 58% in 2023 to 56% in 2024. The growth in income, together with stronger management of RWAs, allowed it to deliver revenue over average RWAs of 5.8%, up 30bps on 2023.
Continue to drive the sustainability strategy of the bank to achieve our ambition to be a net zero bank by 2050	• Facilitated \$162.2$^{\Delta}$bn of Sustainable and Transition Financing since 2023 (of which \$94.4$^{\Delta}$bn in 2024), against our target to facilitate \$1trn by the end of 2030. Additionally, Barclays Climate Ventures, formerly Sustainable Impact Capital, has a mandate to invest up to £500m of the Bank's own capital in climate tech start-ups by the end of 2027. To date, £203m investments have been made, including £65m deployed in 2024. • Barclays UK has lent £1.1bn through our Green Home Mortgage product to support customers to purchase energy efficient new-build homes (£4.7bn since 2018). • The UK Corporate Bank has developed a partnership with the National Wealth Fund to provide up to £500m of sustainable lending to social housing clients. • The Investment Bank helped National Grid raise a £7bn equity rights issue, which will help upgrade grid infrastructure in the UK and US.

Notes:
1 Based on Barclays analysis using internal and external sources.
2 £13bn represents RWAs from business growth but excludes the effects of securitisations, model updates and other methodological changes. Total RWA increase to the three UK businesses is £15bn.

Remuneration report (continued)

In addition to the shared personal objectives described above, the table below summarises performance against the personal objectives for C.S. Venkatakrishnan.

Personal objectives for C.S. Venkatakrishnan

Objective	Outcomes
Continued focus on customer and client outcomes	• A focus on customer and client journeys and experience led to improvements in outcomes across the Group. Within Barclays UK, targeted actions led to a 36% reduction in customer complaints, an improvement in customer satisfaction during phone call interactions, as well as increases in digital and Premier Net Promoter Score (NPS)[1]. UKCB saw a 6 point improvement in the Overall Client Satisfaction (OSAT) score (an independent benchmarking score measured by Savanta), with 62% of clients surveyed rating us 'Excellent' or 'Very Good'. USCB likewise saw higher Transaction Net Promoter Scores for both digital and contact centre agent servicing, averaging +63 and +51. Over 58,000 PBWM customers chose to open a Smart Investor account in 2024. • Our market share in Investment Banking has improved, and we maintained our #6 Dealogic global fee share ranking (3.3% fee share) – the highest of any bank domiciled outside the US. Our Research team continues to rank strongly in external advocacy among our institutional investor client base.
Drive delivery to a consistently excellent standard	• Continued embedding the Group-wide multi-year Consistently Excellent cultural change programme. We have rolled out Consistently Excellent workshops that have been completed by nearly 60,000 colleagues, and also launched new risk and control-focused training. • The Group Transformation Office was stood up to support business transformation plans, drive cost efficiencies and monitor progress against capital and return targets.
Continue to develop a high-performing culture in line with our Values and Mindset, with a focus on employee engagement, succession planning, talent and diversity	• Colleague engagement remained strong at 85% – 4 percentage points above our external benchmark[2]. 93% of colleagues believe that they and their teams do a good job of role modelling the Barclays Values every day. • In 2024 we refreshed, simplified and enhanced our talent selection experience and introduced a new single Global Talent Framework. We also introduced a new HR platform to deliver these changes at scale to our people. • Our initiatives help to develop an inclusive, diverse leadership pipeline. At the end of 2024, we had 30[Δ]% female representation in our Managing Director and Director population (with an ambition to have 33% by 2025). In the UK and US, there were 50 Managing Directors from underrepresented ethnicities at the end of 2024. • The Group Executive Committee and other leadership teams across the Group continued to utilise ex-officio committee memberships to promote diversity of thought, provide specialist input and bring new perspectives.
Effectively manage relationships with key external stakeholders	• Built strong connections and proactively collaborated with UK and US regulators throughout the year, working to support the broader UK economy. Continued to engage positively with the UK Government, including as a member of the National Wealth Fund Taskforce. • Continued to actively engage with investors to discuss progress compared to expectations set. Hosted three deep dive information sessions - on the UK Corporate Bank, Investment Banking and Private Bank and Wealth Management - providing additional colour on each of the businesses. • Active member of the Sustainable Markets Initiative's (SMI) Financial Services Task Force and became Chair of the Task Force in November 2024.
Drive leadership accountability to further strengthen our risk management and controls culture	• 'Being consistently excellent' workshops, aimed at raising the standard of execution, with a focus on strengthening risk management and controls, ran throughout 2024. All Managing Directors, Directors and VP People Leaders have completed their workshops. • 86% of colleagues have told us that their people leader clearly communicates the actions they need to take to deliver consistently excellent outcomes in their role.

Notes:
1 Premier NPS from © Ipsos 2024, Financial Research Survey (FRS), comparing Premier current accounts.
2 The Qualtrics 2023 75th percentile Financials benchmark of 81% is based on a three-year rolling average from 2020-2023.

The Committee recognised C.S. Venkatakrishnan's excellent performance during 2024, his leadership of the organisation through this first year of the Group's three-year plan, and the substantial achievements against both his individual and shared personal objectives. Based on that performance, the Committee assessed that an outcome of 14% out of a maximum of 15% was appropriate.

Remuneration report (continued)

The table below summarises performance against the personal objectives for Anna Cross.

Personal objectives for Anna Cross

Objective	Outcomes
Continue to simplify, standardise and automate Finance and Treasury processes to improve effectiveness and efficiency	• Expanded the range of Artificial Intelligence and Machine Learning initiatives being piloted in the Finance function. • Launched the Finance Transformation Office, with a mandate to develop and drive a strategy for the wholesale transformation of the function.
Appropriate management of capital and resources using oversight committees to ensure we comply with governance and regulatory requirements	• The Group continues to exceed regulatory requirements for overall capital, leverage and Minimum Requirement for Own Funds and Eligible Liabilities. • The Group's CET1 target ratio of 13-14% takes into account minimum capital requirements and applicable buffers. The Group remains above its minimum capital regulatory requirements and applicable buffers.
Effectively manage relationships with key external stakeholders, including regulators and investors	• Continued to deepen relationships with the investment community and regulators, including extensive engagement with shareholders after the February Investor Update. • Regularly meets with our principal regulators, to provide them with the transparency they require on key issues. • Chairs the 100 Group Main Committee, which represents the views of the finance directors of FTSE 100 and several large UK private companies.
Oversee the effective management of risk and control across Group Finance, ensuring we take full ownership of our end-to-end processes	• Enhanced Financial Reporting Risk Framework, delivering a simplified and transparent risk management framework, with revised Key Indicators and identification of early warning measures. • The Finance Control Environment and Management Control Approach were strengthened during 2024 and are overall rated Satisfactory.
Retain focus on the colleague agenda across Group Finance - driving employee engagement, continuing to improve diversity and inclusion, developing senior talent and succession	• Maintained a strong level of colleague engagement across Finance, at 81% (2023: 85%). • Continued focus on embedding the Barclays Mindset within the function, with high scores on all three indices: Empower at 84% (2023: 87%), Challenge at 82% (2023:84%), and Drive at 86% (2023: 88%). • Senior female representation in Group Finance was 33% at the end of 2024.

The Committee recognised Anna Cross's very strong performance during 2024, ensuring delivery towards the achievement of the Group's three-year plan, and the substantial achievements against both her individual and shared personal objectives. Based on that performance, the Committee assessed that an outcome of 13.5% out of a maximum of 15% was appropriate.

5) Vesting of the 2022-2024 LTIP cycle (also covers sections 6 and 7 of the single figure)

The total LTIP value included in the single total figure for 2024 for C.S. Venkatakrishnan is based on the amount that will be released on 7 March 2025 in relation to the 2022-2024 LTIP award granted in March 2022. No LTIP award was granted to Anna Cross in March 2022 as she was not an Executive Director at that time.

The total LTIP value that will vest to C.S. Venkatakrishnan (column 7 in the single figure) has been estimated using the Q4 2024 average share price of £2.5159, as this Annual Report 2024 was finalised prior to the vesting date. Of the estimated LTIP value, 36% relates to share price appreciation between the grant date of the award and the share price used to estimate the award value. Column 5) of the single total figure for remuneration shows the estimated LTIP value excluding the impact of share price appreciation and column 6) shows the value of the share price increase.

Release is dependent on, among other things, performance over the period from 1 January 2022 to 31 December 2024. In determining what proportion of the award would vest, the Committee considered the performance achieved against the Financial (70% weighting) and non-financial (30% weighting) performance measures that had been set shortly before the award was granted.

The outcome for each of the Financial measures would be 0% for performance below threshold. The outcome for threshold performance under the average return on tangible equity and average cost: income ratio measures would be 0%, and for the relative total shareholder return measure would be 25%, rising on a straight-line basis to 100% for achievement of maximum performance for each of those measures. The CET1 ratio measure operates differently, as described in the table on the following page.

A summary of the assessment of performance is also provided in that table.

Remuneration report (continued)

2022-2024 LTIP outcomes

Measure	Weighting	Threshold	Maximum vesting	Actual	% of award vesting
Average return on tangible equity (RoTE) (excluding material items[1,2])	25%	0% of award vests for RoTE of 7.0%, rising on a straight-line basis	25% of award vests for RoTE of 11.0% or higher	11.3 %	25.0 %
Average cost: income ratio (excluding material items)[3]	10%	0% of award vests for average cost: income ratio of 65.0%, rising on a straight-line basis	10% of award vests for average cost: income ratio of 59.0% or lower	63.1%	3.2%
Maintain CET 1 ratio within the target range	10%	If CET1 is below MDA hurdle +190bps during the period, the Committee will consider what portion of this element should vest, based on the causes of the CET1 reduction If CET1 is above MDA hurdle +290bps but does not make progress towards the range over the period, the Committee will consider what portion of this element should vest, based on the reasons for the elevated levels of CET1 versus target range and the associated impacts	If CET1 ratio between 190bps and 290bps above the MDA hurdle throughout the period or if CET1 is above MDA hurdle +290bps but making progress towards the target range	2022:13.9% 2023:13.8% 2024:13.6% (more information is provided below the table)	10.0 %
Relative total shareholder return[4]	25%	6.25% of award vests for performance at median of the peer group[5] rising on a straight-line basis	25% of award vests for performance at or above the upper quartile	Between median and upper quartile (rank 9 out of 18)	8.5%
Strategic non-financial measures (details from page 224)	20%	The evaluation focused on key strategic non-financial measures, which the Committee assessed to determine the percentage of the award that will vest, between 0% and 20%. The measures are organised around three main categories: Customers & clients (weighted 5%), Colleagues (weighted 5%); and Climate & sustainability (weighted 10%)			14.0%
Risk scorecard (details on page 226)	10%	The Risk scorecard captures a range of risks and is aligned with the annual incentive risk alignment framework shared with the regulators. The framework measures performance against three broad categories – Capital & liquidity, Control environment and Conduct – using a combination of quantitative and qualitative metrics			6.8%
Total					67.5%
Final 2022-2024 LTIP vesting outcome approved by the Committee					**67.5%**

Notes:
1 Based on an assumed CET1 ratio at the mid-point of the Group range, 13-14%.
2 Material items consist of post-tax structural cost actions (2024: £209m; 2023: £739m taken in Q423; 2022: £110m), post-tax provision of £68m recognised in respect of the 2024 FCA motor finance review, 2022 customer remediation post-tax provision of £228m relating to legacy loan portfolios, and 2022 re-measurement of UK deferred tax assets of £346m. The litigation and conduct impacts from the Over-issuance of Securities and the devices settlements are not excluded.
3 Material items consist of certain structural cost actions (2024: £273m; 2023: £927m taken in Q423; 2022: £151m), provision of £90m recognised in respect of the 2024 FCA motor finance review, impact of the Bank of England levy scheme of £93m in 2024 and corresponding benefit to 2024 income from closure of the Cash Ratio Deposit scheme (c.£75m), and 2022 customer remediation provision of £282m relating to legacy loan portfolios. The litigation and conduct impacts from the Over-issuance of Securities in 2022 and 2021 and the devices settlements in 2022 are not excluded.
4 Performance assessed over the period from 1 January 2022 to 31 December 2024, using the Q4 average TSR data for 2021 and 2024 respectively, measured in GBP for each company.
5 The total shareholder return peer group is comprised of multinational banks in the UK, Europe and North America of comparable size to Barclays and with a high degree of correlation to Barclays of weekly share price returns. The peer group for the 2022-2024 LTIP award consists of: Banco Santander, Bank of America, BBVA, BNP Paribas, Citigroup, Credit Agricole, Credit Suisse, Deutsche Bank, HSBC, ING Groep, Lloyds Banking Group, Morgan Stanley, NatWest Group, Societe Generale, Standard Chartered, UBS and UniCredit.

The CET1 ratio target was set in early 2022 as a range of 190bps to 290bps above the regulatory Minimum Distributable Amount (MDA). At that time the MDA hurdle was 11.1% so the LTIP target range was consistent with our externally disclosed CET1 target range of 13% to 14% (which was the external target at that time and remains so). Since then, the MDA hurdle increased from 11.1% to 12% but the Group decided to maintain its external target range for the CET1 ratio at 13% to 14%. As a result, the formulaic LTIP target range for the CET1 ratio works out at 13.9% to 14.9% and is misaligned with our external target range of 13% to 14%.

As the CET1 ratio was 13.6% at the end of 2024 (and 13.8% in 2023), below the bottom of the LTIP target range, as required under this performance target the Committee considered what portion of this element should vest based on the reason why the CET1 ratio was below the formulaic range. The external target range of 13% to 14% reflects the judgement of the Board as to the appropriate CET1 ratio for the Group to operate within. The CET1 ratio over the period 2022-24 remained consistently within that range, as originally intended, allowing capital to be returned to shareholders via a progressive dividend and a series of share buy-backs. As such, the Committee was satisfied that the reason the CET1 ratio fell outside the defined LTIP range was technical in nature, that the Group's capital position had been appropriately and sensibly managed in the interests of shareholders and within the Board's target range, and that it was appropriate that this portion of the LTIP should vest in full.

Remuneration report (continued)

Assessment of the Strategic non-financial measures for the 2022-2024 LTIP

A summary of the Committee's assessment against the Strategic non-financial performance measures over the three-year performance period follows. The measures used reflect key strategic priorities of the Group. Most outcomes are either measured by an external provider, such as NPS or Investment Banking fee ranking and share, or are subject to independent limited assurance by KPMG (indicated by the 'Δ' symbol)[1], including Climate & sustainability measures.

Measure	Criteria	Performance commentary
Customer & clients		
Global Markets revenue ranking and share[2]	Maintain client rankings and market share	• Global Markets revenue ranking was maintained at 6th over the period. Revenue share is also largely unchanged (6.3% for 2024 compared to 6.4% in 2021).
Investment Banking fee ranking and share[3]		• Investment Banking fee rank was 6th in 2021 and remains at 6th in 2024. Fee share fell from 3.6% in 2021 to 3.3% in 2024.
Barclays UK NPS USCB Non-digital Care tNPS[4] USCB Digital Composite tNPS[5]	Improve	• Barclays UK NPS score improved by 6 points over the period, ending at +17. • USCB has focused on improving the mobile app and other online self-service facilities, as well as better equipping call centre operations to improve customer service. This is reflected in an increase in Transaction Net Promoter Scores for both non-digital (contact centre) and digital servicing.
Barclays UK customer complaints	Reduce customer complaints and improve resolution time	• Barclays UK customer complaints reduced over the period, driven by our targeted actions to improve the customer experience. • In 2024, 96% of complaints were resolved within 56 days, up from 94% in 2021.
Barclays UK digitally active customers USCB digitally active customers[6]	Increase digital engagement	• Steady increase in the number of Barclays UK digitally active customers over the period. • New app features introduced throughout the period. • The proportion of digitally active customers in USCB decreased as expected following the acquisition of a partnership credit card portfolio from Gap in 2022, but has been increasing year-on-year since then.
		Total Customer and clients: 3%

Notes:
1 2024 data subject to independent limited assurance under ISAE (UK) 3000 and ISAE 3410. Current limited assurance scope and opinions can be found within the ESG Resource Hub: home.barclays/sustainability/esg-resource-hub/reporting-and-disclosures/
2 Global Markets market share for Barclays is based on external reported revenues of peer banks BofA, BNP, CITI, DB, GS, JPM, MS and UBS.
3 Investment Banking fee share for Barclays calculated by Dealogic for the period covering 1 January 2021 to 31 December 2024.
4 USCB Non-Digital Care tNPS measures customer experience across Contact Centre Agent Servicing, including Care + Chat, Fraud, Disputes & Credit (2021: Care + Chat only).
5 USCB Digital Composite tNPS measures USCB customer experience at the digital journey level.
6 USCB digitally active customers represents the percentage of USCB balance-active consumer card customers who have logged in to either web or app within the past 90 days. 2022 and beyond includes Gap customers.

Measure	Criteria	Performance commentary
Colleagues		
Gender diversity	33% females at Managing Director and Director level by 2025	• Percentage of employees in Managing Director and Director roles who are female has increased over the period, from 28% in 2021 to 30%[Δ] in 2024. • Equivalent figure for Barclays in the UK is now 33%.
Underrepresented minority representation	Increase underrepresented minority[1] representation in the UK by 12.5% and in the US by 5% by 2025 (from 2023 baseline) 50% increase in the number of Managing Directors from underrepresented ethnicities in the UK and the US combined by 2025 (from 2022 baseline)	• At the end of 2023, 5.1% of UK and 21% of US colleagues were from underrepresented ethnicities. • We have now reset this ambition for 2025. • Achieved our Ambition to double the number of Black MDs by 2022 and reset this ambition, to deliver a 50% increase in Managing Directors from underrepresented ethnicities in the UK and US combined by 2025 (from 2022 baseline).
Inclusion	Improve inclusion indicators	• The inclusion index is at 81% for 2024, up from 79% in 2021. • 89% percentage of employees in the Your View survey told us they feel included in their team (2021: 88%).
Engagement	Maintain engagement at healthy levels	• Engagement levels across Barclays are at 85%, up 3% points since 2021. • The percentage of employees in Your View survey who would recommend Barclays as a great place to work has increased to 86% (2021: 82%).
Culture	Maintain culture and conduct indicators	• The vast majority of colleagues believe they and their team do a good job of role-modelling the Barclays Values and Mindset every day (93% for Values and 92% for Mindset). • In 2024, 88% of colleague have told us that they believe strongly in the goals and objectives of Barclays.
		Total Colleagues: 3.5%

Note:
1 Underrepresented minorities refers to individuals who are Black or Multiracial (referred to as Mixed or multiple ethnic groups in the UK Census) in the UK, and African American/Black, Multiracial, Hispanic/Latinx, Native Alaskan/Native American or Native Hawaiian/Pacific Islander in the US.

Remuneration report (continued)

Measure	Criteria	Performance commentary
Climate & sustainability		
Progress towards our green financing commitments	Facilitate £100bn of green financing by 2030	• Achieved our £100bn green financing target in 2023, seven years early. • In December 2022, announced a new target to facilitate $1trn of Sustainable and Transition Financing between 2023 and end of 2030.
	Facilitate $1trn of Sustainable and Transition Financing between 2023 and end of 2030	• Facilitated $162.2bn^Δ of Sustainable and Transition Financing, on a cumulative basis, since 2023, currently on track against 2030 target. Future progress and our ability to meet our target will be dependent on a number of factors and variables outside our control, such as market conditions, policy, laws, regulation, geopolitical developments and stakeholder expectations.
Reduce operational and supply chain carbon footprint and increase use of renewable energy	90% reduction in Scope 1 and 2 GHG emissions (market-based, against a 2018 baseline by end of 2025)	• Achieved our absolute Scope 1 and 2 (market-based) GHG emissions target in 2022, three years ahead of target and continued to make progress in 2023 and 2024.
	100% renewable electricity sourcing for our global real estate portfolio by end of 2025	• Sourced 100%^Δ of electricity for our global real estate portfolio[1] from renewable sources since 2022, three years ahead of target.
Progress towards achieving our ambition to be a net zero bank by 2050 and our commitment to aligning our financing with the goals and timelines of the Paris Agreement	Set targets for highest-emitting sectors	• Set out our strategy to align our financing with the goals and timelines of the Paris Climate Agreement, including setting 2030 targets for eight high-emitting sectors and a convergence point for UK Housing.
	30% reduction in power portfolio emissions intensity (2020-2025)	• On track to achieve 2025 targets for upstream energy and power.
	15% reduction in upstream energy portfolio absolute emissions (2020-2025)	• Future progress against these targets will likely be non-linear and may be volatile due to the many external dependencies and variables beyond Barclays' control that may determine the pace of transition and impact our strategy and ability to achieve our targets.
Continue to invest in our communities	LifeSkills: Upskill 10 million people from 2018-2022 and a further 8.70 million from 2023-2027	• 12.6m people upskilled between 2018 and 2022, surpassing our target of upskilling 10 million people from 2018-2022. • Upskilled a further 4.61 million in 2023 and 2024, making good progress towards our 2023-2027 target.
	LifeSkills: Place 250,000 people into work from 2019-2022 and a further 250,000 from 2023-2027	• Surpassed our target of 250,000 people placed into work by 2022. • Placed over 107,000 people into work since 2023, making good progress towards our 2023-2027 target.
	Unreasonable Impact (partnership with the Unreasonable Group): Support 250 businesses solving social and environmental challenges from 2016-2022 and a further 200 from 2023-2027	• After achieving by the end of 2022 our previous goal to support 250 high-growth entrepreneurs that seek to address pressing social and environmental challenges, this strategic global partnership with Unreasonable Group was renewed in 2023 to enable Barclays to support an additional 200 entrepreneurs over five years.
		Total Climate and sustainability: 7.5%
		Overall strategic non-financial outcome for the 2022-2024 LTIP: 14.0%

Note:
1 Global real estate portfolio includes offices, branches, campuses and data centres within our operational control.

Remuneration report (continued)

Assessment of the Risk scorecard for the 2022-2024 LTIP

A summary of the Committee's assessment against the Risk scorecard performance measure over the three-year performance period is provided below.

Category	Performance
Capital and liquidity	• Group CET1 ratio stands at 13.6%, towards the upper end of the 13% to 14% target range. • Stress tests results indicate that Barclays is positioned to withstand a severe recession scenario featuring low consumer demand and business investment, as well as a severe contraction in asset prices. • Our Liquidity Coverage Ratio was significantly above the 100% regulatory requirement in the period, and there were no breaches.
Control environment	• The control environment has remained stable over the period, as business areas and functions continue to strengthen controls and remediation initiatives. • Most of the Group's operations achieved a 'Satisfactory' rating, with any exceptions covered by appropriate remediation plans.
Conduct/ Compliance	• The Compliance control environment over the period was assessed using Compliance Risk Dashboards that set out key indicators designed to monitor Compliance Risk exposure and the effectiveness of Compliance Risk controls to ensure any issues are addressed in a timely and effective manner, so that the Group continues to operate within risk appetite. • The Compliance Risk Dashboards are provided to the respective Board Risk Committees and senior management to support effective oversight and decision making.
	Overall Risk scorecard outcome for the 2022-2024 LTIP: 6.8% out of 10%

The Committee was satisfied that the level of vesting was consistent with the performance delivered over the period, and that the underlying financial health of the Group is strong. Based on that, it concluded that no discretionary reduction to the vesting outcome was required, so the award should vest at 67.5% of the maximum number of shares under the total award, to be released in five equal tranches annually, starting from March 2025. After release, each tranche of shares is subject to an additional 12-month holding period.

The 2022-2024 LTIP award was granted in line with the Group's usual annual timetable, in early March 2022.The share price at grant of £1.609 was 8% lower than the share price at the time of the prior year LTIP grant. This level of share price movement between successive grants is very typical. There was a larger increase in share price over the lifetime of the award, during which the share price increased by 56% between the date of grant and the Q4 2024 average share price of £2.5159 on which the value vesting is estimated. As the share price growth was largely over 2024, reflective of strong performance following the announcement of the three-year plan at the Investor Update in February 2024, the Committee concluded that there is no windfall gain and that therefore no adjustment was required.

Remuneration report (continued)

LTIP awards granted during 2024

Awards were granted to C.S. Venkatakrishnan and Anna Cross on 8 March 2024 under the 2024-2026 LTIP. The value used to calculate the number of shares under each award was based on a discounted fair value per share of £1.33158, determined by an independent adviser to take into account that dividends or equivalents do not accrue during the vesting period, in accordance with the DRP. The table that follows provides details of those awards.

	% of Fixed Pay	Number of shares	Face value at grant	Performance period
C.S. Venkatakrishnan	140 %	3,022,724	£4,024,999	2024-2026
Anna Cross	134 %	1,811,381	£2,411,999	2024-2026

The performance measures for the 2024-2026 LTIP awards are as follows:

Performance measure	Weighting	Threshold	Maximum vesting
Financial measures			
2026 RoTE, with an underpin based on average RoTE over the performance period (RoTE excluding material items in each case)[1]	30%	6% of the award vests for 2026 RoTE of 10.0%, rising on a straight-line basis	30% of the award vests for 2026 RoTE of 14.0% or higher
		This element is also subject to an underpinning requirement that average RoTE over the performance period is at least 10%. If average RoTE over the period is less than 10%, the Committee will consider the reasons why and determine what portion of this element of the LTIP award should vest, if any	
Average cost: income ratio (excluding material items)[1]	10%	0% of the award vests for average cost: income ratio of 62.5%, rising on a straight-line basis	10% of the award vests for average cost: income ratio of 58.0% or lower
Maintain CET 1 ratio within the target range[2]	10%	If CET1 is below the target range during the period, the Committee will consider what portion of this element should vest, based on the reasons for the CET1 shortfall If CET1 is above the range and does not make progress towards the range over the period, the Committee will consider what portion of the element should vest, based on the reasons for the elevated levels of CET1 versus target range and the associated impacts	10% vests if either: • CET1 is within the range during the period or • CET1 is above but making progress towards the target range
Relative total shareholder return[3]	20%	5% vests for performance at the median of the peer group[4], rising on a straight-line basis	20% of award vests for performance at or above the peer group[4] upper quartile
Strategic non-financial measures			
The evaluation will focus on a range of key metrics, with a detailed retrospective narrative on progress against each during the year. Performance against the measures will be assessed by the Committee to determine the percentage of the award that may vest between 0% and 30%. The measures are organised around four main categories and measures will likely include the following:			
Climate & sustainability	15%	Progress to be measured against four key objectives: • Progress towards our Sustainable and Transition Financing target • Reduce our financed emissions • Reduce our operational emissions • Support our communities	
Customers & clients	5%	Drive world-class outcomes for customers and clients: • Improve Net Promoter Scores • Reduce Barclays UK customer complaints and improve resolution time • Maintain client rankings and market share within Barclays Investment Bank • Increase digital engagement	
Colleagues	5%	Protect and strengthen our culture through our Purpose, Values and Mindset: • Continue to improve diversity in leadership roles • Improve inclusion indicators • Maintain engagement at healthy levels • Maintain culture indicators	
Risk & operational excellence	5%	Support a consistently excellent operating standard, risk management and controls: • Performance measured against two categories – Operational excellence and Risk & conduct – using a combination of quantitative and qualitative metrics	

Notes:
1 Material items are defined as those large, atypical one-offs that are called out in the financial reporting. The exclusion is not automatic, and the Committee will determine whether each item should be treated as material for these purposes at the time that outcomes are determined.
2 Currently 13% to 14%.
3 Performance assessed over the period from 1 January 2024 to 31 December 2026. Start and end total shareholder return data will be the Q4 average for 2023 and 2026 respectively and will be measured in GBP for each company.
4 The peer group is comprised of banks in the UK, Europe and North America of comparable size to Barclays and with a high degree of correlation to Barclays of weekly share price returns. The peer group for the 2024-2026 LTIP award is: Banco Santander, Bank of America, BBVA, BNP Paribas, Citigroup, Credit Agricole, Deutsche Bank, HSBC, ING Group, Lloyds Banking Group, Morgan Stanley, NatWest Group, Societe Generale, Standard Chartered, UBS, and UniCredit.

Remuneration report (continued)

Executive Directors: Statement of implementation of remuneration policy in 2025

An overview of how the new DRP will be implemented in 2025 is set out on pages 191 and 201. The shareholder feedback that helped inform thinking on the annual bonus and LTIP measures that follow is set out from page 208.

Performance measures for the 2025 annual bonus

Performance measures with appropriately stretching targets were selected to cover a range of financial and non-financial goals that support the key strategic objectives of the Group. In support of our new DRP, and reflecting shareholder feedback, several changes were made to the 2025 annual bonus measures compared to those for 2024, to more closely align these with the priorities set out under our three-year plan.

For the 2025 annual bonus, the amendments made to the performance measures (compared to the 2024 annual bonus) include:

- Increasing the overall weighting of Financial measures from 60% to 65%, and within the Financial measures:
  - Increasing the weighting of Profit before tax from 50% to 55%, since it is a principal financial measure and key building block to RoTE.
  - Replacing total operating expenses with cost: income ratio, at the same 10% weighting, which is a secondary target for the Group as set out in the three-year plan.
- Replacing Personal objectives with Strategic objectives, focused on the priorities set out as part of our three-year plan, with an increase in weighting from 15% to 20%.
- The above changes have been achieved by reducing the weighting of Strategic non-financial measures from 25% to 15%, and within the Strategic non-financial measures:
  - Removing the climate / sustainability category (previously 5%) from the annual bonus, so Sustainability measures are now focused in the LTIP, as progress on these is best assessed over a multi-year period.
  - Reducing the weighting of the Risk & operational excellence measure from 10% to 5%.

The performance measures and weightings that result are shown below:

Performance measure	Weighting	Metrics
Financial measures		
Profit before tax (with CET1 underpin[1]) (excluding material items[2])	55%	A performance target range has been set for this financial measure, which will be disclosed in the next Remuneration report.
Cost: income ratio (excluding material items)[2]	10%	A performance target range has been set for this financial measure, which will be disclosed in the next Remuneration report.
Strategic non-financial measures The evaluation will focus on a range of key metrics, with a detailed retrospective narrative on progress against each during the year. Performance against the measures will be assessed by the Committee to determine the percentage of the award that may vest between 0% and 15%. The measures are organised around two categories and will likely include the following:		
Customers, clients & colleagues	10%	Driving world-class outcomes for customers and clients – with measures to include: • Improve customer and client satisfaction • Reduce customer complaints • Maintain rankings and market share in Barclays Investment Bank • Increase digital engagement Protecting and strengthening our culture through our Purpose, Values and Mindset – with measures to include: • Maintain inclusion indicators • Maintain engagement at healthy levels • Maintain culture indicators
Risk & operational excellence	5%	Supporting a consistently excellent operating standard, risk management and controls: • Performance measured against two categories – Operational excellence and Risk & conduct – using a combination of quantitative and qualitative metrics

Notes:

1 Pay-out of the PBT element will also depend on the CET1 ratio at the end of the performance year. If the CET1 ratio is below the MDA hurdle at the end of the performance year, the Committee will consider what part if any of this element should pay out.

2 Material items are defined as those large, atypical one-offs that are called out in the financial reporting. As in previous years, the exclusion is not automatic, and the Committee will determine whether each item should be treated as material for these purposes at the time that outcomes are determined.

Remuneration report (continued)

Performance measure	Weighting	Metrics
Strategic objectives		
Strategic objectives	20%	Joint personal objectives: • Deliver key financial targets including RoTE and capital distributions • Maintain robust capital ratios across the Group and within the main operating entities • Continue to reduce organisational complexity and upgrade legacy technology • Deliver better income quality, growth within higher-returning divisions and greater RWA productivity in the Investment Bank • Drive growth in our home UK market C.S. Venkatakrishnan: • Continue to drive better customer and client experience and outcomes, through technology and improved offerings • Drive delivery to a consistently excellent standard • Drive leadership accountability to further strengthen our risk management and controls • Continue to invest in talent and continue to grow a winning culture Anna Cross: • Continue to simplify, standardise and automate Group Finance processes to improve effectiveness and efficiency • Oversee the effective management of risk and control across Group Finance • Appropriate management of capital and resources to ensure we comply with governance and regulatory requirements • Retain focus on the talent and culture agenda across Group Finance

2025-2027 LTIP awards and performance measures

The Committee decided to grant awards under the 2025-2027 LTIP cycle to C.S. Venkatakrishnan and Anna Cross with face values at grant equal to 550% and 500% of their new salaries of £1,590,000 and £950,000 respectively, subject to approval of the new DRP and amendment to the LTIP rules at the 2025 AGM. The grant of these awards will be deferred until after the AGM, so will take place in June 2025. These share-based awards ensure alignment with future performance over the three-year assessment period, as well as share price alignment over the long release period (up to eight years from date of grant).

For the 2025-2027 LTIP, changes were made to the financial and non-financial performance measures compared to the 2024-2026 LTIP cycle granted early in 2024, in support of the new DRP.

- Increasing the overall weighting of Financial measures from 70% to 75%, and within the Financial measures:
  - Increasing the weighting of the RoTE measure from 30% to 50%, given that it is the Group's principal financial metric and target as set out in the three-year plan. The measure will be based on average RoTE over the period 2026 and 2027.
  - Increasing the weighting of relative total shareholder return from 20% to 25%.
  - Removing the cost: income ratio measure as it is a supporting target and has been incorporated into the 2025 annual bonus.
  - Removing the CET1 ratio measure, which is an important supporting target but considered more of an underpinning measure. The CET1 ratio is used as an underpin to the Profit before tax measure in the 2025 annual bonus.
- Reducing the weighting of Strategic non-financial measures from 30% to 25%, and within the Strategic non-financial measures:
  - Focusing the measures to longer-term strategic priorities relating to Sustainability, customers & clients, with an aggregate weighting of 25%.
  - The Group's sustainability targets are longer term, through to 2050, and the trajectory is expected to be volatile and non-linear, so progress is best assessed over a multi-year period. In light of this, the climate / sustainability measures have been removed from the annual bonus and Sustainability measures are instead focused in the LTIP.
  - The previous LTIP cycle included Colleague measures and measures relating to Risk & operational excellence. These categories remain important to the Group and are included in the 2025 annual bonus.

Remuneration report (continued)

Performance measures and weightings are shown below. The 2025-2027 LTIP award will be subject to the following forward-looking performance measures.

Performance measure	Weighting	Threshold	Maximum vesting
Financial measures			
Average RoTE (excluding material items[1])	50%	10% of award vests for average of 2026 and 2027 RoTE of 10.0%, rising on a straight-line basis	50% of award vests for average of 2026 and 2027 RoTE of 14.0% or higher
Relative total shareholder return[2]	25%	6.25% vests for performance at the median of the peer group[3], rising on a straight-line basis	25% of award vests for performance at or above the peer group[3] upper quartile
Strategic non-financial measures The evaluation will focus on a range of key metrics, with a detailed retrospective narrative on progress during the year. Performance against the measures will be assessed by the Committee to determine the percentage of the award that may vest between 0% and 25%. The measures will focus on sustainability, customers and clients, and will likely include the following:			
Sustainability, customers & clients	25%	Sustainability (including climate) – with measures to include: • Financing the transition • Reducing our financed emissions • Achieving net zero operations • Supporting our communities Driving world-class outcomes for customers and clients – with measures to include: • Improve customer and client satisfaction • Reduce customer complaints • Maintain rankings and market share in Barclays Investment Bank • Increase digital engagement	

Notes:
1 Material items are defined as those large, atypical one-offs that are called out in the financial reporting. The exclusion is not automatic, and the Committee will determine whether each item should be treated as material for these purposes at the time that outcomes are determined.
2 Performance assessed over the period from 1 January 2025 to 31 December 2027. Start and end total shareholder return will be the Q4 average for 2024 and 2027 respectively and will be measured in GBP for each company.
3 The peer group is comprised of banks in the UK, Europe and North America of comparable size to Barclays and with a high degree of correlation to Barclays of weekly share price returns. The peer group for the 2025-2027 LTIP award is Bank of America, BNP Paribas, Citigroup, Credit Agricole, Deutsche Bank, Goldman Sachs, HSBC Holdings, ING Groep, Intesa Sanpaolo, JP Morgan Chase & Co, Lloyds Banking Group, Morgan Stanley, NatWest Group, Standard Chartered, and UBS Group.

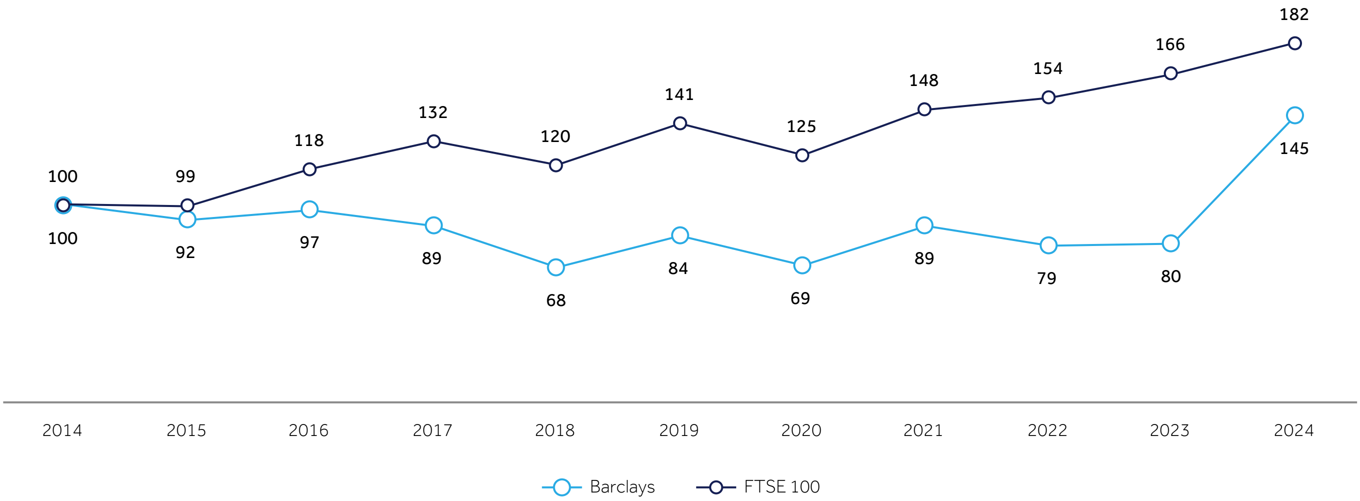
Remuneration report (continued)

Additional remuneration disclosures

Group performance graph and Group Chief Executive remuneration

The performance graph below compares the total shareholder return of Barclays shares with the total shareholder return of the FTSE 100 index over the 10 years ended 31 December 2024. The FTSE 100 index has been selected because it represents a cross-section of leading UK companies, of which Barclays is a long-standing constituent.

Total shareholder return – rebased to 100 in 2014
Year ended 31 December



Group Chief Executive remuneration
(£000)

Year	2015			2016	2017	2018	2019	2020	2021		2022	2023	2024
Group Chief Executive	Antony Jenkins	John McFarlane	Jes Staley	Jes Staley[1]	Jes Staley[1]	Jes Staley[1]	Jes Staley[1]	Jes Staley[1]	Jes Staley[2]	C.S. Venkata-krishnan[3]	C.S. Venkata-krishnan	C.S. Venkata-krishnan	C.S. Venkata-krishnan
Single total remuneration figure for Group Chief Executive	3,399	305	277	4,233	3,873	3,362	5,929	4,220	2,121	866	5,197	4,641	10,533
Annual bonus award as a % of maximum	48.0%	n/a	n/a	60.0%	48.5%	48.3%	75.0%	38.6%	n/a[2]	92.6%	75.4%	53.3%	81.0%
Long-term incentive plan vesting as a % of maximum	39.0%	n/a[4]	n/a[4]	n/a[4]	n/a[4]	n/a[4]	48.5%	23.0%	n/a[2]	n/a[4]	n/a[4]	n/a[4]	67.5 %

Notes:
1 Jes Staley's remuneration figures for performance years 2016 to 2020 reflect the single total figures of remuneration as disclosed at the time. These have not been restated for the decision made by the Committee during 2023 that Jes Staley's unvested bonus and LTIP awards should be forfeited, as outlined in the Remuneration report 2023.
2 Jes Staley stepped down as Group Chief Executive on 31 October 2021. The remuneration shown for 2021 is in respect of his services as an Executive Director between 1January 2021 and 31 October 2021. This figure does not include variable remuneration as the Committee determined that Jes Staley should be ineligible for 2021 bonus and should forfeit his unvested LTIP awards.
3 The 2021 remuneration shown is in respect of C.S. Venkatakrishnan's services during 2021 following his appointment as Group Chief Executive on 1 November 2021.
4 Not applicable as the individual was not a participant in a long-term incentive cycle that vested in the period.

Remuneration report (continued)

Group Chief Executive pay ratios

The table below shows, for each year since 2019, the ratios of the Group Chief Executive's total remuneration to the total remuneration of UK employees. The change in these pay ratios from 2023 to 2024 is explained below the table.

	Option	25th percentile	Median	75th percentile
2024	A	263 x	182 x	107 x
2023	A	122 x	83 x	49 x
2022	A	154 x	101 x	58 x
2021 [1]	A	95 x	62 x	35 x
2020 [2]	A	144 x	95 x	53 x
2019 [2]	A	213 x	140 x	77 x

Notes:
1 2021 pay ratios reflect the sum of the single total figures for 2021 remuneration for C.S. Venkatakrishnan and Jes Staley, for their respective periods of service as Group Chief Executive in 2021. Jes Staley was ineligible for an annual bonus in respect of 2021 after he stepped down as Group Chief Executive.
2 The 2020 and 2019 ratios reflect the disclosed single total figures for 2020 and 2019 remuneration for Jes Staley and have not been restated for the decision made by the Committee in 2023 that Jes Staley's unvested bonus and LTIP awards should be forfeited, as outlined in the Remuneration report 2023.

The Directors' Remuneration Report regulations provide three options that companies may use to calculate total pay for the employees at the 25th percentile, median and 75th percentile. Option A was selected as this is the most robust methodology, calculating total pay for all employees on the same basis that the single total figure for remuneration is calculated for Executive Directors. Total pay for each employee includes earned fixed pay, which is made up of salary, any Role Based Pay and any relevant allowances, annual incentives awarded for 2024 performance, and an estimate of pension and benefits for 2024 (based on what new UK hires at each corporate grade currently receive). Other elements of pay such as overtime and shift allowances have been excluded. Calculations use full-time equivalent pay data taken from our HR systems for all UK employees, using the employee population on 31 December for each year.

Total pay and fixed pay for the UK employees at the 25th percentile, median and 75th percentile are set out in the table below.

	25th percentile		Median		75th percentile	
	Total pay	Fixed pay	Total pay	Fixed pay	Total pay	Fixed pay
2024	£40,094	£33,277	£57,854	£46,628	£98,224	£77,333
2023	£38,194	£31,897	£55,801	£45,230	£95,341	£75,583
2022	£33,711	£28,300	£51,493	£41,608	£89,911	£71,071
2021	£31,404	£26,035	£48,253	£39,461	£85,407	£67,408
2020	£29,380	£24,706	£44,631	£37,460	£79,324	£64,272
2019	£27,875	£23,348	£42,362	£35,158	£77,488	£62,263

The pay ratios have increased between 2023 and 2024. This is due to the increase this year in the Group Chief Executive single total figure for remuneration, though employee pay has also increased, up 5%, 4% and 3% at the 25th percentile, median and 75th percentile respectively.

The Group Chief Executive single total figure for 2024 remuneration is 127% higher than for 2023, largely due to two factors:

– The figure for 2024 includes an LTIP, for the first time since 2020. The 2022-2024 LTIP is the first LTIP vesting for C.S. Venkatakrishnan, following his appointment as Group Chief Executive on 1 November 2021. His single figure for 2023 remuneration did not include any LTIP value as he was not an Executive Director at the time of the 2021-2023 LTIP grant, in March 2021.
– The value of the 2022-2024 LTIP increased over the lifetime of the award. The value includes a 56% increase in the share price between the date of grant and the Q4 2024 average share price of £2.5159 on which the value vesting is estimated. This share price increase accounts for 36% of the vesting LTIP value. More information on the value of the vesting LTIP is provided from page 222. The analysis of pay for the wider workforce does not capture any similar benefits from the increase to the share price, either on shares granted as part of deferred compensation or on shares employees acquired through participation in the Group's all-employee share plans.

Without the LTIP value, the 2024 CEO pay ratios would be 135:1, 93:1 and 55:1 compared to the employee 25th percentile, median and 75th percentile respectively.

The Committee is satisfied that the single total figure for 2024 remuneration for the Group Chief Executive, the total pay and fixed pay outcomes for UK employees, and the resulting pay ratios, reflect the application of the Group's remuneration philosophy and are commensurate with experience of stakeholders. Barclays' remuneration philosophy is set out earlier in this report, and all remuneration decisions for the Executive Directors and the wider workforce are made within this framework. The Group Chief Executive pay ratios are an outcome of all these decisions, which are explained in more detail in the Committee Chair's annual statement. As such, the Committee is satisfied that the pay ratios for 2024 are consistent with the reward and performance management policies and processes that apply to the Group's UK employees, taken as a whole.

To ensure Executive Director remuneration outcomes are commensurate with those of the wider workforce, the Committee specifically considers each year whether the bonus and LTIP outcomes for the Executive Directors appropriately reflect the Group's performance and the remuneration outcomes for the wider workforce, when considering whether a discretionary adjustment should be made to the Executive Directors' incentive outcomes. In respect of the Group Chief Executive's 2024 annual bonus and 2022-2024 LTIP award vesting, the Committee concluded that no discretionary adjustments were warranted.

Remuneration report (continued)

Annual percentage change in remuneration of Directors and employees

The table below shows the percentage change in the Executive Directors' Fixed Pay, benefits and bonus each year between 2019 and 2024, compared with the percentage change in each of those components of pay for UK-based employees of Barclays Group and for employees of Barclays PLC, the Group's parent company. The percentage changes from 2023 to 2024 are explained below the table.

For the Executive Directors, year-on-year percentage change figures are calculated using the single total figures for remuneration, annualised to a full-year equivalent where the individual served as an Executive Director for only part of the year.

		Fixed pay	Benefits	Annual bonus
2023/2024	C.S. Venkatakrishnan[1]	3%	(55%)	56%
	Anna Cross[2]	3%	(12%)	52%
	Median UK employee	3%	13%	12%
	Median employee of Barclays PLC[3]	2%	2%	20%
2022/2023	C.S. Venkatakrishnan[1]	3%	(38%)	(27%)
	Anna Cross[2]	4%	17%	(25%)
	Median UK employee	9%	11%	(5%)
	Median employee of Barclays PLC[3]	1%	10%	(43%)
2021/2022	C.S. Venkatakrishnan[1]	2%	853%	(16%)
	Anna Cross[2]	n/a	n/a	n/a
	Tushar Morzaria	2%	82%	(20%)
	Median UK employee	5%	10%	3%
	Median employee of Barclays PLC[3]	10%	15%	(2%)
2020/2021	C.S. Venkatakrishnan[1]	n/a	n/a	n/a
	Tushar Morzaria	2%	(10%)	152%
	Jes Staley[4]	1%	(12%)	n/a
	Median UK employee	5%	6%	42%
	Median employee of Barclays PLC[3]	11%	0%	38%
2019/2020	Tushar Morzaria	0%	9%	(49%)
	Jes Staley[4]	0%	10%	(49%)
	Median UK employee	7%	20%	(16%)
	Median employee of Barclays PLC[3]	7%	26%	(16%)

Notes:

1 C.S. Venkatakrishnan was appointed as Group Chief Executive with effect from 1 November 2021. His remuneration figures for 2021 are annualised to a full-year equivalent for the purpose of this comparison. The value of his benefits includes the cost to the Group of providing him with relocation support, including immigration assistance, home search support in London, and payments (which ended on 31 October 2023) for temporary accommodation in London. No percentage change figures can be calculated for 2020/21 as he did not receive any remuneration in respect of services provided as an Executive Director in 2020.

2 Anna Cross was appointed as Group Finance Director with effect from 23 April 2022. Her remuneration figures for 2022 are annualised to a full-year equivalent for the purpose of this comparison. No percentage change figures can be calculated for 2021/22 as she did not receive any remuneration in respect of services provided as an Executive Director in 2021.

3 The Barclays PLC comparison is included because this is a statutory requirement, though Barclays PLC employs only a very small number of Head Office employees (64 in 2024).

4 Jes Staley's bonus figures reflect the disclosed figures and have not been restated for the decision made by the Committee in 2023 that Jes Staley should be ineligible for 2021 bonus and should forfeit his unvested bonus awards, as outlined in the Remuneration report 2023.

For C.S. Venkatakrishnan and Anna Cross, the 2023 to 2024 Fixed Pay changes principally reflect the 2.5% increases agreed for each in early 2024, effective 1 March 2024, as disclosed in the Remuneration report 2023, as well as their previous Fixed Pay increases effective 1 March 2023. The annual bonus outcomes for C.S. Venkatakrishnan and Anna Cross are up 56% and 52% respectively, reflective of Group and personal performance in 2024 compared to Group and personal performance in 2023. More information on the determination of the Executive Directors' 2024 annual bonus outcomes is provided from page 215. The reduction in the value of benefits for C.S. Venkatakrishnan in 2024 primarily reflects a significantly lower value of relocation support provided by the Company than in the previous year; in particular the provision to him of temporary accommodation in London ended in 2023. The reduction in the value of benefits for Anna Cross is c.£2,000.

For UK employees across the Group, the 3.1% increase in median fixed pay primarily reflects higher-than-normal salary increases in early 2024 as part of that year's UK pay deal. The 12% increase in median bonus reflects the 10% increase in the Group incentive pool. The 13% increase in benefits costs is largely due to an increase in the cost of providing private medical cover in 2024.

Barclays PLC only employs a very small number of Head Office employees (64 in 2024), and there is frequent movement of employees between Barclays PLC and other entities within the Barclays Group. For comparison purposes, the Barclays PLC figures are therefore based only on the 36 individuals who were employed by Barclays PLC in both years.

Remuneration report (continued)

The table below shows the percentage change in fee each year between 2019 and 2024 for the Chairman and the Non-Executive Directors serving on the Barclays PLC Board during 2024, including fees for Board Committee memberships and/or subsidiary board positions. The changes in fees shown relate to changes in responsibilities of the Non-Executive Directors. The Non-Executive Directors appointed to the Barclays PLC Board during 2024 are not shown, as they did not receive relevant fees prior to 2024 so no percentage change figures can be calculated.

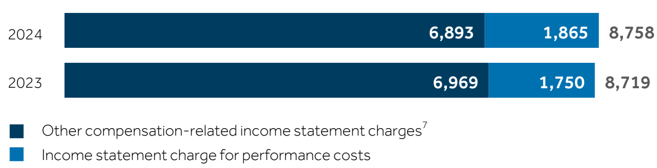
	2023/2024 fees[1,2]	2022/2023 fees[1]	2021/2022 fees[1]	2020/2021 fees[1]	2019/2020 fees[1]
Nigel Higgins	2%	5%	0%	0%	0%
Robert Berry	5%	9%	n/a	n/a	n/a
Tim Breedon	0%	1%	(19%)	64%	24%
Mohamed A. El-Erian[3]	2%	12%	3%	11%	n/a
Dawn Fitzpatrick	5%	11%	18%	14%	36%
Mary Francis	4%	24%	5%	8%	(3%)
Brian Gilvary	(2%)	2%	3%	95%	n/a
Sir John Kingman	3%	n/a	n/a	n/a	n/a
Marc Moses	2%	n/a	n/a	n/a	n/a
Diane Schueneman[4]	(2%)	12%	4%	(4%)	3%
Julia Wilson[5]	21%	107%	13%	n/a	n/a

Notes:
1 In the year that a Non-Executive Director was appointed to or stepped down from the Barclays PLC Board, fees for that year are annualised to a full-year equivalent. Additional information has been provided in the notes that follow where 2023/2024 percentage changes in fees, which excludes benefits, were greater than 10%.
2 Fees for the Group Chairman and Non-Executive Director roles on the Board and Board Committees of Barclays PLC were increased by 2%, with effect from 1 January 2024.
3 Mohamed A. El-Erian stepped down from the Board on 31 August 2024.
4 Diane Schueneman stepped down from the Board with effect from 31 January 2025.
5 Julia Wilson joined the Board Sustainability Committee with effect from 23 March 2023, the Barclays Bank PLC Board with effect from 1 April 2023, and the Board Remuneration Committee with effect from 1 July 2023. She was appointed Chair of the Board Audit Committee with effect from 1 April 2023 and Chair of the Barclays Capital Securities Limited Board with effect from 24 April 2023, and received pro-rata fees for that year. For 2024, the full-year fees were paid, therefore increasing the fees paid from 2023 to 2024.

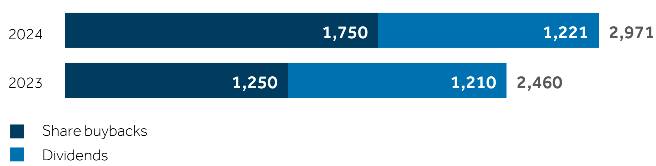
Relative importance of spend on pay

A year-on-year comparison of Group compensation costs and of distributions to shareholders is shown below. The distributions shown relate to dividends paid and share buyback programmes completed during the year. The distributions for 2024 do not include the dividends and share buyback programme announced on 13 February 2025.

Group compensation costs
£m



Distributions to shareholders[6]
£m



Notes:
6 The chart shows dividends paid and share buyback programmes completed during the year. For example, for 2024, the figure represents the 2023 full-year dividend paid, the share buyback programme announced with the 2023 results, the 2024 half-year dividend, and the share buyback programme announced with the half-year results. The shareholder distributions announced on 13 February 2025 are not reflected in this chart.
7 Relates to costs arising from salaries and other elements of fixed pay, social security costs, post-retirement benefits and other compensation costs.

Remuneration report (continued)

Chairman and Non-Executive Directors

Remuneration for Non-Executive Directors reflects their responsibilities and time commitment, and the fees paid are comparable with those paid in Barclays' international peer group, with a particular focus on the UK-headquartered banks. Fees shown reflect actual fees paid for periods of service on the Board, any Board Committees and, where applicable, subsidiary Boards and Board Committees.

Non-Executive Directors are reimbursed expenses that are incurred for business reasons. Any tax that arises on these reimbursed expenses is paid by Barclays.

Chairman and Non-Executive Directors: Single total figure for 2024 remuneration (audited)

	Fees		Benefits		Total	
	2024 £000	2023 £000	2024 £000	2023 £000	2024 £000	2023 £000
Chairman						
Nigel Higgins[1]	**857**	840	**9**	8	**866**	848
Non-Executive Directors						
Robert Berry	**288**	273	**—**	—	**288**	273
Tim Breedon	**396**	396	**—**	—	**396**	396
Mohamed A. El-Erian[2]	**118**	173	**—**	—	**118**	173
Dawn Fitzpatrick	**233**	221	**—**	—	**233**	221
Mary Francis	**218**	210	**—**	—	**218**	210
Brian Gilvary	**241**	246	**—**	—	**241**	246
Sir John Kingman	**589**	334	**—**	—	**589**	334
Marc Moses	**193**	178	**—**	—	**193**	178
Diane Schueneman[3]	**425**	433	**—**	—	**425**	433
Brian Shea[4]	**77**	—	**—**	—	**77**	—
Julia Wilson	**338**	279	**—**	—	**338**	279

Notes:
1 Nigel Higgins does not receive a fee in respect of his role as Chairman of Barclays Bank PLC.
2 Mohamed A. El-Erian stepped down from the Board on 31 August 2024.
3 Diane Schueneman stepped down from the Board with effect from 31 January 2025.
4 Brian Shea was appointed to the Board with effect from 19 July 2024.

Chairman and Non-Executive Directors: Statement of implementation of remuneration policy in 2025

The fees for Non-Executive Directors and the Chairman are reviewed annually. The fees for Non-Executive Directors (including Board and Board Committee roles) were reviewed in December 2024 and increased by 2% and the fees for the Chairman were reviewed in the early part of 2025 and increased by 8% (see the Committee Chair's annual statement from page186 for further information). Both increases in fees take effect from 1 January 2025 and are set out in the table below.

	1 January 2025 £	1 January 2024 £
Chairman[1]	925,000	856,800
Board member	98,300	96,400
Additional responsibilities		
Senior Independent Director	39,300	38,600
Chair of Board Audit or Risk Committee	87,400	85,700
Chair of Board Remuneration Committee	76,500	75,000
Membership of Board Audit, Remuneration or Risk Committee	32,700	32,100
Membership of Board Nominations Committee	16,400	16,100
Membership of Board Sustainability Committee	15,600	15,300

Note:
1 The Chairman does not receive any fees in addition to the Chairman fees shown above.

Remuneration report (continued)

Directors' shareholdings and share interests

Interests in Barclays PLC shares (audited)

The table below shows the number of ordinary shares of 25p each of the Company (ordinary shares) owned beneficially by each person who served as a Director during 2024 (including any ordinary shares owned beneficially by their connected persons). The ordinary shares held carry no additional or different voting rights to those of other holders of ordinary shares. The rights attaching to ordinary shares are set out on page 183.

For the Executive Directors, the table shows the number of ordinary shares over which each holds awards that are subject to either deferral terms or to deferral terms plus performance measures, and the number of shares owned outright includes shares purchased by the Director as well as shares received in relation to remuneration. All Barclays employees, including the Executive Directors, are prohibited from investment activities that may create conflicts of interest, and in particular from using personal hedging strategies to undermine the risk alignment effects embedded in remuneration, or any other hedging in respect of Barclays securities. The numbers shown for shares that are subject to performance measures represent the maximum number of shares that may be released if those performance measures were to be satisfied in full.

The total share interests at 11 February 2025, being the latest practicable date for inclusion in this report, were the same as shown below for all Directors in service as at 31 December 2024. Each Director's individual shareholding constituted less than 1% of the issued share capital of the Company as at 31 December 2024 and 11 February 2025. The Executive Directors and Non-Executive Directors do not currently participate in any share option plans operated by Barclays.

		Unvested deferred awards		
Interests in Barclays PLC shares as at 31 December (or date of retirement from the Board, if earlier)[1]	Owned outright	Subject to performance measures	Not subject to performance measures	Total
Executive Directors				
C.S. Venkatakrishnan	4,002,463	8,994,923	2,594,262	15,591,648
Anna Cross	1,420,673	3,561,628	1,006,680	5,988,981
Chairman				
Nigel Higgins	1,888,073	—	—	1,888,073
Non-Executive Directors				
Robert Berry	24,831	—	—	24,831
Tim Breedon	231,559	—	—	231,559
Mohamed A. El-Erian[2]	159,033	—	—	159,033
Dawn Fitzpatrick	968,409	—	—	968,409
Mary Francis	94,889	—	—	94,889
Brian Gilvary	175,213	—	—	175,213
Sir John Kingman	10,569	—	—	10,569
Marc Moses	14,263	—	—	14,263
Diane Schueneman[3]	144,962	—	—	144,962
Brian Shea[4]	—	—	—	—
Julia Wilson	41,305	—	—	41,305

Notes:
1 Where American Depository Receipts (ADRs) are held, the ordinary shares equivalent is shown in the table. One ADR is the equivalent of four ordinary shares.
2 Mohamed A. El-Erian stepped down from the Board on 31 August 2024 and as a result his share interests are shown as at that date.
3 Diane Schueneman stepped down from the Board with effect from 31 January 2025.
4 Brian Shea was appointed to the Board with effect from 19 July 2024. In line with the remuneration policy for Non-Executive Directors, an element of Brian Shea's fees will be used to purchase ordinary shares. The first such purchase is expected to take place shortly after publication of this document.

Remuneration report (continued)

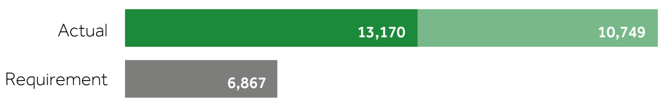
Executive Directors' shareholdings and share interests (audited)

The charts below show the value of Barclays shares held as at 31 December 2024 by C.S. Venkatakrishnan and Anna Cross, in each case using the Q4 2024 average Barclays ordinary share price of £2.5159.

Under the current DRP, for C.S. Venkatakrishnan the shareholding requirement is 233% of year-end Fixed Pay, and for Anna Cross it is 224% of year-end Fixed Pay. Barclays shares held beneficially by each Executive Director count towards the shareholding requirement, as well as unvested shares that are not subject to performance conditions (net of estimated income tax and social security). C.S. Venkatakrishnan and Anna Cross had five years from their respective dates of appointment as Executive Directors to meet this requirement, and both have already met it.

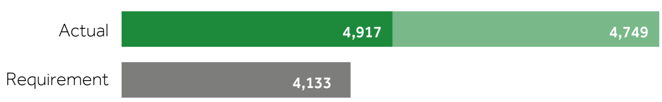
Unvested shares that are still subject to performance conditions do not count towards the shareholding requirements, but contribute to aligning the Executive Directors' interests with those of shareholders through share price exposure, and are therefore also shown below (net of estimated income tax and social security). For the unvested shares subject to performance conditions, the proportion that is ultimately released may range from 0% to 100% depending on the achievement of the performance measures for each award, and on continued employment in accordance with the relevant plan rules and the DRP.

C.S. Venkatakrishnan
£000



Based on 31 December 2024 Fixed Pay of £2,947k.

Anna Cross
£000



Based on 31 December 2024 Fixed Pay of £1,845k.

- Actual shareholdings, including unvested shares not subject to performance conditions (estimated after-tax value)
- Unvested shares subject to performance conditions (estimated after-tax value), which do not count towards the shareholding requirement
- Shareholding requirement

Executive Directors have a contractual obligation to build up the required shareholding within five years from their date of appointment as an Executive Director. They are issued a shareholding statement twice yearly, reminding them of the level of shareholding they are required to build and maintain under the shareholding requirement, and informing them of the value of their current holdings. After an Executive Director has stepped down, some of the continuing shareholding requirement will likely be met via shares held within the Group's employee share plans and nominee accounts. In many cases this will be sufficient to cover the requirement in full. To the extent it is not, compliance with the balance of the requirement will be monitored and maintained through self-certification.

Payments to former Directors (audited)

Former Group Finance Director: Tushar Morzaria

In 2024, Tushar Morzaria was provided with UK and US tax compliance services in respect of Barclays employment income.

Previous AGM voting outcomes

The table below shows the shareholder voting results in respect of our 2023 Remuneration report approved by shareholders at the AGM held on 9 May 2024, and DRP approved at the 2023 AGM.

	For (% of votes cast and total number)	Against (% of votes cast and total number)	Withheld (total number)
Vote on the 2023 Remuneration report at the 2024 AGM	97.54 %	2.46 %	
	9,994,998,399	251,678,560	10,883,304
Vote on the Directors' Remuneration Policy at the 2023 AGM	96.69 %	3.31 %	
	9,402,353,401	322,148,965	16,010,604

Remuneration report (continued)

Barclays' Board Remuneration Committee

Committee responsibilities

The Board Remuneration Committee is responsible for overseeing remuneration at Barclays. The role of the Committee, as set out in the Terms of Reference, is to:

- Set the overarching principles and parameters of remuneration policy across the Group
- Consider and approve the remuneration arrangements of (i) the Group Chair, (ii) the Executive Directors, (iii) members of the Barclays Group Executive Committee and any other senior executives specified by the Committee from time to time, and (iv) all other Group employees whose total annual compensation is equal to or exceeds an amount determined by the Committee from time to time
- Exercise oversight of remuneration issues (including retirement benefits).

The Committee's terms of reference are available at **home.barclays/who-we-are/our-governance/board-committees**

Advisers to the Committee

The Committee appointed PricewaterhouseCoopers (PwC) as its independent adviser in October 2017. The Committee considered the advice provided by PwC to the Committee during the year and was satisfied that the advice is independent and objective. PwC is a signatory to the voluntary code of conduct in relation to executive remuneration consulting in the UK. PwC was paid £150, 391 (excluding VAT) in fees for its advice to the Committee in 2024 relating to the remuneration of the Directors (either exclusively or along with other employees within the Committee's Terms of Reference). In addition to advising the Committee, PwC provided unrelated consulting advice to the Group in respect of strategic advice on business, regulation, risk and controls, operational models and cost, taxation, technology, pensions, HR and sustainability issues.

Throughout 2024, Willis Towers Watson (WTW) provided the Committee with market data on compensation, as context when considering incentive levels and remuneration packages. WTW was paid £84,500 (excluding VAT) in fees for these services. In addition to the services provided to the Committee, WTW also provides market data on compensation for other roles below Board level, pensions and benefits advice and brokerage services to the Barclays Group, and administration services to a number of the Group's pension funds.

In the course of its deliberations, the Committee also considered the views of the Group Chairman, the Group Chief Executive, the Group Human Resources Director and the Group Reward and Performance Director. The Group Finance Director and the Group Chief Risk Officer provided regular updates on Group and business financial performance and risk profiles respectively. The Head of Corporate Communications attended when requested, to advise on reward communications and disclosures. The Group General, Counsel or other representatives from the Legal function, and the Company Secretary advised on legal and governance-related matters. No Barclays employee or Director participated in decisions of the Committee relating to his or her own remuneration. No other advisers provided services to the Committee in the year.

Committee effectiveness in 2024

The 2024 Committee effectiveness review was externally facilitated, as required by the Code. The review is an important part of the way Barclays monitors and improves Committee performance and effectiveness, maximising strengths and highlighting areas for further development.

The Board appointed Christopher Saul Associates (CSA) to facilitate the review. As part of the review, CSA conducted one-on-one interviews with each member of the Committee, the Group Chief Executive and the Group Human Resources Director. CSA also observed the October 2024 Committee meeting.

The results of the Committee effectiveness review confirm the Committee is operating effectively. It is considered to be well constituted and chaired, providing an effective and appropriate level of constructive challenge and oversight of the areas within its remit, including in respect of areas of judgement and discretion, with balanced contributions from participants observed in meetings. The review highlights that the Committee is considered to have the right level of skills and experience and is of an appropriate size.

The Committee's interaction with the Board, Board Committees and senior management is considered effective, noting that the Committee is well integrated into overall Board processes and the review recognised the strong level of support provided to the Committee by senior management.

The Committee's interaction with the BBPLC Board Remuneration Committee was considered effective.

The report of the Board Nominations Committee provides further details on the process for conducting the 2024 Committee effectiveness review.

More information on the 2024 Committee effectiveness review process can be found in the Board Nominations Committee report **page 149.**

Remuneration report (continued)

Committee activity in 2024 and early 2025

The following table summarises the Committee's activity during 2024, and at the January and February 2025 meetings at which remuneration decisions reported in this Remuneration report were finalised. The Committee is also provided with updates at each scheduled meeting on: the operation of the Committee's Remuneration Control Framework on hiring, retention and termination; headcount and employee attrition; and extant LTIP performance.

		January 2024	February 2024	June 2024	October 2024	December 2024	January 2025	February 2025
Overall remuneration	Finance and Risk updates	▪	▪		▪	▪	▪	▪
	Incentive funding proposals including risk and control adjustments	▪	▪		▪	▪	▪	▪
	Remuneration report 2023	▪	▪					
	Group budgets for fixed pay increases	▪	▪		▪	▪	▪	▪
	Wider workforce considerations	▪	▪	▪	▪	▪	▪	▪
	Incentive funding approach			▪				
	Barclays' Fair Pay Agenda and Report	▪	▪	▪	▪	▪	▪	▪
	Bonus cap for Material Risk Takers			▪				
	One-off all-colleague[1] share award					▪		
	Remuneration report 2024					▪	▪	▪
Executive Directors' and senior executives' remuneration	Executive Directors' and senior executives' bonus outcomes	▪	▪			▪	▪	▪
	Directors' Remuneration Policy			▪	▪	▪	▪	▪
	Annual bonus and LTIP performance measures and target calibration	▪	▪			▪	▪	▪
Governance	Regulatory and stakeholder matters	▪	▪	▪	▪	▪	▪	▪
	Discussion with independent adviser	▪	▪	▪	▪		▪	▪
	Remuneration Review Panel update	▪		▪	▪	▪		
	Review of Committee effectiveness		▪					▪

Note:
1 Employees at Managing Director grade or who have been identified as Material Risk Takers are not included. They are typically awarded Barclays shares as part of their deferred compensation.

In addition, three ad hoc Committee meetings were called during 2024.

Other Governance

This section aims to provide an overview of certain governance matters of particular relevance to ESG ratings agencies and investors across a range of ESG matters. It covers topics such as our Code of Conduct, Whistleblowing, Tax, Financial crime, Health and Safety and how we manage our Data privacy and Security as well as Resilience. This section also includes our approach to managing social and environmental impacts as well as our Governance disclosures as part of the TCFD recommendations.

This section does not discuss general corporate governance matters. Refer to the Board Governance report from page 137 in the Annual Report for information relating to the Board, ExCo and Board Committees, our Board governance framework and how we complied with the requirements of the 2018 UK Corporate Governance Code during 2024.

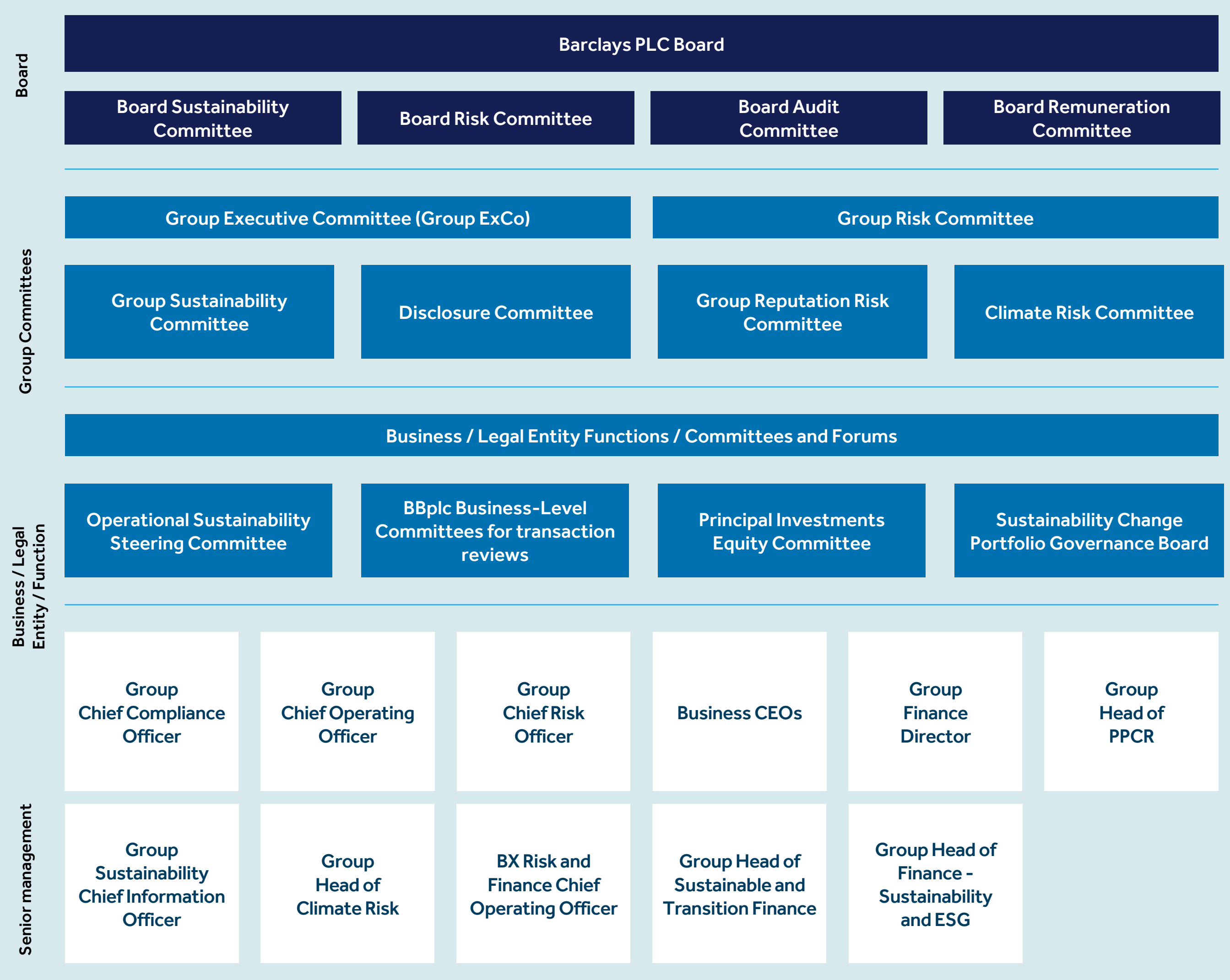
ESG Governance

Climate and sustainability governance

Oversight and management of climate and sustainability-related issues are embedded within our governance structure[1].

Barclays' climate and sustainability governance structure consists of the Barclays PLC Board (Board) and its Committees along with Executive and Management Committees which span both business and legal entity lines. The Board sets the Group's climate and sustainability-related strategy and oversees its implementation by senior management.

Climate and sustainability governance structure[2]



Notes:
1 The committees, forums and governance bodies described here are non-exhaustive and their construct and Terms of Reference may vary on a legal entity basis or across the Group.
2 The presentation of Group Committees and senior management is not directly illustrative of the committees / forums they report into.

Climate and sustainability governance changes during 2024

In September 2024, the Group Head of Sustainable and Transition Finance role was created, bringing together the Group Sustainability and Sustainable Finance teams under one leadership. This new role has oversight of the Group's policies and standards, and the Group's sustainable finance strategy. The Group Sustainability team leadership and the BUK Head of Sustainable Finance report into this new role.
In October 2024, the Group Sustainability Committee (GSC) Terms of Reference (ToR) were updated to delegate full authority to the Chair of the GSC to recommend and approve sustainability matters on behalf of the Group Executive Committee.

During the year, the Financed Emissions Programme closed following completion of all programme milestones. We have established the Sustainability Change Portfolio Governance Board to govern the execution of Group Sustainability Change programmes, in line with Barclays Change Delivery Management Standards.

ESG Governance (continued)

Board and Board Committee oversight of climate and sustainability-related risks and opportunities

Barclays PLC Board

The Board and, as appropriate, its Committees are responsible for the oversight of climate and sustainability matters, including climate-related risks and opportunities.

During 2024, the Board received five reports from the Board Sustainability Committee. These covered matters such as updates on the Group's climate and sustainability strategy, including in relation to our sustainable finance strategy, energy strategy and the development of a Transition Plan, as well as stakeholder engagement. Please see the Key Board activities section from page 146 for further detail about what the Board considered in relation to climate and sustainability matters in 2024.

Outside of formal Board briefings, the Group Head of Public Policy and Corporate Responsibility and Group Head of Sustainable and Transition Finance also engaged with Board members on matters relating to the Group's climate and sustainability strategy.

The Board is supported in its work by its Committees, each of which has its own Committee Terms of Reference setting out its remit and decision-making powers. The Chairs of each Committee report regularly on their Committee's work to the Board.

Board Sustainability Committee

During 2024, the Board Sustainability Committee met five times. It reviewed climate and sustainability updates and proposals prior to Board consideration, received regular progress updates from management in relation to the Group's climate and sustainability strategy, as well as internal and external briefings on climate and sustainability matters.

In 2024, the Committee continued to monitor progress against targets and also reviewed the development of the Transition Plan.

Please refer to the report of the Board Sustainability Committee from page 175 for further detail on the work of this Committee.

Board Risk Committee

The Board Risk Committee plays an important role in overseeing and challenging the Group's progress towards achieving its climate targets and assessing the impact of climate risks on the overall risk profile and financial position.

During 2024, the Board Risk Committee received regular updates on climate risk, including elevated areas of climate risk and progress against sector targets. It also received risk reports from the Head of Climate Risk, including receiving four Climate Risk dashboards during the year, providing the Committee with an update on key climate risk metrics.

The Committee received regular updates during the year from the businesses (including BUK and the Investment Bank) on their climate strategy.

Please refer to the report of the Board Risk Committee from page 169 for further detail on the work of this Committee.

Board Audit Committee

The Board Audit Committee provides oversight of the climate and sustainability disclosures within the Group's narrative reporting, seeking views from the Board Sustainability Committee on those disclosures where appropriate. Taking account of the work of the Board Risk Committee's and Board Sustainability Committee's respective assessments of climate change and related political responses, the Board Audit Committee continues to monitor how any related impacts and disclosure recommendations have been considered in preparing the Group's financial statements.

Please refer to the report of the Board Audit Committee from page 160 for further detail on the work of this Committee.

Board Remuneration Committee

The Board Remuneration Committee is responsible for setting the overarching principles and parameters of remuneration policy across the Group. The Committee has responsibility for aligning the remuneration of the Executive Directors of Barclays PLC with strategic priorities, including in relation to sustainability matters.

The principal activities of the Board Remuneration Committee include: setting the Barclays Group Remuneration Policy; determining the incentive pool, including consideration of sustainability-related performance measures so these impact pay levels across the workforce; and aligning Executive Director remuneration with strategic priorities, including in relation to sustainability matters.

A proportion of both the 2025 annual bonus and 2025-2027 LTIP award for the Executive Directors will be driven by non-financial performance measures, aligned with the Group's strategic priorities. Climate / sustainability measures will be shifted fully to the LTIP, as progress towards these targets is expected to be non-linear and is best assessed over a multi-year period. In the 2025-2027 LTIP, the sustainability measures will be included as part of a broader, renamed category of measures relating to Sustainability, customers & clients, weighted at 25%. The Sustainability measures will include Financing the transition, reducing our financed emissions and achieving net zero operations, as well as supporting our communities.

Please refer to the Remuneration report from page 186 for further detail on the work of the Board Remuneration Committee.

Roles and responsibilities of the Board and Board Committees with respect to climate and sustainability-related matters

Roles and responsibilities

Board	Board Sustainability Committee	Board Risk Committee	Board Audit Committee	Board Remuneration Committee
Responsible for the overall leadership of the Group (with direct oversight of strategy, culture and strategic reputational matters relating to the Group). The Board sets the Group's strategy, including in respect of climate.	Responsible for oversight of climate matters and the Group's sustainability agenda (including in relation to nature and human rights). The Committee supports the Board in considering the suitability and monitoring the implementation of the Group's climate and sustainability strategy.	Responsible for monitoring Principal Risks (including Climate Risk), considering the Group's risk appetite and tolerances, along with reviewing the Group's risk profile and commissioning, receiving and considering reports on key risk issues.	Responsible for overseeing the integrity of the Group's financial disclosures and the effectiveness of the internal control environment. The Committee oversees financial and narrative reporting, which encompasses ESG and climate disclosures within the Annual Report.	Responsible for setting the overarching principles and parameters of remuneration policy across the Group. The Committee has responsibility for aligning Executive Director remuneration with strategic priorities, including in relation to climate and sustainability matters.

ESG Governance (continued)

Management's role in assessing and managing sustainability and climate-related risks and opportunities

Oversight and management of Barclays' climate and sustainability strategy is increasingly embedded in business-as-usual management structures, including executive committees. These committees are mandated and form part of Barclays' formal governance architecture. They are convened to oversee a specific attribute of the Barclays control framework. Each committee is itself governed by Terms of Reference that lay out the duties, decision-making authority and escalation route of any material issues. The executive management committees receive regular briefings on matters including climate change and consider both risks and opportunities.

Climate and sustainability-related risks are assessed and escalated as appropriate through the various risk forums. The Group Sustainability Committee assists the Group Executive Committee and the Board Sustainability Committee (BSC) in considering sustainability-related matters across the Group, with a mandate to review and approve amendments to the Group sustainability strategy for approval by the BSC.

Group Executive Committee (Group ExCo)

Throughout 2024 Group ExCo has been provided with regular updates on our climate strategy, including progress on our commitments, stakeholder engagement and expectations, and target-setting.

The Group Head of PPCR is a member of Group ExCo and is accountable for ensuring the Group's societal purpose is present in strategic decision-making at the highest levels in the organisation. The Group Head of PPCR, and their team, regularly updates Group ExCo on a range of Public Policy and Corporate Responsibility matters, covering key government and regulatory policy, regulator engagement and ESG matters, including climate. In particular, in 2024 Group ExCo was provided updates on sustainability matters including proposed amendments to the Climate Change Statement and Group Statement on Human Rights, ahead of the publication of updated versions of those documents in February 2024. Group ExCo also received an update on the Group's sustainable finance strategy.

The Group Chief Risk Officer is a member of Group ExCo and is accountable for the approach to managing climate-related financial and operational risks to Barclays; this is implemented within the Group's Enterprise Risk Management Framework (ERMF).

The Group Sustainability Committee, established by Group ExCo in 2023, continued to provide updates on a broad range of sustainability issues.

Executive Remuneration

Annual bonus outcomes and Long Term Incentive Plan (LTIP) award outcomes for the Executive Directors of Barclays PLC are assessed against a framework of measures set by the Remuneration Committee at the start of the performance period for each award.

A proportion of both the 2025 annual bonus and 2025-2027 LTIP award for the Executive Directors of Barclays PLC will be driven by non-financial performance measures, aligned with the Group's strategic priorities. Climate / sustainability measures will be shifted fully to the LTIP, as progress towards these targets is expected to be non-linear and is best assessed over a multi-year period. In the 2025-2027 LTIP, the sustainability measures will be included as part of a broader, renamed category of measures relating to Sustainability, customers & clients, weighted at 25%. The Sustainability measures will include Financing the transition, reducing our financed emissions and achieving net zero operations, as well as supporting our communities.

Further details can be found in our Remuneration report from **page 186**.

Group Risk Committee (GRC)

The GRC is the designated forum to review and recommend, where necessary, submissions to the BRC. The GRC is the most senior risk executive body responsible for reviewing and overseeing the risk profile and risk practices of the Group. This includes coverage of all Principal Risks, and any other material risks, to which the Group is exposed.

In relation to climate, the GRC reviews and recommends proposed climate risk appetite and relevant limits to the BRC. The GRC oversees monitoring and reporting of climate risk, reviews periodic updates on climate risk exposures (including physical and transition risk metrics), progress against financed emission reduction targets for sectors and mitigation plans, external developments and trends on climate risk, results of scenario analysis and stress test exercises including implications on risk appetite and limits. The GRC is also responsible for the oversight of design and effectiveness of Climate Risk Framework.

The GRC receives escalations from the Climate Risk Committee, noting none were received in 2024.

Group Sustainability Committee (GSC)

The GSC is a sub-committee of Group ExCo and is chaired by the Group Head of PPCR. GSC members include senior sustainability representatives from across the businesses, including the Group Head of Sustainable and Transition Finance, as well as members representing key functions across the Group.

The GSC is responsible for approving and recommending the overall Group sustainability strategy to the Board Sustainability Committee and enabling alignment of business unit climate strategies to the overall strategy. The GSC is also responsible for determining, agreeing or recommending position statements, frameworks, targets, relevant disclosures and advocacy areas necessary to support strategy delivery and agreeing the strategic change priorities to support overall sustainability strategy.

ESG Governance (continued)

Climate Risk Committee (CRC)

To support the oversight of Barclays' climate risk profile, the CRC was established in 2021 as a sub-committee of GRC. The authority of the CRC is delegated by the GRC, and the Group Head of Climate Risk is the Chair of CRC.

The CRC has reviewed and approved a range of updates including the climate risk appetite and plans for embedding climate risk into business activities. Additionally, quantitative and qualitative metrics, emerging climate risk trends and progress against targets are presented and discussed at the CRC.

Disclosure Committee (DisCom)

DisCom, which is chaired by the Group Finance Director, has been set up as a sub-committee of the Group ExCo. DisCom is convened to review and monitor the integrity of the Group's financial and narrative statements and other information provided to stakeholders, whether by means of announcement or otherwise. In addition to reporting to the Group ExCo, DisCom also reports to the Board Audit Committee (BAC).

DisCom is convened to undertake a number of specific duties, including:

- financial reporting: to review and monitor the integrity of the Group's financial statements, interim management statements, preliminary announcements (if prepared), and any other formal announcements relating to the Group's financial performance.
- narrative reporting: to review and monitor the integrity of the Group's narrative statements, including but not limited to the Country Snapshot, ESG disclosures, the TCFD disclosures and the Modern Slavery Statement.

Group Reputation Risk Committee (GRRC)

The GRRC is a sub-committee of the Group ExCo which reviews and challenges, and directs as appropriate, the management and mitigation of Reputation Risk matters in the Barclays Group as they are brought to the attention of the GRRC via relevant Reputation Risk assessment and escalation processes. This includes Reputation Risk associated with climate-related matters. The GRRC is co-chaired by the Head of Public Policy and Corporate Responsibility and Group Chief Risk Officer, and members include the Group Chief Compliance Officer and Group General Counsel.

Group Chief Executive Officer (Group CEO)

The Group CEO is responsible for driving Barclays' focus on external societal and environmental stewardship, and overseeing progress towards Barclays' ambition to be a net zero bank by 2050. The Group CEO is Chair of Group ExCo.

The Group CEO is closely involved in identifying and promoting the development of Barclays' climate and sustainable finance growth opportunities as we transition to a low-carbon economy.

The Group CEO has been an active member of the Sustainable Markets Initiative's (SMI) Financial Services Task Force and became chair of the Task Force in November 2024, focusing on the mobilisation of capital towards a nature-positive transition through engagement with the SMI's real economy and other financial services taskforces. The Group CEO hosted a roundtable on scaling climate tech at Barclays' annual Sustainable Finance Conference in New York and led a discussion at London Climate Action Week on the need for partnership between the public and private sector in the energy transition.

Chief Risk Officer (CRO)

The Group CRO is accountable for the approach to managing climate-related financial and operational risks to Barclays. This encompasses the measurement, monitoring and limit setting for climate risk and the supporting governance.

Group Head of PPCR

The Group Head of PPCR leads the Group's overall sustainability agenda. Specifically, the role is responsible for overseeing the development and implementation of Barclays' sustainability strategy, including seeking to embed the transition to a low-carbon business model across the Group.

Group Head of Sustainable and Transition Finance

The Group Head of Sustainable and Transition Finance leads the Group Sustainability and Sustainable Finance teams, reporting to the Group Head of PPCR, the Global Co-Head of Investment Banking and the Global Head of Markets.

The role leads the strategic direction and execution of Barclays' policies and practices across a broad range of sustainability matters, including climate change, nature and human rights as well as the development and execution of the Group's sustainable finance strategy to support clients navigate the opportunities and challenges of transitioning to a low-carbon economy. In these capacities, the role oversees the development of standards and metrics to advance sustainable finance and supports innovation in sustainable product development.

Group Head of Climate Risk

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

The Group Head of Climate Risk is responsible for the development and implementation of climate risk governance, including ownership of Barclays' Climate Risk Framework, Standard and Policy. The Group Head of Climate Risk is also responsible for integrating climate risk considerations into existing risk management processes and overseeing climate risk management activities, including identifying, assessing, and monitoring climate risk drivers and proposing climate risk appetite, limits and controls. The Group Head of Climate Risk also leads the development of climate risk methodologies and Barclays' approach to carbon modelling, including the BlueTrack™ methodology.

ESG Governance (continued)

Group Sustainability Chief Information Officer

The Group Sustainability Chief Information Officer (CIO) brings together technology, data and change execution expertise. The Group Sustainability CIO works in partnership with the business and functions to deliver new capabilities that enable and accelerate delivery against the Group's sustainability strategy.

Group Head of Finance - Sustainability and ESG

The role Group Head of Finance - Sustainability and ESG encompasses leading Barclays' global external, internal and regulatory reporting capabilities relating to sustainability and ESG, and tracking progress made across our businesses to meet our climate targets, which is fundamental to support our ambition to be a net zero bank by 2050. This includes embedding climate-related disclosures such as the TCFD into our framework of disclosure procedures, governance and controls supporting the creation, review and approval of the Group’s financial statements. Further responsibilities include embedding climate-related risks and opportunities into financial planning.

Implementation - business working level committees, forums and reports

Operational Sustainability Steering Committee (OSSCo)

Barclays' Operational Sustainability Steering Committee (OSSCo) is responsible for oversight of Barclays' net zero operations strategy. OSSCo is chaired by the Barclays Execution Services Chief Operating Officer and comprises leadership from Corporate Real Estate Solutions (CRES) & Location Strategy, Procurement, Functions Technology, Corporate Communications, Group Sustainability & ESG, and Legal. OSSCo approves and monitors progress of our sustainability operational targets and milestones, reviews operational sustainability programmes and seeks to manage risks to the delivery of the net zero operations strategy. The governance body also facilitates coordination and alignment across the functions responsible for implementing the net zero operations strategy.

OSSCo provides updates to the GSC annually, which then reports to the Barclays PLC Board.

BBplc Business-Level Committees for transaction reviews

Business-level committees are convened for senior management to review all transactions that contain material Reputation Risk and escalate directly to the Group Reputation Risk Committee. These committees have responsibility to ensure alignment with local entity and regulatory expectations and requirements when making decisions that impact the various subsidiaries of BBplc, including Barclays Bank Ireland PLC ('Barclays Europe') and the US Intermediate Holding Company. Transactions reviewed include transactions, relationships, agreements, strategies and other business activities.

Principal Investments Equity Committee

The Principal Investments Equity Committee (the 'Committee') undertakes the senior approval responsibilities relating to the execution and management of all principal strategic equity and workout equity transactions managed on behalf of Barclays PLC and all other Barclays Group entities. The formation and authority of this Committee comes from the Group CEO, acting through the Group ExCo. The Committee consists of senior stakeholders who meet on a regular basis which, when considering the Barclays Climate Ventures (formerly known as Sustainable Impact Capital) portfolio, includes the Group Head of Sustainable and Transition Finance.

Sustainability Change Portfolio Governance Board

The Sustainability Change Portfolio Governance Board is responsible for the strategic integration, governance and control (including budgetary), prioritisation, risk management and approval of change (subject to agreed tolerances), of the Group Sustainability portfolio of work. Material decision-making is escalated to the GSC as required. The Board is chaired by the Group Head of Sustainable and Transition Finance.

ESG Governance (continued)

Managing impacts in lending and financing

Appropriate management of environmental and social impacts helps to ensure the longevity of our business and our ability to serve our clients.

At Barclays, we recognise the importance of risk identification and management in the provision of financial services to our customers and clients.

Our assessment of environmental and social risks informs our wholesale credit risk management and helps safeguard our reputation. This supports the longevity of our business and also enhances our ability to serve our clients and support them in improving their own sustainability practices and disclosures.

Managing environmental and social risks

Environmental and social risks are governed and managed through our Enterprise Risk Management Framework (ERMF), setting our strategic approach for risk management by defining standards, objectives and responsibilities for all areas of Barclays. The ERMF is complemented by a number of other frameworks, policies and standards, all of which are aligned to individual Principal Risks.

Our Climate Change Statement covers our approach to certain sensitive sectors (thermal coal mining, coal-fired power generation, mountain-top coal removal, upstream oil & gas and unconventional oil & gas including oil sands, Arctic oil & gas, hydraulic fracturing ('fracking'), Amazon oil & gas, ultra-deep water and extra heavy oil and biomass).

We have also established policy statements on Forestry and Agricultural Commodities, Protected Areas (previously World Heritage Sites and Ramsar Wetlands) which was updated in February 2025 and on the Defence and Security Sector.

In addition, we have developed an internal standard which reflects the policy statements in more detail. The standard, which sits under the management of Reputation risk in the ERMF, guides our approach to climate change and relevant sensitive sectors and is considered as part of our existing transaction origination, review and approval process.

Enhanced due diligence

Our standard currently includes an enhanced due diligence approach for certain clients in scope of the Climate Change, Forestry and Agricultural Commodities, Protected Areas and Defence and Security Sector Statements. This approach was extended to cover the additional sub sectors brought into scope of the Climate Change Statement which was updated in February 2024.

All clients in-scope of the above mentioned standard must be assessed annually via a detailed Sustainability enhanced due diligence questionnaire, which is used to evaluate their performance on a range of environmental and social issues and may be supplemented by a review of client policies / procedures, further client engagement and adverse media checks as appropriate. This annual review generates an Environmental and Social Impact (ESI) risk rating (low, medium, high) which in turn determines whether further review and client engagement may be required throughout the year. The Defence and Security Sector ESI ratings have been aligned with the other sectors where At Appetite or Within Appetite are no longer used. We follow a risk-based approach where certain clients would require further risk assessment prior to execution of transactions

We undertook 775 (2023:593) reviews in 2024, being a combination of Sustainability annual due diligence reviews and individual transaction reviews. The number of reviews increased in 2024 due to matters including the updated scope of the Climate Change Statement.

Monitoring

As part of our management of environmental and social risks, we may require further client engagement in relation to the specific environmental and social risks that we have identified as part of our enhanced due diligence process.

We have used this engagement as an opportunity to gain a more detailed understanding of the risks and challenges that the client is facing and to better understand any climate transition plan that they may have.

Escalation and decision-making

Where client relationships or transactions are assessed as higher-risk (high or medium ESI rating) following a Sustainability enhanced due diligence review, they are then considered for escalation to the appropriate business unit review committee (e.g. IB Sustainability Review Committee, BBplc Transaction Review Committee) for consideration and, if transaction-related, a decision on whether to proceed. Business unit review committees comprise of business management and representatives from the control functions, including Reputation Risk.

Should the front office business team or the Group Sustainability team believe the issues are sufficiently material and the front office business team wish to proceed, these clients/relationships would be escalated to the Group Reputation Risk Committee (GRRC) for more senior consideration and decision.

GRRC includes representation from the Group Executive Committee.

These Committees may make the following determinations:

- approve the transaction or relationship
- reject the transaction or relationship
- approve the transaction or relationship, subject to prescribed modifications
- escalate the review of the transaction or relationship to the Barclays Group CEO

Further details about the roles of these Committees and their activities during 2024 are set out on **page 243 and 244**.

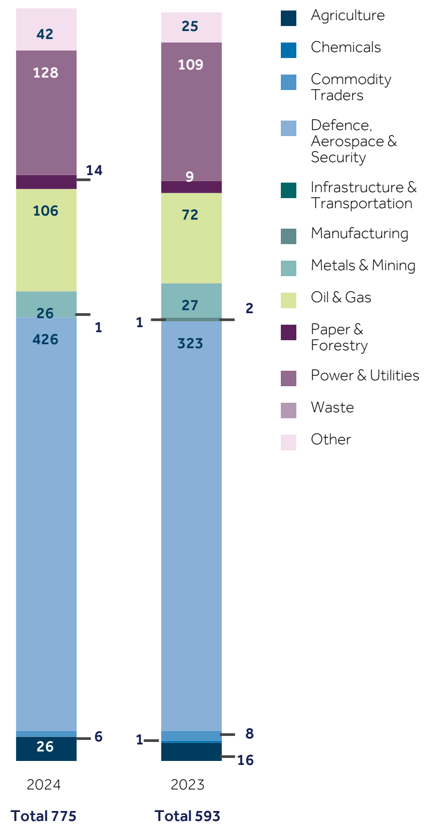
ESG Governance (continued)

Training

Barclays continues to expand the range and coverage of training to educate colleagues on sustainability and climate change risk and opportunities, their impact on society and Barclays, and Barclays' strategy and response.

Further details on Barclays skills, culture and training can be found on **page 114.**

Transactions and client relationships reviewed by Group Sustainability



Equator Principles

For project-related finance, we conduct assessments for environmental and social risks in line with the Equator Principles and relevant International Finance Corporation (IFC) Performance Standards. In 2024, Barclays strengthened its approach to client engagement when applying the Principles. Barclays was one of the four banks that contributed to developing the Principles ahead of their launch in 2003. During 2024, six transactions (2023: four transactions) were reviewed for social and environmental risks under the scope of the Equator Principles.

Further details can be found at: **equator-principles.com/**

Equator Principles transactions in 2024

	Category		
Sector	**A**	**B**	**C**
Mining			
Infrastructure			
Oil & Gas			
Power		5	1
Others			
Region	**A**	**B**	**C**
Americas		3	
EMEA		2	1
APAC			
Country designation	**A**	**B**	**C**
Designated		5	1
Non-designated			
Independent review	**A**	**B**	**C**
Yes		5	
No			1
Finance type	**A**	**B**	**C**
Project finance		5	1

Category A: Projects with potentially significant adverse social or environmental impacts that are diverse, irreversible or unprecedented.
Category B: Projects with potentially limited adverse social and environmental impacts that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures.
Category C: Projects with minimal or no social or environmental impacts.
Country Designation is based on the World Bank's income criteria. Projects in designated countries (High Income OECD members) are assessed only according to local laws. Projects in 'non-designated' countries are assessed according to local laws and the IFC's standards.

ESG Governance (continued)

Human rights

Barclays is continuing to develop and enhance our approach to respecting human rights.

The Barclays Group Statement on Human Rights, updated in 2024, reiterates our commitment to respecting human rights as defined in the International Bill of Human Rights and the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work. Our approach is guided by the UN Guiding Principles on Business and Human Rights (UNGPs) and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct.

Over 2024, Barclays has undertaken steps to establish a formal programme of work focused on continuing to enhance and embed the Group's approach to respecting human rights across our business. The Human Rights Programme provides a governance structure and platform for business and functions to collaborate and make progress in key areas including human rights risk identification, further embedding and enhancing controls, and capability-building to upskill and strengthen colleagues' understanding of human rights risk and responsibilities.

For further information of our management of environmental and social impacts in our lending please see **page 246.**

Following work undertaken in 2023 to identify the most salient human rights risks associated with the then Corporate and Investment Bank, Barclays developed its Focus Areas for Progress, setting out the actions we intend to undertake over time to enhance our approach to the management of our salient issues. Below we provide an update of our progress in these areas during 2024:

Focus Areas for Progress

Corporate Culture

Strengthen a culture of respect for human rights

- Build capacity to support colleagues' understanding of human rights risks and responsibilities

Saliency Assessments

Identify salient issues beyond corporate and investment bank financing portfolios

- Extend saliency assessment to other areas of the bank, looking to engage with internal and external stakeholders

Policies and EDD

Enhance sustainability policies and EDD to reflect salient issues for corporate and investment bank financing portfolios

- Review existing sustainability policies and EDD and work to integrate salient issues
- Evolve our approach to engaging with clients when responding to salient issues

Just Transition

Support a transition to a low-carbon economy which accounts for the social risks as well as the opportunities

- Work to consider just transition in our Transition Plan and Client Transition Framework
- Continue engagement to help shape the way just transition is defined and implemented in practice

Remedy

Develop our approach to remedy

- Explore approach to remedy in engagement with clients

Corporate culture

Beyond the work to establish capacity building as a core pillar of the Human Rights Programme, tangible steps were taken during 2024 to help build colleagues' understanding around human rights.

Notably, senior stakeholders and decision-making committees within the organisation, including the Board Sustainability Committee, received external training on business, human rights and the financial sector to support their understanding of relevant frameworks and responsibilities.

A broader awareness campaign was also run internally during 2024, including materials focused on how human rights risks could materialise across the Group's operations and value chain, and how certain colleagues may seek to identify and manage these risks.

Existing mandatory training modules for certain colleagues were updated to include new content on human rights. We have also integrated content on social considerations into new training modules relating to sustainable finance to be rolled out in 2025 .

For more information on Skills, culture and training. See **page 114.**

Saliency assessments

One of the key pillars of work within the remit of Barclays' Human Rights Programme focuses on the assessment of human rights risk across the broader Group, beyond the corporate and investment bank financing portfolios. Work has already been undertaken to upskill relevant colleagues across the Group in human rights risk assessment with the aim of initiating further assessments in 2025.

To further support this work, a cross-functional working group was convened as part of the Human Rights Programme to collectively agree on a definition of human rights risk for the Group. This work aimed to develop a collective internal understanding of human rights risk and leverage this definition to support the evolution of our approach to risk management.

Barclays also extended its approach to saliency assessments, during the first half of 2024, the Procurement team worked with Shift, a non-profit and leading centre of expertise on business and human rights, to identify and prioritise the potential salient human rights impacts within our supply chain.

For more information on the supply chain saliency assessment, see **page 249.**

ESG Governance (continued)

Policies and enhanced due diligence

Barclays' Human Rights Programme also aims to consider the way in which human rights risks are managed across the Group through our frameworks, policies, and controls. This core pillar of work focuses on continuing to evolve and, where appropriate, enhance the way Barclays' approach to human rights risk management is embedded across the organisation.

During 2024, Group Sustainability updated certain sensitive sector statements and underlying enhanced due diligence processes. Where opportunities to better reflect the salient issues identified for the then Corporate and Investment Bank were identified, work was undertaken to embed considerations for these issues within our public position statements and relevant enhanced due diligence processes. For example, reference to in-scope clients' approach to human rights due diligence was built out in the updated Climate Change Statement.

Just transition

Just transition is part of Barclays' climate strategy, please visit page 118 for further detail around Barclays' approach to just transition, and our progress throughout 2024.

Recognising that engagement is key to our approach to human rights, Barclays Climate Venture portfolio companies were engaged to build their understanding of how they can contribute to a just transition. As a result, one portfolio company was supported to enhance social and human rights considerations in its supply chain due diligence processes, including aligning questions more closely with relevant social risks.

For more information on our approach to just transition, please see **page 118.**

Remedy

During 2024, Barclays continued to actively participate in industry-wide discussions aimed at advancing collective understanding around the role of the financial sector in effective remedy. We engaged with industry groups and fora such as Equator Principles and Thun Group to understand best practice to support our evolving approach.

Barclays seeks to engage clients on their approach to remedy, particularly in the context of project finance as part of implementing the Equator Principles. This includes engaging with clients around implementing grievance mechanisms aligned with UN Guiding Principles effectiveness criteria at the project level.

Modern slavery and human rights in our supply chain

This process is further detailed in the Third Party Service Provider operational and reputational risk management section on page **250.**

Barclays Code of Conduct for Third Party Service Providers (TPSP CoC) sets out our expectations that TPSPs support our commitment to respect human rights through topics including health, safety and welfare, freely chosen employment, freedom of religion or belief, avoidance of child labour, worker freedom of association and collective bargaining, avoidance of discrimination, harassment and abuse, and accessible grievance and whistleblowing mechanism. These expectations are an important part of our efforts to meet our responsibility to respect human rights, including assessing, identifying, and mitigating modern slavery risk in our supply chain.

In 2022 we set out an ambition that by 2025 TPSPs making up 70% of our addressable spend[2] will have a modern slavery policy or standard in place. In 2024, 75 % of our TPSPs had a modern slavery policy or standard in place, exceeding our ambition. We continue to strengthen the way we assess, identify and mitigate modern slavery risk in our supply chain and we describe our approach in our Modern Slavery Statement.

Supply chain human rights saliency assessment

During the first half of 2024, Barclays worked with Shift, a non-profit leading centre of expertise on the UNGPs, to identify and prioritise the potential salient human rights impacts, including modern slavery risks, on workers providing goods or services within our supply chain. We gathered a range of perspectives through engagement with both internal and external stakeholders, including the civil society, to seek to understand the salient human rights impacts on the potentially most affected workers within our supply chain. Our internal engagement included deep-dive interviews and a series of workshops with colleagues from a wide range of functions including Sustainability, Risk, and Accountable Executives who own key TPSP relationships. Additionally, we engaged with three external organisations who have the expertise in understanding and representing vulnerable groups of workers in complex, global supply chains. These activities helped us to identify the potential salient human rights impacts across our supply chain, which are set out in the table below.

Potential salient supply chain impact
Forced labour
Child labour
Working conditions and hours
Freedom of association and collective bargaining
Fair wages
Occupational health and safety
Privacy
Discrimination and harassment

We intend to use the outcomes from this assessment to consider any enhancements that could be made to our existing processes and the TPSP CoC, in addition to future training and engagement with TPSPs and internal stakeholders.

Notes:
1 UNGPs: United Nations Guiding Principles on Business and Human Rights.
2 Addressable spend is defined as external costs incurred by Barclays in the normal course of business where Procurement has influence over where the spend is placed. It excludes costs such as regulatory fines or charges, exchange fees, taxation, employee expenses, litigation costs or property rent.

ESG Governance (continued)

Supporting our supply chain

With nearly 7,500[1] companies coming from 30 countries supplying us, our supply chain helps our businesses deliver for our customers, clients and colleagues.

The Barclays Group engages with Third Party Service Providers (TPSPs), seeking to integrate sustainability considerations across our supply chain and provide inclusive procurement opportunities and drive economic impact to diverse[2] TPSPs (in addition to publicly traded, large businesses).

Please see further details on our requirements of our Third Party Service Providers at: **home.barclays/who-we-are/our-suppliers/our-requirements-of-external-suppliers/**

Third Party Service Provider operational and reputational risk management

Barclays expects its TPSPs to make responsible decisions that, where relevant, take our stakeholders' needs into account in both the short and long term.

Barclays also expects its TPSPs to comply with all applicable laws, rules and regulations within the geographies in which they operate as well as Barclays' defined minimum control standards for the risks within scope of the service. Barclays' standard approach[3] 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 the 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 and also for living the Barclays Values. On an annual basis, Barclays' risk owners and/or subject matter experts are engaged to confirm any required changes to the risk assessment process, SCOs and the TPSP CoC to help ensure TPSPs minimum control requirements remain aligned to Barclays and their stakeholders' requirements.

Managed TPSPs are subject to controls assurance on an annual basis to assess whether the controls required of them under the SCOs are maintained and operating effectively. They are also asked to complete an annual self-certification against the individual topics contained within the TPSP CoC. Where TPSPs are unable to meet our expectations under the TPSP CoC and SCOs, the issue will be escalated and we will look for options to manage the risk, which may include additional oversight, heightened Barclays controls or electing not to do business with the TPSP. The TPSP CoC and SCOs are published on the Barclays public website for all new and existing TPSPs to view and are refreshed at least annually.

Payment on time

Prompt payment is critical to the cash flow of every business, and especially to smaller businesses within the supply chain as cash flow issues are a major contributor to business failure. We aim to pay our TPSPs within clearly defined terms, and to help ensure there is a proper process for dealing with any issues that may arise. We measure prompt payment globally by calculating the percentage of TPSP spend paid within 45 days following invoice date. The measurement applies against all invoices by value over a three-month rolling average period for all entities where invoices are managed centrally. At the end of 2024, we achieved 91% on-time payments to our TPSPs, continuing to exceed our public commitment to annually pay 85% of TPSPs on time (by invoice value).

Moving forward we intend to review and enhance our measures aimed at ensuring prompt payment aligned with market practices. We will continue supporting small businesses and engage with Small Business Commissioner and other organisations, including Good Business Pays, to raise awareness to the public and larger businesses on late payments and the impact these can have on businesses and business owners.

Diversity and inclusion in our supply chain

Barclays believes that diversity in all forms across our supply chain expands our ability to attract and harness third-party innovations that complement our own capabilities, create value for customers and clients, and deliver economic opportunities for wider, underrepresented segments of society. To that end in 2013 we created an internal Global Supplier Diversity (GSD) initiative, with the aim of providing inclusive procurement opportunities and driving economic impact to diverse TPSPs across our supply chain (in addition to publicly traded, large businesses). Diverse TPSPs include businesses diverse in size (micro, small and medium-sized businesses), demographic ownership make-up (largely owned and controlled by members of under-represented groups) or mission (social enterprises). The GSD initiative is underpinned by three strategic programmes: market-access, supplier development and banking access programmes. These programmes are further supported by our signature events to facilitate networking and relationship building between potential diverse TPSPs and our internal decision-makers who oversee our TPSPs.

Through our GSD initiative, we have progressed towards our ambition to spend 10% of our global addressable spend[4] with micro, small and medium-sized businesses, ownership- and mission-diverse TPSPs by the end of 2025 - spending approximately 9% by the end of 2024.

In support of the delivery of the GSD initiative, Barclays is a corporate member of several organisations including but not limited to, Minority Supplier Development UK (msduk.org.uk) and OutBritain (outbritain.co.uk). The aim of these strategic relationship-building initiatives, is to support diverse suppliers' growth, access to capital and ability to competitively deliver solutions across global supply chains.

Notes:

1 Includes non-addressable spend and One Time Vendors (OTV).

2 Diverse TPSPs include businesses diverse in size (micro, small and medium-sized businesses), demographic ownership make-up (largely owned and controlled by members of under-represented groups) or mission (social enterprises).

3 We do have relationships with financial institutions and market counterparties which, because of the nature of the services being provided (such as international account holding services), are not subject to our usual TPSP onboarding procedures and which are therefore not subject to the TPSP CoC.

4 Addressable spend is defined as external costs incurred by Barclays in the normal course of business where Procurement has influence over where the spend is placed. It excludes costs such as regulatory fines or charges, exchange fees, taxation, employee expenses or litigation costs, property rent.

Please see further details on our climate change initiatives in our supply chain within our Achieving net zero operations section from **page 70** within the **Climate and Sustainability report.**

ESG Governance (continued)

Supporting customers through Barclays UK

Barclays has a large retail presence in the UK, offering a wide range of products and services to c.20 million customers through Barclays UK.

Access to banking

Customers are looking for more convenient, simpler ways to bank that fit their lives, including banking digitally: we have over 13 million digitally active customers. We are continuing to help deliver these solutions at pace

Alongside our investment in technology enabling digital customers to access tools and products whenever they need them, we are transforming our physical locations across the UK with a view to ensuring that customers can still access banking face to face where required.

We have welcomed the FCA's new rules on Access to Cash and are committed to working with other banks, the Post Office and LINK to ensure customers have access to cash and banking services through Banking Hubs and other touchpoints being delivered on a shared basis. We were pleased to make a joint commitment to open 350 banking hubs over the course of this parliament, alongside the major retail banks and the Post Office - this is in additional to the 103 currently operational (correct as at 31/12/24).

We are committed to our full physical offering across the UK, with a complete refresh of our self-service devices well underway, with 183 of our 216 branches now having 24/7 cash deposit and account servicing capability via externally placed Smart ATMs.

Alongside these changes, we are investing in multi-skilled training for our colleagues, so they are better able to serve customers in ways that meet their needs today as well as breaking down internal barriers to enable quicker resolution of customer queries.

Economic crime and scams

We take our responsibility to protect our customers' money very seriously and are proud to have one of the lowest scam rates and highest reimbursement rates in the industry[1]. This is due to our continued investment in robust security systems and our established programme to educate customers and reduce the likelihood of them falling victim to scams.

We have a dedicated Fraud and Scams hub on the Barclays website, which hosts a variety of content and resources to help the public learn how to keep themselves safe.

Additionally, for each of the 50 million+ payments our UK customers make every month, our fraud detection systems and machine learning models determine in less than a second if it is likely to be a fraudster rather than the customer, or if our customer appears at risk of being scammed. If the transaction appears as risky, the customer is presented with additional checks prior to the payment being released.

We continue to invest in security features aimed at providing protection against fraud and scams, including 'App ID', which allows customers to verify that they are speaking to a Barclays colleague and not an impersonator.

We are also part of the 'Do not originate' scheme, created in partnership with the telecommunications industry, UK Finance and Ofcom, aimed at preventing our most common inbound helpline phone numbers from being used in a scam.

We are committed to providing measures that help prevent Authorised Push Payment (APP) scams taking place and building increased consumer protection standards for customers through both the UK Payment Systems Regulator's(PSR) new APP Scam Regulations that came into effect in October 2024 and the previous Contingent Reimbursement Model code.

We are founding members of Stop Scams UK, a cross-industry group made up of banks, telecoms and tech firms that have come together to seek to put an end to scams by collaborating, sharing best practices and engaging with the government and regulators to make it harder for scammers to operate.

We have published a series of policy recommendations to tackle the spread of scams.

If you suspect that you have been approached by fraudsters please tell the FCA using the share fraud reporting form at fca.org.uk/scams

You can also call the FCA Helpline on 0800 111 6768 or through Action Fraud on 0300 123 2040

Note:
1 The PSR's latest report covering 2023 includes the UK's 14 largest banking groups, along with the data for 11 other smaller firms that were in the top 20 highest receivers of fraud.

Frontier Economics report on Tacking Fraud and Scams: **home.barclays/news/press-releases/2023/08/eight-in-ten-brits-feel-unsafe-on-social-media-due-to-scammers/**

Digital accessibility

Digital services and workplace tools must be designed and developed to be easy to see, hear, understand and use for all customers and colleagues, including people with disabilities. There is a legal requirement and moral imperative to ensure that people with disabilities are not left out or left behind from using our digital services.

All digital services and content must comply with our Barclays digital accessibility standards. These standards align to the Web Content Accessibility Guidelines (WCAG) v2.2 A level and apply to both internal projects as well as external suppliers. Corrective actions are taken in a timely manner where issues are discovered through testing against these standards. We continue to strengthen our oversight processes to ensure our services are compliant as technologies are updated.

The Barclays Accessibility Statement **barclays.co.uk/who-we-are/our-suppliers/our-requirements-of-external-suppliers/**

ESG Governance (continued)

Building financial wellbeing

As part of our aim to deliver a world-class money management experience and help money work for our customers, particularly through the cost of living crisis, we are delivering more tools and features to educate them on managing their money.

We are providing knowledge and expertise through our colleagues, including helping customers to use our digital platforms via the Digital Eagles. The Barclays Money Management Hub gives us the ability to provide proactive money management information directly to customers, giving them a better grasp on their spending behaviours and steps they can take to improve their financial wellbeing and provide customers greater control over their finances.

We also have a range of early intervention strategies which aim to support customers whose account behaviours may be showing signs of lacking financial resilience. These strategies largely focus on pro-active communication with the customer, based on sets of customer behavioural triggers, and look to support customers to help them maintain or regain control of their finances. Where customers engage with these contact strategies, our Barclays Financial Assistance colleagues provide broad money management advice and, where appropriate, may suggest a range of solutions to manage their financial situation. This suite of solutions includes forbearance and non-forbearance options.

Gambling

Barclays understands that gambling and financial difficulty can often go hand in hand and that customers may sometimes find it hard to ask for help. We have dedicated training available for customer-facing colleagues to help them understand and support customers impacted by problematic gambling. Our specialist colleagues are trained to calmly and professionally deal with the most emotive and complex conversations and signpost where needed to external support charities and organisations.

Further details can be found at:
barclays.co.uk/gambling-support/

Domestic abuse

To support customers impacted by domestic abuse, we continue our partnership with Refuge, the largest domestic abuse service provider in England, offering specialist support for women and their children. This enables us to direct those impacted by domestic abuse to expert advice and assist survivors with the opening of bank accounts and gaining access to banking services in situations where they may not have the requisite documentation. In 2024, the Barclays Refuge partnership was awarded Gold at the Corporate Engagement Awards in the category of Best Charity, NGO or NFP programme. We continue to be a committed signatory to the UK Finance Domestic Abuse Code of Practice, which sets out how participating banks and building societies should support customers who are victims and survivors of economic or financial abuse.

Homelessness

We continue to support those with limited documentation such as homeless people to open a basic current account.

Bereavement

Throughout 2024, we have continued to prioritise making this extremely difficult time in people's lives a little easier. Our programme of work to enhance the customer experience remains front of mind. Highlights this year include: introducing video banking appointments to support notifications of bereavement and providing an instant email confirmation following a notification of bereavement to all customers that provide an email address with their notification.

Further details can be found at:
barclays.co.uk/what-to-do-when-someone-dies/notify-us/

Authorised users

For almost three years, we've given customers the ability to manage their current account with the help of a trusted person in their life. Whether they need someone to spend on their behalf or help managing their finances, the Authorised User feature provides a reliable and accessible tool, at no additional cost.

Further details can be found at:
barclays.co.uk/ways-to-bank/authorised-users/manage-account/

Specialist support team

The Vulnerability Care Hub are a dedicated and expertly trained team, who support all BUK's most vulnerable customers and colleagues in emotionally demanding environments, regardless of their financial position. Their enhanced skills are supported through internal and external training, which aids vulnerability discussions.

Accessibility & Vulnerability (A&V) Framework

Throughout 2024 we have made a number of enhancements to our Accessibility & Vulnerability Framework, giving colleagues within Barclays the ability to record disclosed customer vulnerability on our systems. This enables us to provide customers with the correct level of service based on their particular needs and/or adjustments. We have focused on improving access to communications in alternative formats and increasing the range of vulnerability indicators which customers can apply (and find help for) themselves in our digital channel.

Circa 36,000 Barclays UK colleagues completed the mandatory Customers in Vulnerable Circumstances annual eLearning module in 2024. The training improves awareness and understanding of vulnerability for our frontline and Head Office colleagues. We have continued to deliver vulnerability induction training to equip new colleagues with how to identify and support customers who may be vulnerable or going through a life event.

Barclays UK Performance Framework

The Framework seeks to mitigate the risks of inappropriate performance management practices, including by (among other things) seeking to ensure there is no undue pressure on colleagues to sell products, which can result in mis-selling. The Performance Framework operates controls to provide insight and subsequent oversight that the business is operating aligned to the expectations set out in the Performance Framework Policy Standards.

ESG Governance (continued)

Basic current account

Since 2015, we have been offering our basic current account to individuals who may not be eligible for a standard account access to banking, including over the counter services, access to ATMs, and digital banking and free text alerts to manage finances. There were over 609,000 Barclays basic current accounts open at the end of 2024[1].

Access to a transactional bank account enables consumers to benefit from bill reductions through paying by direct debit and access to cheaper goods and services on the internet, to help them along their financial journey. If their circumstances change, customers on the basic current account are able to apply for a standard Barclays Current Account at any time. Periodically we also review accounts to upgrade customers from basic current account to Barclays Bank Account where eligible.

Number of basic current accounts
(#)

Note:
1 In 2024, we upgraded more than 62,000 customers from our Barclays Basic Bank Account to our Barclays Bank Account.

Barclays' mortgages and first-time buyers

2024 has seen a reduction of the rate environment, with the first Bank of England base rate decrease seen in August of this year, however, we recognise customers are still experiencing increasing rates as they roll off their fixed rates and as such our commitment remains to support these customers. Given this, we have made it simpler for customers to apply under the Mortgage Charter for a temporary move to interest only or for an extension of their mortgage term by digitising the application journey.

We have also continued to support customers who are buying their first home through the UK Government mortgage guarantee scheme, the Barclays Family Springboard and our Barclays Boost mortgages – re-branding and more clearly highlighting our Joint Borrower, Sole Proprietor proposition. In 2024, we have helped over 49,000 first-time buyer customers get onto the property ladder across over 31,000 purchases.

The Mortgage Guarantee Scheme offers mortgages which are backed by a UK Government guarantee. Customers can apply for the scheme with a minimum deposit of 5% of the property purchase price, and it is available for first-time buyers and those looking to make their next move on the property ladder.

Financial inclusion in our US consumer business

The Community Reinvestment Act (CRA) is a US federal law designed to encourage financial institutions to help meet the needs of borrowers in all segments of their communities, including low and moderate-income neighbourhoods. Barclays meets the CRA requirement by supporting and investing in local Community Development Financial Institutions (CDFIs), small-medium businesses and non-profits.

The success of CDFIs, small-medium businesses and non-profits are key to a thriving community. Barclays has predefined goals with specific performance targets that we must meet each year in order to be considered in compliance with CRA guidelines. Barclays has met its CRA goals for 2024, evidencing that we are continuing to invest in the communities where we live, work and serve.

Barclays Bank Delaware (BBDE) is committed to fair and equitable treatment of all prospective and existing customers without regard to race, sex, colour, national origin, religion, age, marital status, disability, sexual orientation, military status, gender identity, familial status, Limited English Proficiency, receipt of public assistance income, and good faith exercise of rights under the Consumer Credit Protection Act.

We believe Barclays' core Values of Respect, Integrity, Service, Excellence, and Stewardship reflect our commitment to fair lending and fair treatment principles and practices. We strive to develop long-term relationships by providing products and services that meet prospective and existing customer needs, avoid causing prospective and existing customer detriment or harm, and place our prospective and existing customers' interests at the heart of our strategy, planning, and decision-making processes.

ESG Governance (continued)

The Barclays Way

The Barclays Way is our Code of Conduct. Together with more formal policies and practices, this provides a clear path towards achieving a positive and dynamic culture within the Group.

Our commitment to being a responsible business includes seeking to ensure that:

- we conduct ourselves in line with The Barclays Way, our Code of Conduct, to create the best possible working environment for our colleagues
- we treat our customers fairly and the products and services we deliver are transparent and responsible
- we operate in line with relevant laws and regulations including those applicable to financial crime
- we safeguard the data that has been entrusted to us.

Our Code of Conduct reflects the trust that millions of people place in us every day. We know that trust is earned by repeatedly doing the right thing. We believe the best way to build that trust is to invest in our culture and support our people in the choices they make every day, with guidance and policies that help them do this.

That starts with our Purpose, Values and Mindset, and is locked into our organisation through The Barclays Way, the touchstone for everyone in Barclays on the standard of conduct we expect, setting an unequivocal tone from the top about who we are and what we stand for.

The Barclays Way was launched in 2013, replacing a number of existing codes of conduct with a single document. Endorsed by our Chairman, it governs our way of working across our business globally and constitutes a reference point covering all aspects of colleagues' working relationships, specifically but not exclusively with other Barclays employees, customers and clients, governments, regulators, business partners, suppliers, competitors and the broader community.

It is aligned to the Code of Professional Conduct, published by the Chartered Banker Professional Standards Board, which sets out the ethical and professional attitudes and behaviours expected of bankers. Barclays subscribes to this code and is committed to embedding its broad principles into our business.

The Barclays Way includes information and guidance on how employees are expected to behave and take personal accountability for making decisions. We apply a range of criteria, over and above financial considerations, aimed at building a sustainable, strong and profitable business for the long term and adding value to our business relationships and the broader communities in which we live and work. We provide guidance across all key stakeholder groups, including in relation to servicing our customers and clients, promoting respect, diversity and performance in the workplace and maintaining strong governance, robust controls and strict ethical standards.

The Barclays Way also includes advice and guidance on speaking up and raising concerns. It is important for the success of Barclays, and for the safety and wellbeing of our customers, clients and colleagues, that we encourage a culture that supports speaking up when things aren't as they should be. All colleagues are required to undertake training on The Barclays Way.

We know that our success over the long term is based not just on how well we run the organisation commercially, but also on how well we manage it to protect the environment, support positive social progress and make responsible, well-governed decisions. We are focused on the areas where we can have the greatest long-term impact: making growth 'green', sustainable and inclusive; managing the environmental and social impacts of our business; running a responsible business; and investing in our communities.

Employee survey results
%

"I believe that my team and I do a good job of role modelling the Values every day"

% of colleagues completing mandatory training on The Barclays Way

100%

The Barclays Way Code of Conduct is available at: **home.barclays/citizenship/the-way-we-do-business/code-of-conduct/**

> ***"In challenging times such as these, it is more important than ever that we conduct ourselves in the right way. The Barclays Way sets out the standards of behaviour we should all aspire to in our professional lives. It is a guiding light for everyone in Barclays, helping us to make the right decisions every day."***

ESG Governance (continued)

Whistleblowing

We support a culture where colleagues feel safe to speak up.

Barclays is committed to providing a respectful and inclusive environment to work in and colleagues are encouraged to speak up about actions and behaviours that have no place in the organisation. 81% of global respondents of the 2024 Your View survey said it was 'safe to speak up' at Barclays.

Colleagues are encouraged to speak up directly to their people leader, Compliance, HR or Legal. However, where they do not feel comfortable using these avenues, the Raising Concerns process is available.

The Raising Concerns team carefully assess concerns and refer them to the most appropriate team for review and, where appropriate, investigation. All concerns are taken seriously and managed sensitively and confidentially. Information on how to raise a concern is available both internally and externally.

One of the channels to which concerns may be referred is the whistleblowing programme. Information about the whistleblowing programme is provided to colleagues globally, including through annual mandatory training.

Whistleblowing relates to concerns which fall within the wider public interest. This may include a breach of our policies or procedures, breaches of law and regulation or other behaviour that harms or is likely to harm the reputation or financial wellbeing of the Group.

Concerns assessed by Raising Concerns as whistleblowing are directed to a dedicated impartial team within the Compliance function. All whistleblowing concerns are taken seriously, and controls are in place to protect the confidentiality of whistleblowers.

Barclays has a zero-tolerance approach to retaliation against any whistleblower or any individual who has provided information as part of an investigation. Any act of retaliation by a colleague may result in disciplinary action, including dismissal.

In 2024, the whistleblowing team opened a total of 69 (2023: 67) whistleblowing concerns including 15 (2023: 19) retaliation concerns.

22% (2023: 25%) of whistleblowing concerns closed in 2024 were found to have some level of substantiation and other issues were identified in a further 19% (2023: 38%) of concerns.

None of the retaliation concerns closed in 2024 were substantiated.

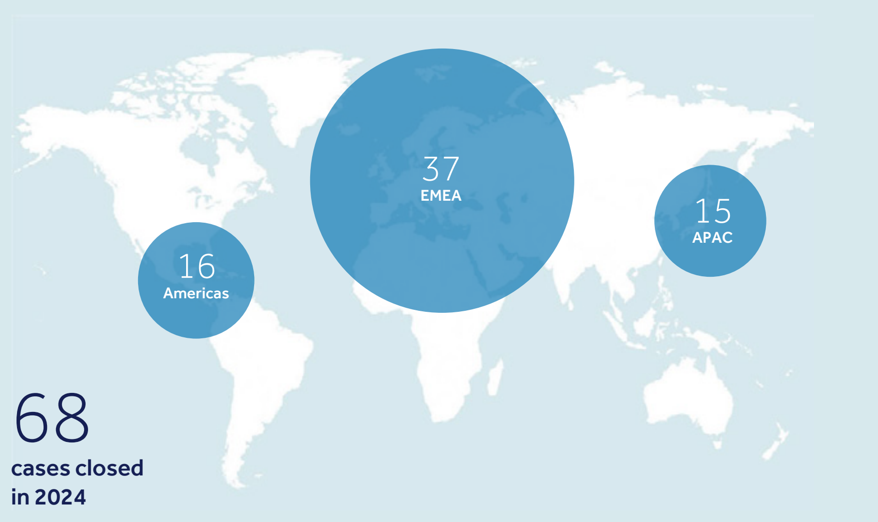
In addition, 57 (2023: 64) actions arising from concerns raised in 2024 were implemented to address issues identified during the course of investigation concerns . This includes recommendations to enhance processes and controls.

The Chair of the Group Board Audit Committee is the Group Whistleblowers' Champion and the Chair of the Barclays Bank UK PLC (BBUKPLC) Board Audit Committee is the BBUKPLC Whistleblowers' Champion.

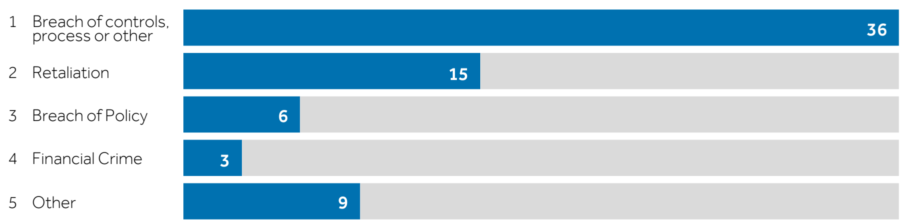
The Whistleblowers' Champions have responsibility for ensuring and overseeing the integrity, independence and effectiveness of Barclays' whistleblowing programme across their respective entities. Their oversight is supported by periodic impartial reviews and assurance of the whistleblowing process.

Barclays also works with Protect, the UK Whistleblowing Charity. The whistleblowing programme has benchmarked highly under Protect's best practice benchmark framework.

Whistleblowing cases closed by region



Whistleblowing cases opened by (top 4) categories



ESG Governance (continued)

Tax

Barclays supports a fair and transparent tax system.

"We were shortlisted for the 2024 PwC Building Trust Award for Tax Reporting in the FTSE 350 (Multinationals) Group."

Barclays takes a responsible approach to tax. We have strong governance and risk management over tax risk and are committed to transparency around tax.

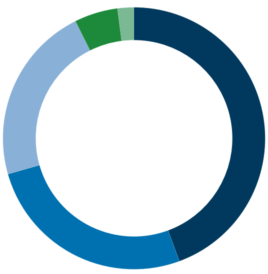
We know that it is important for our investors, customers and clients, regulators, tax authorities and other stakeholders to understand our approach to tax and our tax contributions in the countries in which we operate.

Our success in being able to clearly explain our approach to tax and understand what matters to our stakeholders is reflected in Barclays being one of three companies shortlisted for the 2024 PwC Building Trust Award for Tax Reporting in the FTSE 350 (Multinationals) Group. This award, which we won in 2023, recognises the clear explanations that companies provide about their tax affairs and their responsiveness to both stakeholder interest and the continually changing tax transparency landscape.

Taxes paid globally

£2,891m

Taxes paid globally in more detail
(£m)



Corporation tax and withholding taxes	1,283
Employer payroll taxes	758
Irrecoverable VAT	637
Bank levy	155
Other taxes including business rates	58

2023 taxes paid globally £2,505m

Tax contribution

We continue to make substantial tax contributions across the jurisdictions in which we operate, both in terms of taxes paid and taxes collected. Our total tax contribution for 2024 was £6,439m. This includes taxes paid of £2,891m which represent a cost to us, and taxes collected on behalf of governments of £3,548m.

Barclays was ranked as the seventh-largest UK taxpayer, in terms of taxes paid, in the most recent PwC Total Tax Contribution survey of the One Hundred Group ('100 Group'). The 100 Group represents members of the FTSE 100 along with several large UK private companies. Over the last decade we have paid £14bn of taxes in the UK alone.

For further details, see our Country Snapshot report at: **home.barclays/annualreport**

Approach to tax

Barclays' Purpose is working together, with all our stakeholders, for a better financial future for our customers, clients and communities. Our approach to taxation, also known as our tax strategy, is aligned with this Purpose as well as our Values of Respect, Integrity, Service, Excellence and Stewardship.

Our approach to tax has three core objectives:

- responsible approach to tax
- effective interaction with tax authorities, and
- transparency in relation to our tax affairs.

We manage our tax affairs in accordance with our Tax Principles, Tax Code of Conduct and HMRC's Code of Practice on Taxation for Banks and aim to file our returns on time and pay the correct amount of tax. We make clear disclosures to tax authorities and we are committed to only dealing with customer and client assets that have been appropriately declared to the relevant tax authority.

We are also committed to being a leader in tax transparency. We have published details of the taxes we pay by country and our approach to tax since 2013, and have chosen to expand our external publications such as the Country Snapshot.

Our Country Snapshot is publicly available, it sets out our approach to tax in detail, including our Tax Principles, and is reviewed and approved annually by the Barclays PLC Board.

Key highlights from our approach to tax include:

- we follow clear Tax Principles that we have published. These allow us to balance the needs of all our stakeholders and make clear that tax planning must support genuine commercial activity
- as a result of this approach, transactions which artificially transfer profits into a low tax jurisdiction would not be consistent with our Tax Principles
- we seek to comply with the spirit as well as the letter of the law and we take account of established practice in the territories in which we operate. We are transparent in both the disclosure of our tax affairs to tax authorities as well as our tax reporting to other stakeholders, and
- we aim to comply with all of our tax obligations in the territories in which we operate and where there is uncertainty we may seek external tax advice in order to help ensure our tax filings are appropriate.

ESG Governance (continued)

Tax governance, control and risk management

As a Global Systemically Important Bank, our Group-wide risk and governance procedures are subject to continuous review and scrutiny. More details on our approach to tax governance, control and risk management can be found in our Country Snapshot, the key highlights of which include:

- our Board has ultimate responsibility for tax matters and the Board Audit Committee oversees our approach to tax
- at Barclays, risks are identified and managed through our ERMF, which supports the business in its aim to embed effective risk management and a strong risk management culture. Under the ERMF all risks, including tax risk, are managed in accordance with a 'three lines of defence' model
- as part of the 'first line of defence' the tax department identifies and manages tax risk by developing appropriate policies, standards and controls to apply across our organisation. Risk and Compliance comprise the 'second line of defence', and Barclays Internal Audit is the 'third line of defence', and these functions review, challenge and provide assurance to the Board in relation to the effectiveness of governance, risk management and controls including those relating to tax risk
- we are subject to the Sarbanes-Oxley Act control requirements in relation to financial statements disclosures including those related to tax
- our tax department comprises appropriately qualified in-house professionals who are subject to clear standards including that they uphold our Tax Principles and follow our Tax Code of Conduct, which is an integral part of how we operate
- our governance requires that suitably qualified people are involved in decisions related to tax, tax is fully taken into account when making business decisions and tax risk is identified, assessed and kept under review, and
- we have no tolerance for tax evasion, have measures in place to prevent tax evasion facilitation and have well-established mechanisms for speaking up about unethical or unlawful behaviour through our raising concerns and whistleblowing processes, which apply equally to tax matters.

Stakeholder engagement and management of uncertainties related to tax:

Our reputation is very important to us and we take our external stakeholders' expectations into account when we make decisions in relation to our tax affairs. More details on our approach to stakeholder engagement and managing stakeholder concerns related to tax can be found in our Country Snapshot, and key highlights include:

- we believe that it is important to be transparent in the disclosure of our tax affairs both to tax authorities and stakeholders more broadly
- our dealings with tax authorities are handled proactively, constructively and transparently, in real-time where possible
- we recognise that early resolution of our tax affairs is in everyone's interest. We have ongoing engagement with tax authorities to discuss their inquiries and material issues in relation to our tax affairs, and we respond to feedback from tax authorities
- where we face significant uncertainty in relation to the application of tax law, we may seek to agree with the tax authority how the tax law should apply
- where relevant we seek to reach agreement with tax authorities using mechanisms available to all taxpayers including Advance Pricing Agreements and Mutual Agreement Procedures to clearly establish in which territories our profits should be taxed
- we engage with governments, tax authorities and NGOs through public consultations and other discussions to assist with the development of tax policy and the improvement of tax systems, and maintain our transparency with these stakeholders, and
- we cooperate with tax authorities globally to reduce the scope for individuals and companies to evade tax, and have met all of our 2024 information reporting obligations under the Common Reporting Standard and Foreign Account Tax Compliance Act.

The BPLC Board Audit Committee is responsible for considering the Group's tax strategy and overseeing compliance with the Group's Tax Principles. Please refer to **page 165** for details of BPLC Board Audit Committee oversight of tax related matters.

ESG Governance (continued)

Financial crime

Barclays recognises that financial crime has an adverse effect on individuals and communities wherever it occurs. Endemic financial crime can threaten laws, damage communities, impoverish states and distort trade and competition.

Barclays recognises that financial crime has an adverse effect on individuals and communities wherever it occurs. Endemic financial crime can threaten laws, damage communities, impoverish states and distort trade and competition.

Barclays is committed to conducting its global activities with integrity and respecting its regulatory, ethical, and social responsibilities to:

a. Protect customers, employees, and others with whom we do business, and

b. Support governments, regulators, and law enforcement in wider financial crime prevention.

Barclays seeks at all times to operate its business in accordance with all applicable laws, rules and regulations. Barclays does not tolerate any breach of financial crime laws and regulations that apply to our business and the transactions we undertake.

The Financial Crime Risk Management Framework (FCRMF) outlines how the Barclays Group manages and measures its Financial Crime risk profile. The Group Chief Compliance Officer is accountable for developing, maintaining and overseeing the Group wide FCRMF. The Legal Entity Money Laundering Reporting Officers are responsible for providing effective oversight, management and escalation of financial crime risk in line with the FCRMF at the Entity and Subsidiary level. This includes defining and owning the relevant financial crime risk policies which detail the control objectives, principles and other core requirements for the activities of the Group. It is the responsibility of the first line of defence to establish financial crime related controls to manage its performance and assess conformance to these policies and controls.

The FCRMF is supported by a Group-wide Financial Crime Policy. The Financial Crime Policy sets control objectives for the first line of defence to manage four key risks: anti-bribery & corruption (ABC); anti-money laundering & counter-terrorist financing (AML); anti-tax evasion facilitation (ATEF) and sanctions, including proliferation financing. This combined approach allows us to identify and manage relevant synergies and connections between these risks.

Employees are made aware that failure to comply with the Financial Crime Policy may give rise to disciplinary action, up to and including dismissal.

Anti-Bribery and Corruption

Bribery and corruption comprise:

a. Improperly obtaining or retaining business;

b. Improperly securing a business or personal advantage;

c. Inducing another person to perform their role in breach of an expectation of good faith, impartiality or trust.

Barclays and its employees are prohibited from engaging in or facilitating any form of bribery and corruption (giving and receiving, directly or indirectly). The Financial Crime Policy contains the minimum risk-based control requirements that all our businesses, legal entities and employees must follow. The Financial Crime Policy is designed to ensure that Barclays' employees know how to identify and manage the legal, regulatory and reputational risks associated with all forms of bribery and corruption.

Anti-Money Laundering

Money laundering and terrorist financing have been identified as major threats to the international financial services community and therefore to Barclays. The Barclays Financial Crime Policy include the requirement for Barclays businesses and legal entities to have adequate systems, procedures, and controls in place to manage the risk of Barclays being used to facilitate money laundering and terrorist financing. The requirements of UK legislation apply to Barclays globally. As a transatlantic bank, the Financial Crime Policy take into account US anti-money laundering requirements, in addition to EU and other jurisdiction in which we operate. Barclays also takes into account guidance issued by bodies such as the Wolfsberg Group.

Anti-Tax Evasion Facilitation

Tax evasion is a financial crime and a predicate offence to money laundering in the UK and many other countries in which we operate. Barclays takes a zero-tolerance approach to deliberate facilitation of tax evasion in any country and has procedures in place to prevent it. We also expect the same from our employees and third parties providing services for or on our behalf. Barclays is committed to preventing tax evasion facilitation by our employees or third parties acting for or on our behalf.

Sanctions

Sanctions are restrictions on activity with targeted countries, regions, governments, entities, individuals and industries that are imposed by bodies such as the European Union, the United Nations, (including but not limited to the proliferation of nuclear, chemical, or biological weapons), groups of countries, or individual countries, such as the United Kingdom and the United States. In order to protect its reputation and other legitimate business interests, in certain circumstances Barclays' sanctions risk appetite may be stricter than its legal obligations.

The Financial Crime Policy is designed to ensure that Barclays and its employees know how to identify and manage the risks associated with sanctions, including the risk that activity is undertaken through Barclays in breach of sanctions regulations.

For further details of the Barclays approach to Financial Crime compliance and prevention, please see our Financial Crime Compliance Statement in the ESG Resource Hub at **https://home.barclays/sustainability/esg-resource-hub/statements-and-policy-positions/**

ESG Governance (continued)

Health and Safety

Policy and Standard

Barclays has a suite of health and safety (H&S) policies and standards, which include clear roles and responsibilities for leadership and colleagues. These combine under a single high-level statement of commitment endorsed by the Group Exco.

Health and Safety Management System

Barclays has implemented and maintains a comprehensive H&S management system globally, which is certified to the international standard ISO45001 in the USA, UK, India, Singapore, Hong Kong and Japan.

Health and Safety Risk Assessment and Assurance

Barclays H&S management system is validated through H&S assurance and risk assessment programmes. Risk assessments identify hazards and the control measures required to proportionately manage the associated risks, whilst H&S assurance validates that control measures are designed effectively, implemented and operating effectively, and that site monitoring is taking place.

While H&S legislative requirements vary globally, our assurance and risk assessment programmes apply a risk-based approach, designed by our internal H&S team and informed by their experience, specific legislative requirements and relevant factors such as building type, building criticality, activities, and occupancy.

Incident Management

Barclays' incident reporting system ensures incidents are recorded and investigated appropriately, as required by local regulatory statute, and escalated as required by Barclays' risk management frameworks.

Measure	2024	2023
Lost Time Incidents (per 100 employees)	**0.018**	0.025

Contractor Management

Suppliers are subject to a supplier H&S risk evaluation during onboarding, annually thereafter and when they notify a change in service delivery. In addition, suppliers complete an annual control obligation review.

Health and Safety Training

Colleagues complete annual mandatory H&S training with additional information and guidance provided on Barclays' H&S intranet. This information includes risk assessments, guidance and templates for personal emergency evacuation plans, display screen equipment assessments, manual handling, occupational stress, and lone working.

Governance

Key indicators (KIs) and control environment characteristics (CECs) are defined to support the oversight and monitoring of Barclays' global H&S performance. These are reviewed at least annually and reported at least quarterly.

KIs include quantitative and qualitative measures against defined tolerance, and in 2024 our assurance tolerance threshold tightened by 5%. Examples of KIs and CECs include:

- Investigation of reported incidents
- Completion of H&S assurance
- Completion of fire risk assessments
- Mandatory H&S training completion
- Testing of supplier H&S controls.

Barclays' programME of internal control testing supports the effective performance of KIs and CECs, and enables improvement opportunities to be identified and acted upon. H&S performance is reported to the Group H&S Forum which oversees effective management of H&S globally. Barclays operates a reward and recognition scheme through which colleagues are recognised for improving controls, including those supporting the H&S management system.

Management Information

The H&S team collates and reviews management information including incident, risk assessment and H&S assurance data to identify themes and trends. Relevant insights, emerging themes and other information are reported to and reviewed by the Group H&S Forum.

2024 Improvements

H&S improvement delivered in 2024 include:

- Extending ISO45001 certification in line with our continuous improvement strategy
- Launching new driving for work programme to improve how associated risks are managed for colleagues who drive for business.
- Enhancing the process for colleagues completing display screen equipment assessments.
- Improving horizon scanning, to keep up-to-date with new or revised H&S legislation.
- Strengthening contractor management processes.

The Health and Safety Risk Management Framework overview is as follows:

Health and Safety Forum			
Leadership	**Statement of Commitment for Health and Safety**		
H&S Data	**Data: Performance against commitment**		
Horizontal	**Premises**	**People**	**Physical Security**
Risks	Harm to people through physical injury arising from Barclays' activities (excluding Physical Security incidents)	Harm to colleagues as a result of health and wellbeing related hazard mismanagement L3	Physical security incidents resulting in harm to staff or external parties L3
Policies	Premises – Property and Health & Safety Policy	Health Services & Wellbeing Policy	Physical Security Policy
Standards	Premises – Health & Safety Standard	Health Services & Wellbeing Standard	Physical Security Standard

ESG Governance (continued)

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 client, 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 principally managed through our supplier contract templates, which require that suppliers commit to ensuring personal data shared with them is safeguarded and respected throughout the supply chain.

Data security

As detailed below, Barclays' Chief Security Office and Chief Information Security Office operate controls aimed at mitigating cybersecurity-related risks and understanding internal and external threats.

Barclays deploys controls designed 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.

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.

In operating under a hybrid working model, we have continued to educate colleagues on cybersecurity risks in order to help minimise risks related to remote working, such as data exploitation or leakage.

Barclays works with industry bodies and cybersecurity vendors to learn from risk events in other organisations. Our teams use such intelligence to simulate plausible cybersecurity and data compromise scenarios that allow us to exercise, review and improve our response and recovery plans in preparation for evolving threats.

Operational resilience

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

ESG Governance (continued)

Resilience and security is a focus for the Board. Barclays continues to strengthen its resilience posture and is focused on its ability to recover from a range of 'severe but plausible' scenarios which could cause detriment to its 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. Recovery plans and business response plans have been developed for a range of different disruption events, such as cyber or data integrity disruptions, or technology failures. These recovery plans are reviewed and validated 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.

Operational resilience is delivered through an established and robust Operational Resilience Framework underpinned by a Policy, Standards, methodologies and procedures. These are integrated with Barclays' Enterprise Risk Management Framework (ERMF) and set the tone from the top. The Standards are embedded within the Barclays Controls Framework and provide a consistent approach across the firm.

The Operational Recovery Planning Policy and Standards drive the identification of the business services that are most important to Barclays, its customers, clients and the markets in which Barclays operates. The Standards also define requirements for setting recovery targets, mapping of dependencies, planning and testing.

Resilience and security is the responsibility of everyone within the Group. All permanent employees are required to complete annual mandatory training on these topics.

Please refer to **page 173** for details of Barclays PLC Board Risk Committee oversight relating to operational resilience.
Please refer to the 'Material existing and emerging risks' section in our Risk review on **pages 276** to **277** for further details on cyberattacks, data management and information protection.
Please refer to the 'Supervision and regulation' section in our Risk review on **page 392** for further details on our regulatory approach to managing such risks.

Chief Security Office and Chief Information Security Office

Barclays' Chief Security Office and Chief Information Security Office exist to keep the bank, its customers, clients, and colleagues safe and secure, and to support the resilience of our operations. They support Barclays' ability to operate in a protected and secure environment, and actively promote a culture of security as everyone's responsibility.

The Group Chief Security Officer and Group Chief Information Security Officer (CISO) head Barclays' Chief Security Office and Chief Information Security Office, respectively. The Group Chief Security Office is responsible for physical security, threat intelligence, crisis management, and investigations and liaising with law enforcement, among other areas. Barclays' Group Chief Security Officer combines 10 years of law enforcement experience with over 20 years of experience in senior leadership roles managing security at global financial institutions, and is supported by a leadership team with expertise in threat intelligence, investigations, security transformation, and crisis management, as well as other teams of subject matter experts and analysts.

In 2024, Barclays' Group CISO was elevated to report directly to the Group Chief Information Officer (a member of the Group Executive Committee), to leverage the strategic and operational benefits of aligning cybersecurity and technology. The Group Chief Information Officer reports to the Chief Operating Officer, and also sits on the Group Executive Committee. Barclays' Group CISO is responsible for assessing and managing Barclays' material risks from cybersecurity threats. The Group CISO is responsible for areas that, among others, include cybersecurity operations; internal penetration testing; third-party security management; cryptography; vulnerability management; governance, risk, and compliance; cyber threat intelligence; and identity access management. The Group CISO has more than 20 years of experience managing cybersecurity for global financial institutions, including responsibility for cybersecurity fusion centres, cyber intelligence, security engineering and architecture, security operations, and network services. The Group CISO is supported by a team of CISOs for individual business units and jurisdictions.

Chief Information Security Office leaders manage Barclays' cybersecurity activities and are accountable for the day-to-day monitoring of residual risk, identification of gaps, oversight of remedial actions and implementation of strategy. The Group CISO and supporting leadership team collectively have advanced degrees and senior level experience managing cybersecurity risks in a variety of sectors, including those that represent critical national infrastructure, such as telecommunications and financial institutions. They are supported by teams of subject matter experts and analysts in a variety of specialisations, such as penetration testing, cyber-forensic investigations, security engineering, and vulnerability management.

Supporting the delivery of Barclays' cyber and information security strategy are multiple management committees, forums, and councils, including Cyber Control Councils for each of the 11 Standards supporting the Group Information and Cybersecurity Policy. These Cyber Control Standards Councils feed into the Cybersecurity Horizontal Controls Forum, the Group Controls Committee, the Group Risk Committee, and ultimately the Board Risk Committee. In addition, the Group COO holds standalone business reviews that include management updates on the status of cybersecurity across the Group, and a standalone COO Controls Forum that also escalates to the Group Controls Committee. Barclays' Operational Risk and Internal Audit functions provide independent views of cyber risk management from second and third line of defence perspectives.

Barclays assesses its cybersecurity activities against the industry-recognised National Institute of Standards and Technology (NIST) Cybersecurity Framework. Under Barclays' Enterprise Risk Management Framework, there is an Information and Cyber Security Policy supported by 11 Standards which define the minimum requirements for cybersecurity matters across the Barclays Group.

ESG Governance (continued)

The Policy leverages key risk indicators defined in the Standards to integrate cybersecurity risk management into the Group's Enterprise Risk Management Framework. The Standards cover the following topics: Cryptography, Network Security, Security Configuration, Data Loss Prevention, Vulnerability Management, Data Security, Incident Response & Threat Intelligence, Threat Management, Governance, Identity & Access Management, and Application Security. The Group CISO approves and is accountable for the Information and Cyber Security Policy and associated Standards. As part of our programme, we periodically assess our performance against these Standards and identify areas for improvement and remediation.

The Board Risk Committee, within its oversight of Operational Risk as a Principal Risk, is responsible for overseeing risks arising from cybersecurity threats. In 2024, the Group Chief Security Officer and Group CISO provided updates to the Board Risk Committee about cybersecurity risks facing the Group. Such updates addressed topics that included the cybersecurity threat environment and ransomware attack preparedness, measurement of Barclays' risk and control posture, cybersecurity incident trends and Barclays' response, plans to improve Barclays' ability to recover from a material cyberattack scenario, Barclays' vulnerability management, privileged access to Barclays' systems, regulatory developments, and risks and opportunities related to emerging technology and artificial intelligence.

Engaging external security consultants to conduct penetration tests, attack simulations and other reviews to independently benchmark Barclays' cybersecurity capabilities is an important part of our cybersecurity programme that allows us to identify and remediate cybersecurity weaknesses. In 2024, Barclays' Group CISO and Group Chief Information Officer briefed the Board Risk Committee on plans to address the findings of penetration testing and cybersecurity assessments and remediate identified weaknesses.

Barclays also partners with third-party security providers on certain activities such as cyber recovery, software vulnerability scanning, penetration testing, distributed denial of service (DDoS) attack prevention, phishing simulations, third-party risk management, incident response, intelligence, fraud prevention, and industry benchmarking.

An important part of Barclays' cybersecurity environment is its Joint Operations Centres (JOCs), which operate 24x7x365 from three globally strategic locations, linking Barclays' 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 and escalation, based on defined severity levels. During live incidents, the Barclays Crisis Management Team monitors the response by Incident Management Teams, Resilience Leads, and others, and has discretion to invoke one or more Barclays Crisis Leadership Teams (CLTs). CLTs are business-led teams at entity, business unit, and regional levels that provide strategic leadership in a crisis, maintain incident management oversight, and coordinate key decision making.

To manage security risk from Barclays' third-party suppliers, many of which perform critical services for Barclays' businesses and handle sensitive Barclays data, we have a set of contractual Information and Cyber Security Supplier Control Obligations that are based on requirements in our internal Standards. Using our dedicated Third Party Security Management team's capabilities, as well as third-party tooling, we conduct assurance over our third and fourth parties against those obligations. Activity is structured on a risk-based approach that prioritises 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 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 and fourth 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 a UK certification for Digital Banking.

Training

Barclays requires colleagues to complete mandatory information security training at least annually. Topics covered include incident reporting procedures, protecting sensitive data, device security, data leakage prevention, social engineering awareness, and password management. Consequences of non-completion may include disciplinary action and impact to compensation.

Barclays performs a number of key activities related to identifying, investigating, responding to and containing phishing, including an operational process that provides education and awareness through phishing simulation exercises, and management interventions for employees who demonstrate susceptibility to phishing lures. To report suspected phishing to Barclays' JOCs for further investigation, colleagues have a reporting tool integrated into their email account and receive feedback on whether the reported email was suspect or genuine. Barclays uses metrics to continually refine its phishing education and training.

Risk review

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

Barclays' risk management strategy

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

Enterprise Risk Management Framework (ERMF)

The ERMF governs the way in which the Group identifies and manages its risks. It outlines the highest level arrangements for risk management by setting out standards, objectives and key responsibilities of different groups of employees of the Group.

It is approved by the Barclays PLC Board on recommendation of the Group Board Risk Committee and the Group Chief Risk Officer.

The ERMF sets out:

- principal risks faced by the 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
- risk management and segregation of duties: The ERMF defines a Three Lines of Defence model
- roles and responsibilities for key risk management and governance: The accountabilities of the Group CEO, Group CRO and other senior managers, as well as an overview of Barclays PLC committees.

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 the detail of the control requirements to ensure the control objectives set by the policies are met.

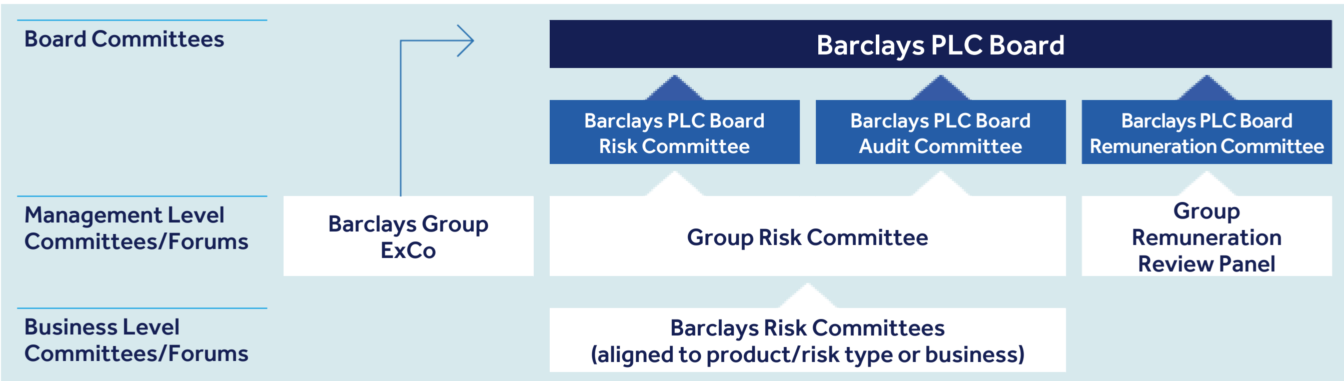
Segregation of duties – the 'Three Lines of Defence' model

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 all employees engaged in the revenue-generating and client-facing areas of the 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 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 comprises 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 Group, and to oversee the performance of the 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 firm. These will remain subject to oversight by the second line.
- The third line of defence is Internal Audit, and is 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 bank 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 bank is exposed.

Tesco Bank acquisition

On 1 November 2024, the Group completed the acquisition of Tesco Bank which includes credit cards, unsecured personal loans, deposits and the operating infrastructure. Following the acquisition, the acquired Tesco Bank business continues to operate largely within its own risk framework, with dispensations in place for material divergences from existing Group policy requirements. Any subsequent changes to the Tesco Bank approach will be part of integration planning activity.



Risk management (continued)

Principal risks

The ERMF identifies ten principal risks namely: credit risk, market risk, treasury and capital risk, climate risk, operational risk, model risk, compliance risk, financial crime, reputation risk and legal risk. In 2024, financial crime risk was elevated to a principal risk, effective from 1 January 2025. Previously, financial crime risk was managed as part of compliance risk. Recognising the increased external threat of financial crime, this change will enhance transparency and visibility of financial crime risk within the Group and reinforce independent assessment, management and oversight of financial crime risk.

Each of the principal risks is overseen by an accountable executive within the Group 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 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 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, supported by limits to enable and control specific exposures and activities that have material concentration risk implications.

Risk committees

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

In addition to setting the risk appetite of the Group, the Board is responsible for approving the ERMF, and reviewing reputation risk matters. It receives regular information on the risk profile of the Group, and has ultimate responsibility for risk appetite and capital plans.

Further, there are two Board-level committees which oversee the application of the ERMF and implementation of key aspects, the Barclays PLC Board Risk Committee (BRC) and the Barclays PLC Board Audit Committee (BAC). Additionally, the Barclays PLC Board Remuneration Committee oversees pay practices focusing on aligning pay to sustainable performance.

- The Barclays PLC Board Risk Committee (BRC): the BRC monitors the 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 BRC also reviews certain key risk methodologies, the effectiveness of risk management, and the Group's risk profile, including the material issues affecting each business portfolio and forward risk trends. The committee also commissions in-depth analysis of significant risk topics, which are presented by the Group CRO or senior risk managers.
- The Barclays PLC Board Audit Committee (BAC): the BAC receives regular reports on the effectiveness of internal control systems, quarterly reports on material control issues of significance, quarterly papers on accounting judgements, including a review of the adequacy of impairment allowances.
- The Barclays 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.

The terms of reference and additional details on membership and activities for each of the principal Board committees are available from the corporate governance section of the Barclays website at: home.barclays/who-we-are/our-governance/board-committees/

The GRC is the most senior executive body responsible for reviewing and monitoring the risk profile of the Group. This includes coverage of all principal risks, and any other material risks, to which the Group is exposed. The GRC reviews and recommends the proposed risk appetite and associated limits to the BRC. The committee covers all business units and legal entities of the Group and incorporates specific coverage of Barclays Bank Group.

Risk themes and horizon scanning reports, highlighting emerging and forward looking risks, are regularly presented to the BRC for discussion and analysis. The themes are derived and quantified from principal risk horizon scanning and risk registers, complemented by senior management and BRC input. Watching brief items are collated and informed along the risk themes as a list of risks which may have a more limited impact and likelihood in the near-term but have the potential to develop and meet the risk theme definition in the future. The inventory of risk themes is updated regularly with key changes presented to the BRC. Key risk themes are a subset of the risk themes considered most topical at that moment and material to the Group considering the external environment. The BRC semi-annually reviews and discusses a report entitled 'Key Risk Themes and Management Actions'.

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 Group identifies, escalates and manages risk matters.

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

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

The Group CEO works with the Executive Management to embed a strong risk culture within the firm, 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 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

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

The 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 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. The factors set out below should not be regarded as a complete and comprehensive statement of all the potential risks and uncertainties which the Group faces. For example, certain other factors beyond the 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 Group.

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

i) Business conditions, general economy and geopolitical issues

The 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 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, 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 clients 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 creditworthiness, securities prices and solvency of counterparties; and (v) revisions to calculated expected credit losses (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.

During 2024, global economic growth has remained muted, mainly driven by a more uncertain geopolitical environment, a high interest rate environment, an economic slowdown in China and continued structural economic issues in the UK and EU. Without limitation, the Group has observed the following macroeconomic risk themes / trends:

- Limitations on economic output growth, mostly driven by: (i) tight labour markets and low productivity growth in the main western economies; (ii) large fiscal deficits; and (iii) high energy prices and strained global supply chains driven by geopolitical events such as the Ukraine war and the conflict in the Middle East have made central banks pursue a slower than expected reduction path for interest rates. In 2024 these 'higher-for-longer' rates have dampened economic activity, increasing fears of a hard-landing scenario across the US, Europe and the UK which could have a material adverse effect on the Group's results of operations and profitability.
- A significant proportion of the Group's portfolio is located in the US, including a major credit card portfolio and a range of corporate and investment banking exposures. The results of the 2024 US elections suggest a reduced risk of a debt-ceiling crisis in the near term but increased potential for significant changes in US policy by the new administration in certain sectors which could negatively impact certain portfolios or clients. The long-term impacts of the new policies announced since the new administration took office remain uncertain although they may, depending on their implementation and the reactions they generate, create inflationary pressures, lead to diverging regulatory agendas compared to other regions where the Group operates, usher in an era of deregulation in the US banking sector (which, in turn, could result in increased competitive pressures on non-US banks), fuel government indebtedness and/or provoke disorderly market corrections.
- The potential adverse impact of such events on business performance, unemployment, competitiveness and economic output could lead to higher levels of impairment or lower revenues, which could have a material adverse effect on the Group's results of operations and profitability.
- The adoption of tariffs and other protectionist measures or countermeasures, particularly by the US, would further complicate the economic outlook for the EU, China and other export-driven emerging markets given their trade surpluses. This could have a material adverse effect on the Group's business in the affected regions.
- The EU faces a number of structural challenges and is vulnerable to adverse geopolitical developments. Key difficulties for the EU include heavily indebted governments, a lack of productivity growth, tight labour markets and deteriorating demographics. In addition, some of the EU's key economic sectors, including automobiles and renewables, are under pressure from competitive imports and potential tariffs on exports to the US. Uncertainty surrounding NATO's future and pressure to increase spending add to the vulnerability. A deterioration in these difficulties could adversely impact the Group's business in the EU.
- In China, a property market slump, shrinking exports, and weakened currency (and resulting capital outflows) have caused an economic slowdown, with deflation a real risk. The high levels of debt, particularly in the property sector, remain a concern given the high leverage multiples. It remains uncertain whether recently announced government action will be sufficient to redress the situation. A further shift away from market-based reforms could further damage private-sector confidence and impact economic growth. Any property shock risks contaminating the financial sector and precipitating a wider banking crisis could affect the exposures of the Group across global markets which are subject to contagion effects.

Material existing and emerging risks (continued)

- The UK, which is the Group's main retail banking market, faces a number of structural challenges. The Labour government has identified economic growth as a priority. However, the long-term impacts of the latest budget and tax increases remain uncertain with risks to the Group's retail and corporate businesses in case of economic underperformance. This could have a material adverse effect on the Group's results of operations and profitability.
- The loss of 'the presumption of conformity' is widely reported to have raised costs for UK customers exporting to the EU as it results in their products no longer presumed to be in line with corresponding EU rules, which, together with the risk of regulatory divergence between the UK and the EU, could adversely impact both the Group's EU and UK operations.

A deterioration in the aforementioned economic and business environment could result in (among other things):

- A prolonged slowdown in the markets where the Group operates, with lower economic output, higher unemployment and depressed property prices, which could lead to increased impairments in relation to a number of the Group's portfolios (including, but not limited to, the UK mortgage portfolio, the 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 Group's trading book positions and affect the underlying value of assets held in the banking book, including securities held by the Group for liquidity purposes. In addition, market confidence and depositor perceptions of banking fragility as seen in certain institutions in 2023 could increase the severity and velocity of deposit outflows, impacting the Group's liquidity position;
- A credit rating downgrade for one or more members of the Group (either directly or indirectly as a result of a downgrade in the UK sovereign credit ratings), which could significantly increase the Group's cost of funding and/or reduce its access to funding, widen credit spreads and have a material adverse impact on the Group's interest margins and liquidity position; and/or
- A market-wide widening of credit spreads or reduced investor appetite for the Group's debt securities, which could negatively impact the Group's cost of and/or access to funding.

In addition to subdued economic growth, other risk factors could adversely affect the business environment in which the Group operates:

- Economic activity is becoming increasingly dependent on data, technology, networks, infrastructure and cybersecurity, heightening the risk and potential impact of service disruptions, either accidental or driven by bad actors such as cybercriminals or states using asymmetric tactics.
- Financial institutions are often perceived to have a role in global developments or events like climate change, digitalisation, conflict in the Middle East, fraud, money laundering and sanctions, which give rise to reputational risks which are complicated to navigate.
- Recent disruptions to global supply chains, including as a result of the Covid-19 pandemic, semi-conductor shortages, the Russia-Ukraine conflict, the Red Sea freight disruptions and the Panama Canal drought have all had an impact and underlined the potential for further adverse impacts on the markets in which the Group operates. Further geopolitical deterioration, in particular in the Middle East and/or South China Sea and trade war related de-coupling of production chains could also have a negative impact on the markets in which the Group operates.
- Diverging financial, conduct and prudential regulations between the jurisdictions where the Group operates increase the complexity and costs of compliance. In particular, increasing uncertainty and regulatory divergence between different jurisdictions relating to climate risk will add complexity and increase costs for compliance against varying regulatory expectations whilst also making it difficult for the Group to effectively and consistently manage stakeholder expectations and climate risks across its portfolios.

The circumstances mentioned above could have a material adverse effect on the 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 Group's customers, clients, employees and suppliers.

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

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

Lower interest rates could put pressure on the Group's net interest margins (the difference between lending income and borrowing costs) due to either a delay in passthrough or a smaller passthrough of the interest rate cuts to customer and client deposits. This could adversely affect the profitability and prospects of the Group.

Higher interest rates could result in higher funding costs either due to higher refinancing costs or due to deposit balance mix changes as customers and counterparties prefer switching into deposits that pay a higher rate. In addition, interest rates remaining higher for longer (due to either smaller or less frequent than expected interest rate cuts, or larger or more frequent than expected interest rate increases), could lead to generally weaker than expected growth, reduced business confidence and higher unemployment. This, combined with the impact that higher interest rates may have on the affordability of loan arrangements for borrowers (especially when combined with inflationary pressures), could cause stress in the lending portfolio and underwriting activity of the Group. This could result in higher credit losses, driving increased impairment charges which would most notably impact retail unsecured portfolios and wholesale non-investment grade lending. This could have a material effect on the Group's business, results of operations, financial condition and prospects.

In addition, changes in interest rates could have an adverse impact on the value of the securities held in the Group's liquid asset portfolio. Consequently, this could create more volatility than expected through the Group's fair value through other comprehensive income (FVOCI) reserve and could adversely affect the profitability and prospects of the Group.

Material existing and emerging risks (continued)

iii) Competition in the banking and financial services industry

The 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 and changes to market and economic conditions. The Group expects that competition in the financial services industry will remain intense and may have a material adverse effect on the Group's future business, results of operations, financial condition and prospects.

New competitors in the financial services industry continue to emerge. For example, 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 a 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 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. For example, the Group has begun to take steps to expand its investment in and to integrate AI technologies, including generative AI. Such AI technologies and services are rapidly evolving, and require significant investment, including development and operational costs, to meet the changing needs and expectations of the Group's customers and clients. Failure to efficiently develop or integrate such AI technologies may impact the Group's competitive position and its ability to increase the efficiency of and reduce costs associated with its operations and to offer innovative products and services to customers.

Ongoing or increased competition and/or disintermediation of banking services may put pressure on the pricing of the Group's products and services, which could reduce the Group's revenues and profitability, or may cause the 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 regulatory change. The failure of any of the 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 Group's ability to attract or retain clients and customers. Any such impact could, in turn, reduce the Group's revenues.

iv) Regulatory change agenda and impact on business model

The 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 legislative and regulatory changes that are relevant to the Group's business may have an effect beyond the country in which they are enacted, either because sectoral regulators within the banking and finance industries and legislators in national and supranational governments deliberately enact laws and/or regulations with extra-territorial effect or its global operations mean that the Group gives effect to local laws and regulations on a wider basis.

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 clients and customers are treated. Governments and regulators in the UK, the US, the EU or elsewhere may intervene further in relation to areas of industry risk and/or regulatory risk already identified, or in new areas, which could adversely affect the Group.

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

- the continued 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 Consumer Duty in the UK, and review of the provision of financial advice to consumers;
- the implementation of any conduct measures as a result of regulators' focus on and review of organisational culture, employee behaviour and whistleblowing, as well as proposals for a new regulatory framework on diversity and inclusion in the UK, with a particular focus on firms' management of non-financial misconduct matters;
- the UK regulators' strategy for and promotion of competitive markets and growth, both domestically and internationally;
- the reforms to the regulatory frameworks supporting the wholesale financial markets, including recent (and expected) changes to conduct of business, listing, securities offering regimes, securitisation and derivatives related requirements, and proposed reforms to transaction reporting regimes;
- the increasing regulatory expectations and requirements relating to various aspects of operational resilience, including an increasing focus on minimising the impact of operational disruptions (including digital operational disruptions) on the UK financial sector, the role of critical third-party service providers to financial institutions, and operational incident and third party reporting requirements;

Material existing and emerging risks (continued)

- 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), payments and related infrastructure, and cybersecurity. This also includes the introduction of new and/or enhanced laws and/or regulatory standards in these areas, underpinned by customer protection principles, and actions by regulators that are designed to support the use of AI in the financial sector;
- the continued evolution of the UK's regulatory framework following the UK's withdrawal from the EU, particularly following the implementation of the Financial Services and Markets Act 2023 (FSMA 2023) which provides for the ongoing revocation and repeal of assimilated law relating to financial services and, where relevant, its replacement with rules made (or to be made) by UK regulators, as well as any areas of divergence between the UK and EU regulatory regimes;
- the implementation of the reforms to the finalisation of the Basel III package, which includes changes to the RWA approaches to credit risk, market risk, counterparty risk, operational risk and credit valuation adjustments risk, the application of input and output floors and the leverage ratio, as well as potential reforms to other aspects of prudential regulation, including the large exposures framework, the UK policy framework for capital buffers, and amendments to the Bank of England's approach to setting a minimum requirement for own funds and eligible liabilities (MREL);
- greater monitoring of, and implementation of policies to address capital requirements, liquidity risk, and credit risk management and continuing focus of review of and assurance activities in relation to reporting methodology and data quality;
- 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, corporate sustainability due diligence obligations, anti-greenwashing rules and requirements to develop and disclose a climate transition plan, as well as reactions to such initiatives, including anti-ESG legislation and rules;
- the incorporation of climate change considerations, including transition risks in particular, within the global prudential framework;
- the operation of, and recent reforms to, the UK ring-fencing regime. The ring-fencing regime requires, among other things, the separation of the retail and SME deposit taking activities of UK banks from wholesale and investment banking operations into a legally distinct, operationally separate and economically independent entity (i.e., a 'ring-fenced' bank), which is not permitted to undertake a range of activities;
- the introduction of measures in the UK designed to preserve access to cash for consumers (including the retention of specific branches) and, more generally, access to payment accounts;
- 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 Group's ability to implement globally consistent and efficient operating models;
- the continued focus by regulators worldwide and industry bodies on benchmark reform and market transition to new risk-free reference rates. Given the unpredictable consequences of benchmark reform, there could be an adverse impact on market participants, including the Group, in respect of financial instruments linked to, or referencing any ceasing benchmarks or their replacement rates;
- 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 and, in the UK, reforms relating to authorised push payment fraud reimbursements and the ability of payment service providers to delay the processing of transactions in certain circumstances;
- the reform of corporate criminal liability in the Economic Crime and Corporate Transparency Act 2023 in the UK, which includes a failure to prevent fraud offence;
- 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 Group and its individual operating entities that may have different effects in different countries;
- continuing regulatory focus on data privacy, including the collection and use of personal data, and protection against loss and unauthorised or improper access to, or disclosure of, such data;
- ongoing requirements to allocate and monitor management accountability within the Group (for example, the requirements of the Senior Managers and Certification Regime in the UK and similar regimes elsewhere that are either in effect, are due to come into effect in the future or are under consideration, including new rules in the EU applicable to appointing senior managers), as well as requirements relating to executive remuneration and, separately, potential reforms to the UK's Certification Regime;
- continuing regulatory focus on the effectiveness of internal controls and risk management frameworks, as evidenced in regulatory fines and other measures imposed on the Group and other financial institutions; and
- recent proposals in the US card market impacting consumer late fee assessments.

For further details on the regulatory supervision of, and regulations applicable to, the Group, refer to the Supervision and regulation section on **page 383.**

v) Change delivery and execution risks

The 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. The Group announced, as part of the Investor Update in February 2024, a plan to become simpler, better and more balanced. This strategic plan is intended to enable the Group to improve its customer service, provide more support to consumers and businesses, deliver higher quality income growth and build returns. Accordingly, effective management of transformation projects is required to successfully deliver the 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

Material existing and emerging risks (continued)

required to meet these priorities can result in heightened execution risk.

The ability to execute the Group's strategy may be limited by operational capacity and the increasing complexity of the regulatory environment in which the Group operates. In addition, whilst the 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 Group's business, results of operations, financial condition, customer outcomes, prospects and reputation.

vi) Holding company structure of Barclays PLC and its dependency on distributions from its subsidiaries

Barclays PLC is a holding company and its principal sources of income are, and are expected to continue to be, distributions (in the form of dividends and interest payments) from operating subsidiaries which also hold the principal assets of the Group. As a separate legal entity, Barclays PLC relies on such distributions in order to be able to meet its obligations as they fall due (including its payment obligations with respect to its debt securities) and to create distributable reserves for capital distributions (such as dividends to ordinary shareholders and share buybacks).

The ability of Barclays PLC's subsidiaries to pay dividends and interest and Barclays PLC's ability to receive such distributions from its investments in its subsidiaries and other entities will be subject not only to the financial performance of such subsidiaries and entities and prevailing macroeconomic conditions but also to applicable laws, capital regulations (including internal MREL requirements) and other restrictions (including restrictions imposed by governments and/or regulators, which limit management's flexibility in determining capital distributions and capital allocation). These laws, capital regulations and restrictions could limit the payment of dividends and distributions to Barclays PLC by its subsidiaries and any other entities in which it holds an investment from time to time, which could restrict Barclays PLC's ability to meet its obligations and/or to make capital distributions (such as dividends to ordinary shareholders and share buybacks).

vii) Application of resolution measures and stabilisation powers under the UK Banking Act

Under the UK Banking Act 2009, as amended (Banking Act), substantial powers are granted to the Bank of England (or, in certain circumstances, HM Treasury), in consultation with the PRA, the FCA and HM Treasury, as appropriate, as part of the UK's special resolution regime (SRR). These powers enable the relevant UK resolution authority to implement resolution measures and stabilisation options with respect to a UK bank or investment firm and certain of its affiliates (currently including Barclays PLC) (each, a relevant entity) in circumstances in which the relevant UK resolution authority is satisfied that the resolution conditions are met.

The SRR consists of five stabilisation options: (i) private sector transfer of all or part of the business or shares of the relevant entity; (ii) transfer of all or part of the business of the relevant entity to a 'bridge bank' established by the Bank of England; (iii) transfer to an asset management vehicle wholly or partly owned by the Bank of England; (iv) the cancellation, transfer or dilution of the relevant entities' equity (including Barclays PLC's ordinary share capital) and write-down or conversion of the relevant entity's capital instruments and liabilities (the bail-in tool); and (v) temporary public ownership (i.e. nationalisation).

In addition, the relevant UK resolution authority may, in certain circumstances, in accordance with the Banking Act require the permanent write-down or conversion into equity of any outstanding Additional Tier 1 securities, Tier 2 securities or internal eligible liabilities prior to, or together with, the exercise of any stabilisation option. In addition, any such action could result in the dilution, transfer or cancellation of Barclays PLC's ordinary share capital, and/or the write-down or conversion of capital instruments and internal eligible liabilities and therefore reduce or extinguish Barclays PLC's obligations to relevant shareholders and or creditors. Measures that could be taken to reduce or eliminate the risk of resolution action being taken include restricting Barclays PLC's ability to pay dividends to ordinary shareholders.

Shareholders and creditors should assume that, in a resolution situation, public financial support will only be available to a relevant entity as a last resort after the relevant UK resolution authorities have assessed and used, to the maximum extent practicable, the available resolution tools, including the bail-in tool (the Bank of England's preferred approach for the resolution of the Group is a bail-in strategy with a single point of entry at Barclays PLC). The exercise of any of such powers under the Banking Act or any suggestion of any such exercise could materially adversely affect the value of Barclays PLC ordinary shares, could lead to shareholders losing some or all of their investment and could mean that creditors may not recover all or any of the sums they are owed.

The 'no creditor worse off' safeguard within the Banking Act requires that no shareholder or creditor must be left worse off from the use of resolution powers than they would have been if the relevant entity had entered insolvent liquidation. Whilst shareholders and creditors may be entitled to compensation where there is determined to have been a shortfall following a valuation, there can be no assurance that shareholders and creditors would recover any such compensation promptly or that such compensation will be equivalent to the full losses that they have incurred whether in resolution or otherwise.

viii) Acquisition of Tesco Bank

On 1 November 2024, the Group acquired the retail banking business ("Tesco Bank") from Tesco Personal Finance PLC (the "Tesco Bank acquisition") and entered into a 10 year strategic partnership with Tesco Stores Limited (the "Tesco Partnership") to continue to originate banking products and services using the Tesco Bank brand.

Actual results associated with the acquisition of Tesco Bank and entry into the Tesco Partnership may differ from the anticipated results, including with respect to: (i) the overall future performance of the assets and liabilities acquired through the Tesco Bank acquisition; (ii) the level of integration achieved, and the cost and timing of any integration, for Tesco Bank; and (iii) the cost and timing to achieve full separation of Tesco Bank from the businesses that remain with Tesco Personal Finance PLC (i.e. Tesco Insurance and Money Services).

Material existing and emerging risks (continued)

The success of the transaction, including anticipated benefits and cost savings, will depend, in part, on the ability to successfully integrate the operations of both firms. Integrating an acquired business can be both challenging and costly, requiring changes to accounting systems, data processing systems and management controls. The integration process could disrupt ongoing operations or lead to inconsistencies in controls, procedures and policies, which could negatively impact the Group's ability to maintain relationships with customers, suppliers and other business stakeholders, including Tesco Stores Limited. The establishment of the Tesco Partnership introduces complexity and could adversely impact the overall benefits achieved. Additionally, the loss of key colleagues in connection with the acquisition could adversely affect the Group's ability to successfully conduct its business.

While the Group has completed the Tesco Bank acquisition, certain infrastructure continues to be shared with the business retained by Tesco Personal Finance PLC (i.e., Tesco Insurance and Money Services) to ensure continuity of both operations. The cost and timing to complete this separation may vary from anticipated plans, and will require changes to accounting systems, data processing systems and management controls.

ix) Card Partnerships

The Group maintains several co-branded credit cards and credit card partnership agreements in the US and the UK. Such arrangements are a means of reaching new customers and expanding brand reach, but there is significant competition among card issuers for these relationships. A deterioration in or failure to maintain these credit card relationships with co-brand partners, including non-renewal of contracts with existing partners, early termination of partnership arrangements due to a contractual breach and changes in consumer behaviour regarding spending patterns, could have a negative impact on the Group's business, results of operations, financial condition and prospects.

Material existing and emerging risks impacting individual principal risks

i) Climate risk

Climate risk is the risk of financial losses 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 a 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. It manages the financial and operational risks of climate change.

Physical risks, such as acute weather events (e.g. cyclones, hurricanes and floods) and long-term climate pattern shifts (e.g. droughts, temperature and precipitation levels) can lead to damage to fixed assets, operational disruptions, changes in production outputs and increased costs. The potential impacts of physical risk events on the economy may include lower GDP growth, higher unemployment, shortage of raw materials and products, supply chain disruptions. significant fluctuations in prices of assets (such as in the real estate sector) and shifting demands for goods and service. These factors could subsequently impact the business model and profitability of the Group and its clients by negatively impacting, among other things: (1) the creditworthiness of clients which may result in higher defaults, delinquencies, write-offs and impairment charges in the Group's portfolios; (ii) 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; and (iii) the value of investments which the Group holds.

A transition to a low-carbon economy requires policy and regulatory changes, new national and 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. This gives rise to transition risks from 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 Group's clients that are more susceptible and exposed to these changes may face operational and financial difficulties which in turn may impact their creditworthiness. In addition, climate-related legal actions or investigations may have material financial impacts on the Group's clients, customers and counterparties (particularly in high carbon sectors). This in turn can increase credit risk within group portfolios (for further details on credit risk, refer to ii) Credit Risk on page 273).

Both physical risk and transition risk factors have the potential to trigger large, sudden and negative price adjustments where climate risk has not yet been incorporated into prices, which could increase market risk in the Group's portfolios. Fluctuations in markets and prices of assets in susceptible sectors or countries could drive losses to the value of the Group's assets and liabilities.

Physical risk and transition risk factors can lead to impacts on the Group's own operations including damage or unsuitability of premises, disruption to business operations and supply chains and the Group's ability to recover from outages (e.g. caused by workforce, technology and third-party service providers). For example, extreme weather events can impact the operation of bank offices, branches, and support facilities such as data centres. Additionally, the Group has experienced and may continue to experience in the future, disruptions in its operations as a result of branch closures and security breaches due to climate-related protests against the Group in respect of its lending activities. Transition risk can also lead to secondary impacts on operational risks such as the risk of misreporting as a result of enhanced regulatory disclosures requirements.

Material existing and emerging risks (continued)

There is significant uncertainty surrounding the timeframes in which both physical and transition risks may manifest, driven by the interplay of environmental, political and societal factors. Physical risks, such as acute weather events and long-term climate pattern shifts, are difficult to predict due to complex interactions between climate system dynamics and human activities. Similarly, the timing of transition risks arising from factors like policy changes, technological innovations or shifts in market sentiment are equally unpredictable. This poses significant challenges to the Group in assessment, quantification, and management of climate risk.

The 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. The Group may face challenges from changing circumstances and external factors which are beyond the Group's control, including geopolitical issues, energy security, energy poverty and other considerations such as a just transition to a low-carbon economy. Achieving the Group's climate-related ambitions and targets will also depend on a number of factors outside the Group's control, including reliable forecasts of hazards from 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 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' business, operations, financial condition, prospects and reputation.

The Group is exposed to risks resulting from inconsistencies and conflicts in the manner in which climate policy is perceived in the regions where the Group operates. In particular, the divergence on climate risks standards and regulatory expectations across jurisdictions like the EU, UK and the US may lead to inconsistencies in reporting, risk assessment methodologies and compliance requirements, making it challenging for the Group to adopt a unified approach to managing climate risk and meeting regulatory reporting obligations. This fragmentation increases operational complexity, and the cost of compliance and undermines the Group's ability to effectively manage climate risks, including transition risks associated with high-emitting clients.

The Group's business and operations have been and may continue to be, adversely impacted by the perception that the Group's response to climate change is ineffective, insufficient or otherwise inappropriate,

For further details on the potential legal risk from failing to achieve our climate-related ambitions and targets, refer to **page 281**.

ii) Credit risk

Credit risk is the risk of loss to the 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 Group to accurately estimate credit losses through ECLs could have a material adverse effect on the Group's business, results of operations, financial condition, and prospects.

For further details, refer to **Note 8.**

b) Specific portfolios, sectors and concentrations

The 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 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 Group's business, results of operations, financial condition, and prospects:

- Consumer affordability: whilst the pressures from increased cost of living eased in the latter half of 2024 as interest rates and inflation fell, this remains an area of focus. 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 both unsecured and secured products. Additionally, there is potential US consumer credit weakness from all time high consumer debt and student loan debt which could strain consumer affordability, leading to higher arrears and ECLs
- UK Retail, Hospitality and Leisure: despite holding up reasonably well during most of 2024, continuing 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. This represents a potential risk in the 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: UK property represents a significant portion of the Group's overall retail and corporate credit exposure, and the Group remains at risk of increased impairment from a material fall in property prices. Following interest rate cuts in 2024, housing market activity increased and is likely to continue with further interest rate cuts. However, as mortgages continue to roll off existing rates onto new higher rates, there is an increased risk of borrower defaults. This could put downward pressure on property prices and, in turn, impact the Group's impairment and capital position. Furthermore, certain segments of the housing market could be subject to specific valuation impacts (for example, certain properties within the Group's residential loan portfolio may be subject to remediation activities relating to fire safety standards; similarly, certain properties within the Group's buy-to-let portfolio may be subject to remediation activities to meet minimum Energy Performance Certificate rating requirements. The Group's corporate exposure is conservatively positioned with low loan-to-value ratios but remains

Material existing and emerging risks (continued)

vulnerable to a weak market. Moderate stress has been experienced in the Group's (predominantly) US office commercial real estate exposure during 2024. As structural shifts in working patterns, such as the normalisation of 'hybrid' working, mature, the 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 Group takes on non-investment grade underwriting exposures, including single name risk, particularly in the US and the UK. A more constructive market tone has been seen in 2024 with continued resilience on the demand side providing opportunity to distribute positions. This environment exists, however, against a backdrop of increased geopolitical risks that, were they to materialise, could adversely impact the Group's ability to distribute its committed exposures without incurring losses.
- Oil & Gas sector: high energy market prices during 2024 have helped restore balance sheet strength to companies operating in this sector. In the short term, the sector is vulnerable to geopolitical shifts impacting supply and demand. In the longer term, costs associated with the transition to renewable sources of energy may place greater financial demands on oil and gas companies.
- Air Travel: the sector has benefited from strong travel demand as it recovered from the COVID-19 pandemic. However, there remains a heightened risk to the revenue streams of the 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, volatile oil prices, delays in the supply of aircraft, increasingly extreme weather patterns and concerns about the impact of air travel on climate change.
- Information Technology sector: companies may struggle to monetise their product offerings and face increasing reputational risk particularly as regulatory scrutiny increases. Given the nature of their activities, the Group's clients in this sector face heightened risk from data security breaches and ransomware and/or cyberattacks as well as from the malicious use of AI, all of which could negatively impact their ability to service debt obligations.

The 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 Group's results due to, for example, increased credit losses and higher impairment charges.

Impact to the creditworthiness of the 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 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 Group portfolios.

For further details on the Group's approach to credit risk, refer to the **credit risk management** and **credit risk performance** sections.

iii) Market risk

Market risk is the risk of loss arising from potential adverse changes in the value of the 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 geopolitical conflicts, uncertainties in future political policies and idiosyncratic market events, despite cooling inflation and easing monetary policy. A disruptive adjustment to lower interest rate levels and deteriorating trade and geopolitical tensions could heighten market risks for the Group's portfolios.

In addition, the Group's trading business could be vulnerable were there to be a prolonged period of elevated asset price volatility, particularly if it adversely affects market liquidity. Such a scenario could impact the 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 Group's business, results of operations, financial condition and prospects.

For further details on the 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 Group:

a) Liquidity risk

Liquidity risk is the risk that the 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 Group to fail to meet regulatory and/or internal liquidity requirements, make repayments of principal or interest as they fall due or to support day-to-day business activities. Key liquidity risks that the Group faces include:

- **Stability of the Group's deposit funding profile:** deposits which are payable on demand or at short notice could be adversely affected by the 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 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, could lead to a reduction in the tenor, or an increase in the costs, of the Group's unsecured and secured wholesale funding or affect the Group's access to such funding.

Material existing and emerging risks (continued)

- Impacts of market volatility: adverse market conditions, with increased volatility in asset prices, could: (i) negatively impact the Group's liquidity position through increased derivative margin requirements and/or wider haircuts when monetising liquidity pool securities; (ii) make it more difficult for the Group to execute secured financing transactions; and (iii) expose the Group to currency risk leading to increased cash flow currency mismatch.
- **Intraday liquidity usage:** increased cash and collateral requirements for payments and securities settlement systems could negatively impact the 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 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 Group's access to money or capital markets and/or the terms on which the 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 Group.

b) Capital risk

Capital risk is the risk that the 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 Group's pension plans. Key capital risks that the Group faces include:

- **Failure to meet prudential capital requirements:** this could lead to the 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 and restrictions on distributions (including in respect of its shares and/or additional tier 1 instruments), leading to an inability to comply with the Group's distribution policy and/or the need to take additional measures to strengthen the Group's capital or leverage position.
- **Adverse changes in FX rates impacting capital ratios:** the 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 Group's regulatory capital ratios are sensitive to foreign currency movements. Failure to appropriately manage the Group's balance sheet to take account of foreign currency movements could result in an adverse impact on the 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 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 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.

c) Interest rate risk in the banking book

Interest rate risk in the banking book is the risk that the Group is exposed to capital or income volatility because of a mismatch between the interest rate exposures of its (non-traded) assets and liabilities. This also includes credit spread risk in the banking book, the risk that the Group is exposed to capital or income volatility because of changes in credit spreads on its (non-traded) assets and liabilities. The 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 margins on retail and corporate portfolios. In addition, the 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 Group.

For further details on the 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, which has impacted the Group in the past and may continue to impact the Group in the future, whether arising through failures in the Group's technology systems, cyber and/or data integrity disruptions, unavailability of a Group site, or unavailability of personnel or services supplied by third parties.

Material existing and emerging risks (continued)

A challenge for the Group, as for virtually all companies, is the ability to recover from and remain within impact tolerance for a pervasive cyberattack which impacts a number of applications, data and infrastructure services. 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 harm, costs to reimburse losses incurred by the Group's customers and clients, and reputational damage. There are also risks associated with increasing regulatory focus and new developments on operational resilience, which are considered in risk factor (iv) 'Regulatory change agenda and impact on business model' above.

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 (including nation-state-sponsored groups), opportunists and hacktivists. The Group experiences numerous attempts to compromise its cybersecurity protections. In 2024, cybersecurity incidents experienced by the Group included distributed denial of service (DDoS), phishing and credential stuffing.

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 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 detection and alerting capabilities, including by 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 via the Group's networks, systems, applications, devices, 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 incidents resulting in the compromise of the Group's data and ransomware attacks that disrupted service providers' or suppliers' operations and, in some cases, have had impacts on the Group's operations. Such cyberattacks are likely to continue. Many of the Group's' agreements with third parties include liability or indemnification provisions, but the Group may not be able to recover sufficiently, or at all, under these provisions to adequately offset any losses or other adverse impacts the Group may incur from third party incidents.

Inadequacies in, or failures in the adherence to, the Group's cybersecurity policies, procedures or controls; failure to keep pace with evolving technology; instances of employee negligence, recklessness, malfeasance, poor password management, or susceptibility to social engineering; misconfigurations in technology and security infrastructure; authentication and access management lapses; imperfect control frameworks or operational effectiveness; 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's assessment of its cybersecurity risk in 2024 highlighted an elevated cybersecurity risk profile due to factors such as the onset of AI, which may be used to facilitate increasingly sophisticated attacks including AI-enabled social engineering; ongoing work to address areas in need of enhancement identified through cybersecurity testing; bad actors' increasing ability to elude our defences and take advantage of customer and employee behaviours in novel ways; and geopolitical turmoil that could impact the Group directly, or indirectly through its critical suppliers or national infrastructure including escalating conflicts in Eastern Europe and the Middle East.

Certain cybersecurity risks to the Group may be unknown to management and therefore not fully accounted for in the Group's cybersecurity assessments, strategy and programme priorities. For example, we continue to implement enhancements identified through cybersecurity testing and reviews in 2024. 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.

Material existing and emerging risks (continued)

While the Group maintains insurance coverage that may, subject to relevant retentions, cover certain types of losses related to cybersecurity incidents, such insurance coverage may be insufficient to cover all losses and may not take into account potential loss of business or other financial harm.

Regulators worldwide continue to recognise cybersecurity as a systemic risk to financial markets 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 fines and penalties to 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.

For further details on the Group's approach to cyberattacks, see the **operational risk performance** section. For further details on cybersecurity regulation applicable to the Group, refer to the **Supervision and regulation** section.

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, the digitalisation of payment services and securities, as well as futures and options trading, increasingly occurring electronically, both on the Group's own systems and through other alternative systems, and becoming automated.

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 salient risks and other threats third party usage of AI may pose, including with respect to intellectual property ownership and infringement, cybersecurity, antitrust and fraud. For example, while the Group may use AI technologies in connection with the creation or development of various materials, including software code, the Group may be unable to protect such materials with copyrights or patents given the position of courts and intellectual property offices in the United States and in some other jurisdictions that human inventorship is required for patent protection of an AI-generated invention and human authorship is required for copyright protection of an AI-generated work of authorship. This is still an evolving area of the law, which creates uncertainty that could impact the Group's ability to obtain intellectual property protection in AI-generated inventions and works of authorship.

Introducing new forms of technology 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) Fraud

The nature of fraud is wide-ranging and continues to evolve, as criminals seek opportunities to target the 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). Fraud attacks vary, can be highly sophisticated, and can be orchestrated by organised crime groups or individuals. Fraudsters use various techniques to target customers and colleagues directly (i.e. third party fraud) or the Group directly (i.e. first party fraud). In the UK, APP (Authorised Push Payment) scams are a growing fraud type where customers are deceived to transfer funds from their accounts to bad actors. Fraud can also be committed by one or more employees and workers of an entity (i.e. internal fraud) or may manifest as unauthorised trading fraud. The impact from fraud can lead to customer harm, financial losses to both the Group and its customers, loss of business, missed business opportunities, and reputational damage, all of which could have a material adverse impact on the Group's business, results of operations, financial condition, and prospects.

e) Data management, information protection and AI

The Group holds and processes large volumes of data, including personal information, financial data and other confidential information, and the 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 Group's clients, customers, prospective clients and customers and their employees; (ii) clients and customers of the Group's clients and customers and their employees;(iii) the Group's suppliers, counterparties and other external parties, and their employees; and (iv) the Group's employees and prospective employees.

This data may also be held and processed for the Group by third-party vendors, partners, or suppliers which therefore exposes the Group to risks from vulnerabilities and non-compliance in its supply chain.

The international nature of both the 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 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 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 Group's management; and (v) require the Group to review some elements of the structure of its businesses, operations and systems in less efficient ways. Data, including personal information, is subject to external as well as internal (whether intentional or accidental) security risks. Concerns regarding the effectiveness of the Group's measures to safeguard data, including personal information, or even the perception that those measures are inadequate, could expose the Group to the risk of loss or unavailability of data or data integrity issues and/or cause the Group to lose existing or potential clients and customers, and thereby reduce the Group's revenues. Furthermore, any failure or perceived failure by the 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 Group's development or marketing of certain products or services or increase the costs of offering them to customers.

Material existing and emerging risks (continued)

Any of these events could damage the Group's reputation, subject the Group to material fines or other monetary penalties, make the 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.

In addition, increased adoption of AI technologies, which rely on the collection of large amounts of data, including personal information, and use of such data for training purposes, has led legislators in numerous jurisdictions to propose and adopt new laws addressing AI-related usage of personal information and data protection authorities around the world to adopt new and evolving interpretations of existing data protection laws in light of such technology, in both cases, imposing specific obligations with respect to the processing of personal information, including required notices, consents and opt-outs. These obligations may be burdensome and costly to comply with and may affect the ways in which the Group can collect, process, or use personal information for AI technologies, thus negatively impacting the Group's business. Further, there is increased risk of inadvertent disclosure of confidential information or personal information in connection with the utilisation of AI technologies, whether through AI model errors, data breaches, or other vulnerabilities, which may also result in stronger regulatory scrutiny, leading to legal and regulatory investigations and enforcement actions that could negatively impact the Group's business, even if unfounded.

For further details on data protection regulation applicable to the 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 or hallucination could result in erroneous or duplicated transactions, a system outage, or impact the Group's pricing abilities, which could have a material adverse effect on the Group's business, results of operations, financial condition, prospects and reputation.

g) Processing errors

The 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. Given the Group's diverse customer base and geographical reach and the increase in 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), developing, maintaining and upgrading operational systems and infrastructure becomes more challenging. The risk of systems or human error, including errors produced through the integration of AI technologies, 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. As the Group works to implement AI technologies into the Group's product and service offerings, these challenges may become more significant, as AI technologies give rise to risk of bias, errors and hallucinations which may impact the Group's ability to accurately execute, track or report transactions. There can be no assurances that AI usage will enhance the Group's product or services offerings, and any such errors or inaccuracies resulting from AI usage could result in competitive or reputational harm or increased legal liability. Furthermore, events that are wholly or partially beyond the Group's control, such as a spike in transaction volume, could adversely affect the Group's ability to process transactions or provide banking and payment services.

Processing errors could result in the 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 Group's customers, clients and counterparties (including them suffering financial loss) and/or result in a loss of confidence in the Group which, in turn, could have a material adverse effect on the 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 Group depends on suppliers for the provision of many of its services and the development of technology, including AI technology. Whilst the 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 Group's ability to continue to provide material services to its customers. In addition, the use of third party AI technologies may also expose the Group to third party infringement or misappropriation claims, as well as privacy and data protection related claims, as it can be very difficult, if not impossible, to validate the processes used by third-party AI technology providers in their collection and use of data in developing and training AI technologies or the conversion of inputs to outputs.

Failure to adequately manage supplier risk could have a material adverse effect on the 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 and liquidity requirements and also require assumptions and estimates to be made.

Material existing and emerging risks (continued)

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, goodwill and intangible assets, pensions and post-retirement benefits, the calculation of RWAs, capital and liquidity metrics, 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 assurance work and subsequent feedback from the Group's regulators, this could result in material losses to the Group, beyond what was anticipated or provided for, including as a result of changes to treatments or stated capital or liquidity positions in regulatory returns and capital and liquidity disclosures. If capital and liquidity requirements are not met as a result of changes in interpretation, compliance with the Group's distribution policy could be impacted and/or additional measures may be required to strengthen the Group's capital or leverage position, which may also lead to the Group's inability to achieve stated targets. Further development of accounting standards and regulatory interpretations could also materially impact the Group's results of operations, financial condition and prospects.

j) Tax risk

The 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 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 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 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 digitalisation of the administration of tax have the potential to increase the 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 applied from 1 January 2024 and increased the Group's tax compliance obligations. In the US, the corporate alternative minimum tax on adjusted financial statements income introduced by the Inflation Reduction Act became effective on 1 January 2023. These 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 Group requires diversified and specialist skilled colleagues. The 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 the Group's reputation, macroeconomic factors (including increased competition for limited resources during economic growth periods), governmental factors (including, labour, immigration and related policies in the jurisdictions in which the Group operates), and regulatory factors (including compensation restrictions for senior executives). Failure to attract or prevent the departure of appropriately specialised employees could have a material adverse effect on the 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 harm and reputational damage.

For further details on the 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 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 imperfect representations of reality as they rely on simplifying assumptions; as such they are subject to intrinsic uncertainty as well as errors and inappropriate use. This may be exacerbated when dealing with unprecedented scenarios, as was the case during the COVID-19 pandemic, when simplifying assumptions were required due to the lack of reliable historical reference points and data. Model uncertainty, errors and inappropriate use may result in (among other things) the Group making inappropriate business decisions and/or inaccuracies or errors in the Group's risk management and regulatory reporting processes. This could result in a 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 Group's business, results of operations, financial condition and prospects.

For further details on the 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 Group's products and services (Compliance Risk) and the risk to the Group, its clients, customers or markets from a failure to comply with the laws, rules and regulations (LRR) applicable to the firm (LRR risk). This risk could manifest itself in a variety of ways, including:

a) Market conduct

The Group's businesses are exposed to risk from potential non-compliance with its policies and standards (which incorporates regulatory requirements set by law and the Group's regulators) and instances of wilful and negligent misconduct by employees, all of which could result in potential customer and client harm, 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 Group's business, financial condition and prospects.

Material existing and emerging risks (continued)

Examples of employee misconduct which could have a material adverse effect on the Group's business include: (i) improperly selling or marketing the 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 Group, its customers or third parties.

These risks may be exacerbated in circumstances where the 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 Group must ensure that its customers, particularly those that are vulnerable, are able to make well-informed decisions on how best to use the 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 harm, including the adherence to regulatory and legal requirements on complaint handling. The Group is at risk of financial loss and reputational damage as a result as well as the risk of regulatory censure or enforcement action.

c) Product design and review risk

Products and services must meet the needs of clients, customers, markets and the Group throughout their life cycle. However, there is a risk that the design and review of the Group's products and services fail to reasonably consider and address potential or actual negative outcomes for customers, which may result in customer harm, 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 Group.

d) Conflicts of interest

Identifying and managing conflicts of interest is fundamental to the conduct of the Group's business, relationships with customers and clients, and the markets in which the Group operates. Understanding the conflicts of interest that impact or potentially impact the Group enables them to be identified, managed and mitigated 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 Group and its employees. If the Group does not identify and manage conflicts of interest (business or personal) appropriately, it could have an adverse effect on the Group's business, customers and the markets within which it operates.

e) 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 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 Group.

f) Laws, rules and regulations

The Group is subject to a range of laws, rules and regulations across the world. A failure to comply with these may have an adverse effect on the 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 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 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 Group's overall reputation and any one transaction, investment or event (in the perception of key stakeholders) can reduce trust in the Group's integrity and competence.

The 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 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 Group (including its employees, clients and other associations) conducts its business activities, or the 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 Group's ability to retain and attract customers, in particular, corporate and retail depositors, and to retain and motivate staff. It could also have a material adverse effect on the Group's business, results of operations, financial condition and prospects. Claims of potential greenwashing arising from sustainability-related statements made by the Group may also give rise to reputation risk.

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

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

Material existing and emerging risks (continued)

ix) Legal risk and legal, competition and regulatory matters

The Group conducts diverse 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 activities it undertakes, 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 Group's businesses and business practices. In each case, this exposes the Group and its employees to the risk of loss or the imposition of penalties, damages or fines from the failure of members of the 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 Group or its employees could result in criminal prosecution, regulatory censure, potentially significant fines, remedial orders and other sanctions in the jurisdictions in which the Group operates. Where clients, customers or other third parties are harmed by the Group's conduct, this may also give rise to civil legal proceedings, including class actions. Other legal disputes may also arise between the 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 Group being liable to third parties or may result in the Group's rights not being enforced or not being enforced in the manner intended or desired by the Group.

In the UK, the wider financial industry may be impacted by the October 2024 Court of Appeal judgments on commission arrangements in the motor finance industry, subject to the result of the appeals of those judgments to the Supreme Court, and to the FCA's ongoing review of the motor finance market.

In December 2024, the FCA announced an extension to the time motor finance firms have to handle complaints on lender commissions until after 4 December 2025, following on from the Court of Appeal's judgments in *Johnson v FirstRand Bank, Wrench v FirstRand Bank and Hopcroft v Close Brothers Ltd [2024] EWCA Civ 1282*.

The decisions in these cases could, subject to these appeals, impact the availability and terms of financing, risk of future claims, and likelihood of a FCA consumer redress scheme. There could also be wider market and industry implications of the judgments and/or the appeals, which could adversely affect the Group's business, results of operations, financial condition and prospects.

Further details of legal, competition and regulatory matters to which the Group is currently exposed are set out in Note 25. In addition to matters specifically described in Note 25, the Group is engaged in various other legal proceedings which arise in the ordinary course of business.

The 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 Group is, or has been, engaged, or areas of particular regulatory focus, such as financial crime, money laundering or terrorist financing. The 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 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 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. In particular, there has been an increasing focus on greenwashing risk this year.

Certain stakeholders have taken legal action (including under "soft law" mechanism) against the Group, and others (including regulators, campaign groups and customers) may decide to do so in the future for allegedly financing or contributing to climate change, environmental degradation and other social, governance and sustainability-related issues, or because the Group's response to climate change or other ESG factors is perceived to be ineffective, insufficient or inappropriate, including relative to the Group's stated ambitions.

Furthermore, there are 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.

The outcome of legal, competition and regulatory matters, both those to which the 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 Group may incur significant expense, regardless of the ultimate outcome, and any such matters could expose the 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 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 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.

Material existing and emerging risks (continued)

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 Group's business, results of operations, financial condition and prospects.

x) Financial crime risk

Financial crime risk is the risk that the Group and its associated persons (employees or third parties) commit or facilitate financial crime, and/or the Group's products and services are used to facilitate financial crime.

Financial crime is categorised into four areas of risk, relating to, bribery & corruption, money laundering & terrorist financing, tax evasion facilitation and sanctions, including proliferation financing. The Group is subject to numerous laws and regulations governing these areas, including certain "failure to prevent" offences whereby the Group may be liable for failure to prevent crimes carried out by persons associated with it.

Bribery and corruption occur where a person improperly obtains or retains business, improperly secures a business or personal advantage and induces another person to perform their role in breach of an expectation of good faith, impartiality, or trust. Risks related to bribery and corruption may arise for the Group in connection with (i) employees/prospective employees who have connections to external stakeholders, Politically Exposed Persons, or public officials; (ii) different types of payments and expenses such as facilitation payment requests, gifts and entertainment, charitable donations, commercial sponsorships and political donations; (iii) certain types of funding provided to customers with increased exposure to public officials; (iv) third parties who are engaged by the Group to win or retain business; (v) the Group's proprietary investments, joint ventures and mergers and acquisition or (vi) suppliers who act for and on behalf of the Group.

Money laundering and terrorist financing have been identified as major threats to the international financial services community and therefore to the Group. The Group must comply globally with UK legislation designed to prevent, detect and disrupt money laundering and to combat terrorism. As a transatlantic bank, the Group also takes into account European Union (EU) and United States (US) Anti-Money Laundering and Counter Terrorist Financing requirements, as well as guidance issued by bodies such as the Wolfsberg Group and the European Banking Authority.

Similarly, as a global financial institution, the Group must comply with applicable sanctions laws and regulations in every jurisdiction in which it operates, or which apply to it because of its place of incorporation. Sanctions restrict activities with targeted countries, governments, entities, individuals, and industries.

Tax evasion is a financial crime and a predicate offence to money laundering in the UK and in many other countries in which we operate. The Group may be exposed to risks associated with tax evasion by virtue of its interactions with customers and clients or in connection with employees or third parties acting on our behalf.

The laws and regulations associated with financial crime risks can have broad application and, in certain circumstances, may have extraterritorial application. Failure to appropriately manage the risks associated with these four areas undermines market integrity and may result in harm to the Group's clients, customers, counterparties or employees, diminished confidence in financial products and services, damage to the Group's reputation, regulatory breaches and/or financial penalties.

Principal risk management

Climate Risk management

In Barclays' Climate Risk Framework, Climate Risk is defined as the risk of financial losses arising from climate change, through physical risks and risks associated with transitioning to a lower carbon economy.

- Physical risk is defined as the risk of financial losses related to physical impacts of a changing climate. Physical risks can be event driven (acute risks), including increased frequency and/or severity of extreme weather events such as cyclones, hurricanes and flood. Longer term shifts in climate patterns (chronic risks) arise from sustained higher temperatures that may cause rises in sea levels, rising mean temperatures and more severe weather events such as increased occurrence of floods or fires.
- Transition risk is defined as the risk of financial losses caused by extensive policy, legal, technology and market changes to address mitigation and adaptation requirements related to climate change.

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 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 (including Operational) risks, and not treated as a standalone risk type. The CRF is supported by policies, standards and other relevant guidelines which contain control objectives that must be met.

The Climate Risk Framework:

- Includes definitions and descriptions for climate risk
- Includes key principles for the identification, measurement, monitoring and reporting of climate risk
- Outlines the approach to setting risk appetite for climate risk
- Outlines roles and responsibilities applicable to the Climate Risk Framework

The Climate Risk Policy sets out high level requirements and control objectives to address key principles articulated in the CRF. The Climate Risk Standard sets out control requirements for implementing control objectives defined within the Climate Risk Policy.

Climate risk considerations have also been incorporated as applicable to the frameworks of other principal risks.

The Climate Risk Framework, Climate Risk Policy and Climate Risk Standard are applicable for Barclays' business activities, with a focus on lending, capital markets and investments. Barclays' approach to managing climate risk focuses on the effective, identification, prioritisation and monitoring of the material climate risks with Barclays' portfolios. The approach is customised to reflect portfolio characteristics, size and exposure to specific climate risk drivers within various portfolios.

Climate risk may also drive non-financial risks such as reputational risk, which continue to be managed under their respective risk frameworks.

To implement its Climate Risk Framework, Barclays continues to implement new processes, tools, models and data repository as applicable, whilst also enhancing its existing ones the Group regularly reviews its approach and practices for alignment with regulatory developments and leading practices for climate risk.

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

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).

Reputation risk driven by climate change is managed by the reputation risk principal risk.

Governance	Board Risk Committee (BRC)	Board Sustainability Committee (BSC)
	Group Risk Committee (GRC)	Group Sustainability Committee (GSC)
Risk	Credit, market, treasury & capital and operational risks	Sustainability matters and reputation risk associated with climate change

Principal risk management (continued)

Risk appetite

Barclays' approach to setting risk appetite for climate risk is aligned with its ambition to be a net zero bank by 2050 and reducing financed emissions in line with 2030 financed emissions targets. Barclays has established a risk appetite for climate risk at the Group level. The climate risk considerations have been included in the qualitative statements and quantitative constraints. This is reviewed and revised (where applicable) annually and formally approved by the Board.

Climate risk appetite is managed through risk limits, triggers and indicators set across different Principal Risks (including, Credit Risk, Market Risk and Treasury & Capital Risk), portfolios, sectors, assets classes and products. Barclays has progressively enhanced its approach for the quantification of climate risk appetite by implementing additional risk limits and triggers. Regular monitoring, reporting and governance provide oversight so that exposures remain within the appetite and corrective actions are taken to address any breaches or excesses. The Group continues to regularly review its risk appetite and makes enhancements to maintain alignment with the Group's strategic objectives as part of its business planning process.

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, as described earlier in the "Climate-related Risks" section on page 65. Through these transmission channels, risks for Barclays may materialise in its traditional risk categories, such as credit risk, market risk, treasury and capital risk, and operational 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.

Barclays' work on assessing climate-related risks has focused on the short (0-1 year) and medium term (1-5 years) horizons, in line with our financial planning cycle. However, the longer-term climate (> 5years) risks have been considered using both quantitative approaches, such as reverse stress testing, and qualitative analysis. The 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, and operational risk (including legal risk). The below table provides examples of how Barclays' Climate Risk framework considers potential key effects of climate risk drivers on Barclays' Principal Risk types.

Principal risk	Example effects of climate risk drivers
Credit risk	A changing climate (i.e. more frequent and more intense physical hazards) and society's response (i.e. increased transition factors such as new policies or technologies to reduce carbon emissions) impacts Credit Risk. The impact on Credit Risk relates to the failure of clients, customers or counterparties to meet their obligations as a result of physical and transition risks, which may lead to potential losses and/or exposures outside the bank risk appetite in retail and wholesale credit portfolios. Climate change can drive direct impacts such as damage to fixed assets from physical hazards, leading to changes in output and increased costs. Indirect impacts may include material disruptions to supply chains and shifting demand for goods and services. Transition risk factors such as low-carbon policies or technologies could also change the value and creditworthiness of counterparties clients and customers.
Market risk	The impact on Market Risk relates to potential adverse changes in the value of the firm's assets and liabilities from fluctuations in market variables as a result of physical and transition risks, which may lead to potential losses due to changes in equity and commodity prices and credit spreads. Either physical hazards or transition risk factors have the potential to trigger large, sudden and negative price adjustments where climate risk has not yet been incorporated into prices, driving additional Market Risk. Fluctuations in markets and prices in susceptible sectors or countries could drive losses to the value of the Bank's assets and liabilities.
Treasury & capital risk	The impact on Treasury & Capital Risk relates to the impact on the capital requirements and liquidity funding requirements as a result of physical and transition risks, which may lead to changes in capital plans, funding plan requirements, asset and liabilities management (ALM) and exposures to changes in interest rates. Climate events can drive Treasury & Capital Risk as counterparties draw down deposits and credit lines. Physical hazards, or transition factors could lead to increased volatility, which could in turn change the value of investments and drive changes to funding requirements and accessibility, capital planning, capital requirements, or hedging methodologies.
Operational risk	Physical hazards and transition risk factors can lead to impacts on the firm's own operations including damage or unsuitability of premises, disruption to business operations and supply chain and ability to recover from outages (e.g. caused by workforce, technology and third-party service providers). For example, extreme weather events can impact the operation of bank offices, branches, and support facilities such as data centres. The transition to a low-carbon economy can lead to changes in operational processes, for example to mitigate climate impacts we need to decarbonise our buildings or requirements to achieve more carbon efficient buildings. Transition risks can also drive secondary impacts on operational risks such as the risk of misreporting as a result of enhanced regulatory disclosures requirements, or physical security breaches and branch closures as a result of protests related to Barclays' lending activities.

Barclays' climate risk identification includes monitoring of the external environment including regulatory developments, climate-related litigations and market developments for identifying climate risk drivers that could affect Group's portfolios. In addition to horizon scanning, Barclays has also developed processes to identify sectors, sovereigns and US States which other Principal Risks must prioritise for further analysis and risk management activities. 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.

Horizon scanning and elevated climate risk sector and geography assessments form the basis of Barclays' approach and priorities for further granular assessment.

Principal risk management (continued)

Details on exposures to elevated sectors are on pages 295 to 298.

In the UK Retail and Business Banking portfolios, Barclays is using both internal and external data sources to identify portfolio segments that are vulnerable to subsidence and flood risks. Additionally, Energy Performance Certificate (EPC) ratings have been identified for portfolios that are particularly vulnerable to transition risk. Methodology and breakdown of exposure to these risks is available on page 299. Barclays uses third-party data providers to identify property level physical hazards for Private Wealth Management Mortgages and Structure Lending and Financing portfolios.

Additionally, through individual client assessments and scenario analysis exercises, Barclays identifies portfolios that are more vulnerable to climate risks. The risk identification processes have been broadened to encompass assessments for nature-related risks for Barclays Europe portfolios.

Risk assessment

Barclays uses its Risk Register process to assess the potential effects of climate risk drivers on its portfolios. The Group Risk Register contains key risks and vulnerabilities that may impact forward-looking business plans of the Group and its key legal entities and business units. The materiality of climate risks is derived either quantitatively (typically based on stress testing) or through qualitative estimations. The potential impact is evaluated based on adverse but plausible scenario. The Group Risk Register is refreshed on at least an annual basis and is subsequently used to support strategic planning, risk management, scenario design, sensitivity analysis and capital adequacy assessments.

For Credit Risk, Barclays has integrated climate risk considerations into key processes of credit lifecycle, including credit assessment, annual review and transaction approval processes. A questionnaire called the Climate & Environmental Lens has been developed for assessing corporate clients' vulnerability to climate and environmental risks in a structured way.

The Climate and Environmental Lens questionnaire is used to evaluate climate physical risks, climate transition risks and environmental risks (as relevant) for corporate clients operating in elevated risk sectors. During 2024, the Lens was redeveloped to support decision-making by including a range of data points across both transition and physical risks and to improve its integration into credit processes.

For the UK Mortgage portfolio, where appropriate, evaluation for climate risks is considered into the property valuation and credit-granting processes. The lending is primarily secured by the properties posted as collateral. These assessments are primarily focused on evaluating exposure and vulnerability to physical hazards such as flooding and erosion, as well as energy efficiency of the buildings.

For Market Risk, the impact of climate change is measured by applying stress scenarios designed to examine the sensitivity of core risk factors to climate risk. This process is conducted every quarter. The pattern of stress losses arising from the stress scenario is used to estimate and set ongoing limits.

For Treasury and Capital Risk (TCR), climate risk considerations have also been incorporated into the Internal Capital Adequacy Assessment Process (ICAAP) and Liquidity Adequacy assessment Process (ILAAP). Barclays has integrated climate risk variables and climate stress scenarios in the Group-wide internal stress testing framework to understand and quantify potential impact on Barclays' capital position. For liquidity risk, the assessment is informed by the application of industry and country classifications and evaluated using internal stress testing and portfolio specific analysis to determine material areas of risk (e.g. by asset class or product type) that could impact funding and liquidity ratios. 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 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 risk factors have been integrated into Structured Scenario Assessments, which capture extreme but plausible operational tail 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 - details on this are on page 246, while details on oversight and management are embedded with the Barclays governance framework on page 242.

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 Upstream Energy, Power, Cement, Steel, Automotive Manufacturing, UK Housing, UK Commercial Real Estate, UK Agriculture and Aviation. Details on the BlueTrack™ methodology and targets are on pages 84 to 88.

Furthermore, Barclays has developed the Client Transition Framework (CTF) to evaluate certain corporate clients' progress toward business models aligned with a transition to a low-carbon economy. For in-scope clients within the Investment Bank, using BlueTrack™ data and public disclosures, the framework evaluates both qualitative and quantitative components to assess transition trajectories against Barclays' financed emissions targets and benchmarks. This allows the Group to prioritise engagement with in-scope clients based on their CTF scores. Details on the CTF methodology are on page 89. The client CTF scores and emissions data from BlueTrack™ are further used to inform key risk management practices, including risk monitoring, setting limits, managing concentrations, credit decisions and stress testing exercises.

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. Details on the progress and outcomes of our scenario analysis and stress testing exercises are available on pages 125 to 130. Barclays' risk assessment tools have also been extended to cover environmental / nature risks for Barclays Europe portfolios. The nature risk considerations have also been incorporated into Stress testing exercises including Nature Exploratory Stress Test exercise.

Principal risk management (continued)

Risk monitoring and reporting

Barclays' monitoring approach for climate risk is designed to track climate-related exposures across portfolios, leveraging risk metrics, latest insights and periodic assessments for alignment with risk appetite and climate goals.

Risk appetite is translated into a detailed series of risk limits, triggers and indicators to control risk-taking. Barclays has implemented climate-aware limits and triggers as applicable for priority sectors and portfolios with elevated climate risk. For the UK retail portfolio, physical and transition risk mandates are in place for the UK Mortgages and Business Banking Agriculture portfolios. The performance against these metrics is tracked and reported to various committees and governance processes.

Barclays has integrated climate risk considerations into policies, standards and lending guidelines. Enhanced oversight and additional scrutiny have been introduced for new deals in elevated climate risk sectors, particularly those with sector targets and policy restrictions. These policies are reviewed regularly and updated with respect to external developments. Details on sensitive sector and area policies are on page 90.

Climate risk related management information packs, including climate risk dashboards, are produced and reported to various committees and governance forums, including CRC. They primarily consist of insights on climate-related exposures, key performance indicators, concentration metrics, climate risk trends, external developments and progress against climate targets. BRC also receives regular updates, including climate risk dashboards.

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

Barclays continuously monitors regulatory developments, including emerging disclosure standards on climate and wider sustainability areas, and builds internal capabilities to meet these new requirements.

Barclays continues to focus on integration of climate risk into its business operations and risk management practices. In 2024, notable enhancements and improvements were made in the following key areas:

-The Framework, Policy and Standard for Climate Risk (as a Principal Risk) were enhanced to facilitate further integration and provide clearer guidance on control objectives and requirements, including specific roles and responsibilities of different teams across the first and second lines of defence.
- The risk appetite framework for climate risk was strengthened by introduction of additional quantitative metrics such as stress loss triggers, to actively monitor the impact of climate risk on the Group's capital position. The risk limits and triggers on notional exposures have been expanded to manage concentration and high risk exposures to climate risk across other Principal Risk types.
-The internal stress testing framework has been enhanced to integrate stress scenarios and risk variables for climate risk. The climate risk models used within stress testing framework have also been enhanced to generate more accurate outputs. Additionally, the methodology for assessing climate risk in different economic sectors has been enhanced.

-The Climate and Environmental Lens questionnaire was redeveloped to support decision-making by including a range of data points across both transition and physical risks. Additionally, process improvements have been made for improving integration into credit processes.

-Barclays continues to develop its environmental / nature-related risk capabilities. In 2024, we piloted nature-related questions within our Client Transition Framework (CTF) assessment for Power portfolio clients. We plan to expand nature-related questions across CTF evaluations in 2025.This area is also a key priority and focus for Barclays Europe. Notable progress by Barclays Europe in 2024 includes an upgrade of the "LEAP" assessment, execution of a nature exploratory stress test and integration of environmental risk factors in its industry sector and geography assessments.

Credit risk management (audited)

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

Overview

The credit risk that the 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, fair value through other comprehensive income (FVOCI) 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 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 entities, 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 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.

Principal risk management (continued)

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; 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; and review and validation of credit risk measurement models.

The credit risk management teams in each legal entity are accountable to the relevant Legal Entity CRO, who reports to the 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 a legal entity Senior Credit Officer. For exposures in excess of the legal entity Senior Credit Officer's authority, approval by Group Senior Credit Officer/Board Risk Committee is also required. The Group Credit Risk Committee, attended by legal entity Senior Credit Officers, provides a formal mechanism for the Group Senior Credit Officer to exercise the highest level of credit authority over the most material Group single name exposures.

Credit risk mitigation

The 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 Group's normal practice is, on a legal entity basis, 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 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 Group also often seeks to enter into a margin agreement (e.g. Credit Support Annex) with counterparties with which the 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 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 (credit lending notes) issuance. As these are fully funded upfront they provide for a direct reduction in credit risk exposure on referenced pools.

Detailed policies are in place to appropriately recognise and record credit risk mitigation. For more information, refer to **pages 132** to **135** of the Barclays PLC Pillar 3 Report 2024 (unaudited).

Governance and oversight of ECLs under IFRS 9

The Group's organisational structure and internal governance processes oversee the estimation of ECL across several areas, including: i) setting requirements in policy, including key assumptions and the application of key judgements; ii) the design and execution of models; and iii) review of ECL results.

i) Impairment policy requirements are set and reviewed regularly, at a minimum annually, to maintain adherence to accounting standards. Key judgements inherent in policy, including the estimated life of revolving credit facilities and the quantitative criteria for assessing the significant increase in credit risk (SICR), are separately supported by analytical study. In particular, the quantitative thresholds used for assessing SICR are subject to a number of internal validation criteria, particularly in retail portfolios where thresholds decrease as the origination Probability of Default (PD) of each facility increases. Key policy requirements are also aligned to the Group's credit risk management strategy and practices, for example, wholesale customers that are risk managed on an individual basis are assessed for ECL on an individual basis upon entering Stage 3; furthermore, key internal risk management indicators of high risk are used to set SICR

Principal risk management (continued)

policy, for example, retail customers identified as high risk account management are automatically deemed to have met the SICR criteria.

ii) ECL is estimated in line with internal policy requirements using models which are validated by a qualified independent party to the model development area, the Independent Validation Unit (IVU), before first use and on a regular basis, at a minimum every three years. Each model is designated an owner who is responsible for:

- model maintenance: monitoring of model performance including backtesting by comparing predicted ECL versus flow into stage 3 and coverage ratios; proposing material changes for independent IVU approval; and recalibrating model parameters on more timely data
- proposing post-model adjustments (PMA) to address model weaknesses or to account for situations where known or expected risk factors and information have not been considered in the modelling process. All PMAs relating to model deficiencies, regardless of value are approved by IVU for a set time period. Material PMAs are approved before first use whilst immaterial PMAs are approved as part of IVU's annual review process. PMAs representing Expert Judgement are validated by Risk, as the second line of defence and approved for a set time period. The most material PMAs are also approved by the CRO.

Models must also assess ECL across a range of future economic conditions. These economic scenarios are generated via an independent model and ultimately set by the Senior Scenario Review Committee. Economic scenarios are regenerated at a minimum twice annually but more frequently if deemed appropriate, and also to align with the Group's medium term planning exercise. Each model used in the estimation of ECL, including key inputs, are governed by a series of internal controls, which include the validation of completeness and accuracy of data in golden source systems, documented data transformations and documented lineage of data transfers between systems.

iii) The Group Impairment Committee, formed of members from both Finance and Risk and attended by both the Group Finance Director and the Group CRO, is responsible for overseeing impairment policy and practice across the Group and will approve impairment results. Reported results and key messages are communicated to the BAC, which has an oversight role and provides challenge of key assumptions, including the basis of the scenarios adopted. Impairment results are then factored into management decision making, including but not limited to, business planning, risk appetite setting and portfolio management.

Market risk management (audited)

The risk of loss arising from potential adverse changes in the value of the 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 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 Investment Bank 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 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 BRC recommends market risk appetite to the Board for their approval. The Market Risk Principal Risk Lead (PR Lead) is responsible for the Market Risk Control Framework and, under delegated authority from the Group CRO, agrees with the business CROs a limit framework within the context of the approved market risk appetite.

The Market Risk Committee (MRC) reviews and makes recommendations concerning the 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 PR Lead and attendees include the business heads of market risk and business aligned market risk managers.

In addition to MRC, the Investment Bank Risk Committee ('IBRC') 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 the Investment Bank and meets weekly, covering current market events, notable market risk exposures, and key risk topics. New business initiatives are generally socialised at IBRC before any changes to risk appetite or associated limits are considered in other governance committees.

The head of each business is accountable for all market risks associated with its activities, while the head of the market risk team covering each business is responsible for implementing the risk control framework for market risk.

For more information on market risk management, refer to the **Barclays PLC Pillar 3 Report 2024** (unaudited).

Principal risk management (continued)

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 the **market risk performance** section for a review of management VaR.

Treasury and capital risk management

This comprises:

Liquidity risk: The risk that the 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 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 Group's pension plans.

Interest rate risk in the banking book: The risk that the Group is exposed to capital or income volatility because of a mismatch between the interest rate exposures of its (non-traded) assets and liabilities. This also includes credit spread risk in the banking book, the risk that the Group is exposed to capital or income volatility because of changes in credit spreads on its (non-traded) assets and liabilities.

The Treasury function manages treasury and capital risk exposure on a day-to-day basis with the Group Treasury Committee acting as the principal management body. 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. The assessment and management of the Group's capital and liquidity position and IRRBB and pension risk requires the use of judgement, assumptions and estimates. Please see the description of material existing and emerging risks beginning on page 267 of this Annual Report for further details on such judgements, assumptions and estimates, including the potential risks involved.

Liquidity risk management (audited)

Overview

The efficient management of liquidity is essential to the Group 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 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, quality and funding tenor profile to remain within the liquidity limits set by the Barclays PLC Board. The Board sets liquidity limits on 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 Board.

The framework established by Treasury and Capital Risk is designed to deliver the appropriate term and structure of funding, consistent with the risk appetite set by the Board. The framework incorporates a range of ongoing business management tools to monitor and stress test the Group's balance sheet and recovery plan, including limit setting. Limit setting and transfer pricing are tools 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 Group's obligations as they fall due.

The Board approves the Group funding plan, internal stress tests, regulatory stress test results, recovery plan and liquidity risk qualitative statement that supports the Group risk appetite. The Group Treasury Committee is responsible for monitoring and managing liquidity risk in line with the Group's funding management objectives, funding plan and risk appetite. The 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 BRC reviews the risk profile, liquidity risk qualitative statement and Board-approved liquidity limits at least annually and the impact of stress scenarios on the Group funding plan/forecast in order to agree the Group'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 Group and 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 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 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 Treasury and Capital Risk function provides oversight of capital risk. Production of the Barclays PLC Internal Capital Adequacy Assessment Process (ICAAP) is the responsibility of Treasury.

Principal risk management (continued)

Capital risk management is underpinned by a control framework and policy. The capital management strategy, outlined in the Group and 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 Group's objectives.

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

Local management assures compliance with an entity's minimum regulatory capital requirements by reporting to local Asset and Liability Committees (ALCOs) with oversight by the Group Treasury Committee, as required. In 2024, 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 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 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 Group could be required or might choose to make extra contributions to the pension fund. The 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 and counterparties deposit taking and lending activities, investments in the liquid asset portfolio and funding activities. As per the 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 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 Barclays. 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 entity ALCOs and/or treasury committees, together with the Group Treasury Committee, are responsible for monitoring and managing IRRBB risk in line with the Group's management objectives and risk frameworks. The GRC 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 Group's banking books.

In addition, the 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.

Model risk management

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

Overview

The Bank 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.

Since models are imperfect and incomplete representations of reality, they may be subject to uncertainty, errors and inappropriate use affecting the accuracy of their output. This can result in inappropriate business decisions being made, financial loss, regulatory risk, reputational risk and/or inadequate capital reporting. Models may also be misused, for instance applied to products that they were not intended for, or not adjusted, where fundamental changes to their environment would justify re-evaluating their core assumptions.

Robust model risk management is crucial in assessing and managing model risk. Strong model risk culture, appropriate technological environment, and adequate focus on understanding and resolving model limitations are crucial components.

Organisation, roles and responsibilities

Model Risk is a principal risk within the ERMF and is centrally governed by the Model Risk Management (MRM) function. MRM is an independent function responsible for establishing and maintaining the framework and the model inventory needed to assess, manage, and report model risk. The Global Head of MRM reports directly to the Group Chief Risk Officer.

MRM establishes model risk policy and standards, sets out and monitors model risk appetite, validates and approves models, reports on model risk, operates the controls that govern models and maintains the inventory of all models used by the Group globally.

Principal risk management (continued)

MRM operates the Group Model Risk Committee (GMRC), the purpose of which is to review and monitor the Model Risk profile and control environment across the Model Risk portfolio and assess the exposure against the approved appetite and associated tolerances. The GMRC escalates to the Group Risk Committee (GRC).

MRM also operates the Model Risk Horizontal Control Forum (MR HCF) that oversees the consistent and effective implementation of the Barclays control framework within Model Risk. The MR HCF escalates to the Group Controls Committee.

MRM reports on the model risk profile to the Group Board Risk Committee, the Group Risk Committee, key Barclays Legal Entity risk and control committees and forums and Model Ownership Area (MOA) committees; the latter may be established by the business or functions. These committees consider Model Risk matters relevant to them and escalate as required in compliance with internal applicable governance policies.

In addition, an independent Model Strategy and Oversight (MSO) Team provides oversight of strategic modelling decisions of material models, in particular ensuring compliance with regulations and relevant technical standards, following a risk-based approach focusing on material modelling issues, including:

- Ensures a comprehensive / consistent approach taken across the bank to deliver material models requirements.
- Provides challenge to modelling decisions taken by Model Owners and Developers.
- Establishes, maintains, and runs the requisite forum (i.e. Group Model Management Steering Committee) to facilitate Senior Management oversight of the strategic approach taken for the development/re-development of material models and of key model aspects of associated rating systems within Barclays.

As per the ERMF, the first line of defence (1LOD) is comprised of all employees engaged in the revenue generating and client facing areas of the firm as well as all associated support functions, including Finance, Treasury, Technology and Operations, Human Resources, and Administration. Employees of risk and compliance are the second line of defence (2LOD).

The 1LOD for Model Risk is represented by 1LOD areas developing, using and owning models. 2LOD areas develop, use or employ models as well. In such cases, these 2LOD areas will be subject to independent oversight from MRM and within the MRM framework are considered as 1LOD. MRM is the 2LOD for Model Risk.

Operational risk management

The risk of loss to the 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 Group's strategy, the stated risk appetite and stakeholder needs.

The 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 BRC or the BAC. In addition, specific reports are prepared by Operational Risk on a regular basis for the GRC and the BRC.

Legal entities, 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 Group Head of Operational Risk is responsible for establishing, owning and maintaining an appropriate group-wide Operational Risk Framework and for overseeing the portfolio of operational risk across the Group.

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 the 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; Risk Reporting; Change Delivery Management Risk; Supplier Risk; Tax Risk; Technology Risk; and Transaction Operations Risk. In addition to the above, operational risk encompasses risks associated with compliance with Group Resolution Planning Prudential regulatory requirements.

For definitions of the Group's Operational Risk Categories and connected risks, refer to the management of operational risk section in the **Barclays PLC Pillar 3 Report 2024**.

Principal risk management (continued)

Compliance Risk management

The risk of poor outcomes for, or harm to, customers, clients and markets, arising from the delivery of the Group's products and services (Compliance 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 regulation risks. Barclays has no appetite to operate its business other than in full accordance with all applicable laws, rules and regulations, in order to deliver good outcomes for / avoid harm to customers, clients and markets. Barclays will act in good faith; seeking to avoid causing foreseeable harm and to enable and support customers to pursue their financial objectives.

Organisation, roles and responsibilities

The Compliance Risk Management Framework (CRMF) outlines how the Group manages and measures its Compliance Risk profile. The Group Chief Compliance Officer is accountable for developing, maintaining and overseeing the CRMF. This includes defining and owning the relevant Compliance Risk policies which detail the control objectives, principles and other core requirements for the activities of the Group. It is the responsibility of the first line of defence to establish Compliance related 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 achieve the right conduct outcomes and evolve a compliance-focused culture.

The governance of Compliance Risk within the 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 Committee and the Barclays Bank UK Risk Committee 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 Risk exposures in the Barclays Group and Barclays Bank Group. A new sub-committee of the Group Risk Committee was established in August 2023 to provide oversight on LRR risk. This committee is chaired by the Group Chief Compliance Officer.

Compliance Risk

By effectively managing Compliance Risks, we can continue to strengthen the culture of Barclays.

Culture and conduct

We believe the stronger our culture, the better the choices our people will make; and the stronger our business will be for all our stakeholders. While our culture helps us reduce the impact of poor conduct on our customers, we also do not intend to repeat the errors of the past.

Our most senior leaders spend significant time setting the right tone at Barclays and our Purpose and Values are now deeply embedded in their messages. The Barclays Way sets out the standards and behaviour all employees must demonstrate and guides the execution of our business. We also strengthen our culture with clear and effective controls. We continue investing to enhance our controls to support our commitment to conducting all activities with integrity.

For details of the Board's role in embedding our Culture, Purpose, Values and Mindset, please refer to **page 147** of the Directors' Report.

The Barclays Mindset

Our Mindset acts as an operating manual for how to get things done at Barclays. It focuses on three key elements that are core to our success – Empower, Challenge and Drive. Our research shows that when we demonstrate behaviours aligned to these three elements, outcomes are better, colleagues are more engaged and they are more likely to stay longer to build their career at Barclays.

For further details, see **page 28** in the Strategic Report for more information on the Barclays Mindset.

Managing Compliance risks

See **page 174** in the Directors' report in addition to **pages 279** and **381** in the risk review section for more information on how the Group defines, manages and mitigates Compliance risks.

Product design and review risk

It is important that the design of our products and services meets the needs of clients, customers and markets as well as being aligned with Barclays' policies. We do this by operating two processes, which together form our product design and review risk framework.

We have a process that supports the Group in the approval and implementation of New and Amended Products and Approval process (known as the NAPA Process, set out in the Barclays NAPA Policy and Standards).

This process outlines the requirements and risk assessment standards that must be met to help ensure that new and amended products and services are appropriately designed prior to their launch.

In addition we have a complementary process that reviews the existing portfolio of products and services throughout their lifecycle (known as the Product Review Process, set out in the Barclays Product Review Policy and Standard). This process considers information about the performance and operation of the product or service through a conduct lens.

Wherever a product or service is found to be outside appetite, the product or service owner must seek to ensure actions are taken to address it. These actions are validated by functional areas, including Legal and Compliance.

Areas of Barclays that undertake Investment activity also operate additional product governance processes and controls, reflecting the higher risk of these more complex products and the importance of products and services meeting the needs of our Clients.

The BPLC, BBPLC and BBUKPLC Board Risk Committees review, on behalf of their respective Boards, the management of Compliance risk and the Compliance risk profile for their respective entities.

Please refer to the report of the BPLC Board Risk Committee on **pages 169** and **174** and the reports of the BBPLC and BBUKPLC Board Risk Committees within the BBPLC and BBUKPLC 2023 Annual Reports available at **home.barclays/investor-relations/reports-and-events/annual-reports/ for more information.**

Principal risk management (continued)

Customer communications

It is important that our engagement with our customers is open and honest and that we treat them fairly to avoid foreseeable harm and to make sure they are not exploited or misled. Barclays continues to take steps to ensure that our customers' needs and priorities are understood before making recommendations and that the communications we provide allow informed decisions to be made. We work to achieve this through a number of controls which focus on ensuring our customers receive clear information in order to understand the risks and benefits of the products we offer. For example:

- communications are sufficient, targeted and distributed to recipients whom Barclays knows or reasonably believes may stand to benefit from the communication, and are communicated in a manner and style that will be understood by the average recipient (or likely recipient),
- communications are withdrawn from further circulation when they are no longer accurate or fit for purpose, and
- customers do not receive inadequate advice, misleading information, unsuitable products or unacceptable service.

Our processes include a review of relevant communications which are supported by the Compliance and Legal functions to help ensure we meet both internal customer engagement standards and we are compliant with external regulations. Furthermore annual mandatory training is completed by marketing colleagues. The training covers key customer and brand standards along with the role and key policies set by external regulators e.g. regulatory requirements may require communications to be provided that are accessible to customers, or provide customers with the option to 'opt out'.

Remediation and redress

Barclays recognises that customer harm may occur as a result of our error, actions or inactions, and that we must undertake appropriate activity designed to ensure our customers are put back in the position they would have been in had the issue not occurred.

Remediation can be proactive, where we have identified the issue ourselves (for example through identifying a pattern in customer complaints), or reactive, where identified by a third party such as a regulator of Barclays.

Where it is appropriate, Barclays works to ensure the operation of consistent principles for remediation which includes timely notification to the relevant regulatory bodies.

Reputation Risk management

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

Overview

A reduction of trust in the Group's integrity and competence may reduce the attractiveness of the 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

Barclays PLC Board is the most senior body responsible for reviewing and monitoring the effectiveness of the Group's management of reputation risk.

The Group Chief Compliance Officer is accountable for developing a Reputation Risk Management Framework (RRMF), and the Head of Public Policy and Corporate Responsibility is responsible for the publication of appropriate Reputation Risk policies and associated standards, including tolerances against which data is monitored, reported on and escalated, as required. The RRMF sets out what is required to manage reputation risk across the Group, including escalations to the Group Reputation Risk Committee, as required.

Each colleague is responsible for identifying, assessing and escalating reputation risk.

Barclays Bank Group and Barclays Bank UK Group are required to operate within established reputation risk appetite, and their component businesses prepare reports highlighting their most significant current and potential reputation risks and issues and how they are being managed. These reports are a key internal source of information for the quarterly reputation risk reports which are prepared for Barclays Group ExCo and reviewed by the Group Board twice-yearly.

The Group Reputation Risk Committee is a sub-committee of the Group Executive Committee, authorised to manage material reputation risks and issues as they are brought to the attention of the committee via relevant reputation risk assessment and escalation processes.

Legal Risk management

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

Overview

In conjunction with the Barclays Control Framework, the Group wide Legal Risk Management Framework (LRMF) comprises a number of integrated components that details how the Group identifies, manages and measures its legal risk profile.

The multitude of laws and regulations across the globe are highly dynamic and their application to particular circumstances is often unclear resulting in a high level of inherent legal risk. The LRMF seeks to mitigate legal risk through the implementation of Group wide legal risk policies requiring the engagement of legal professionals to provide legal advice in situations that have the potential for legal risk, identification and management of legal risks by those professionals, and escalation of legal risk as necessary. Legal risk is also mitigated by the 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, the Group operates with a level of residual legal risk, for which the Group has limited tolerance.

Principal risk management (continued)

Organisation, roles and responsibilities

The Group's businesses and functions have responsibility for identifying and escalating legal risk to the Legal Function, 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 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 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 Group General Counsel is responsible for developing and maintaining the Group wide LRMF. This includes defining the relevant legal risk policies, producing the Group wide qualitative statement for legal risk as part of Barclays' risk appetite statement. The legal entity General Counsels are responsible for the adoption and effective implementation of legal risk policies in the respective legal entity.
The legal risk profile and control environment is reviewed by management through business risk committees and control committees. The Group Risk Committee is the most senior executive body responsible for reviewing and monitoring the effectiveness of risk management across the Group. Escalation paths from this committee exist to the Barclays PLC Board Risk Committee.

Financial Crime Risk management

The risk that Barclays and its associated persons (employees or third parties) commit or facilitate financial crime, and/or Barclays products and services are used to facilitate financial crime. Financial Crime undermines market integrity and may result in: Harm to clients, customers, counterparties or employees; diminished confidence in financial products and services; damage to Barclays reputation; regulatory breaches; and/or financial penalties.

Overview

Financial Crime risk incorporates anti-bribery and corruption, anti-money laundering, anti-tax evasion facilitation and sanctions risks.

Barclays has no appetite to operate its business other than in full accordance with all applicable laws, rules and regulations, in order to deliver good outcomes for / avoid harm to customers, clients and markets. Barclays will enable and support clients and customers to safely pursue their financial objectives and avoid causing negative impacts to the same through regulatory or legislative breaches, including potential or foreseeable harm, caused by financial crime.

Barclays strives to prevent exposure to, detect and/or disrupt financial crime through the execution of its end to end control framework.

Organisation, roles and responsibilities

The Financial Crime Risk Management Framework (FCRMF) outlines how the Group manages and measures its Financial Crime risk profile. The Group Chief Compliance Officer is accountable for developing, maintaining and overseeing the FCRMF. This includes defining and owning the relevant financial crime risk policies which detail the control objectives, principles and other core requirements for the activities of the Group. It is the responsibility of the first line of defence to establish financial crime related controls to manage its performance and assess conformance to these policies and controls.

Senior managers are accountable within their areas of responsibility for owning and managing financial crime risk in accordance with the FCRMF, as defined within their regulatory Statement of Responsibilities.

Financial Crime Compliance as an independent second line function oversees that financial crime risks are effectively identified, managed, monitored and escalated, and has a key role in helping Barclays achieve the right conduct outcomes and evolve a compliance-focused culture.

The governance of financial crime risk within the 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 Committee and the Barclays Bank UK Group Risk Committee are the primary second line governance committees for the oversight of the Financial Crime Risk Profile. The risk committees' responsibilities include the identification and discussion of any emerging financial crime risk exposures in the Barclays Group and Barclays Bank Group.

Risk performance - Climate risk

Climate risk performance

Carbon-related assets

According to TCFD, certain industry segments are more likely to be financially impacted than others due to their exposure to certain transition and physical risk factors for example, greenhouse gas (GHG) emissions, extreme weather events like storms, hurricanes etc and dependencies on stable weather conditions for their operations and products. These higher risk industry segments are grouped into four key areas: Energy; Transportation; Materials and Buildings; and Agriculture, Food, and Forest Products.

Barclays' exposures to the industries within these groups are reported as carbon-related assets and can be found in the table on the following page.

Elevated risk sectors

Barclays has assessed the physical and transition risks associated with Corporate and Financials sectors to identify and categorise industry segments / activities with heightened vulnerability to climate risks as elevated sectors. In each sector there are a range of vulnerabilities; whilst Barclays distinguishes elevated activities within high-level sectors, not all our clients in sectors classified as elevated will have high carbon intensity or physical risk vulnerability.

Residential Real Estate exposures are also included in this table. Barclays recognises the Mortgage portfolio within the UK as an elevated climate risk portfolio, although it is not an economic sector. On that basis they have been included in the table.

Risk performance - Climate risk (continued)

Carbon-related assets (Incl. sub-sector breakdown)[1,2]

			2024 £m				2023 £m				
	Physical Risk[3]	Transition Risk[3]	Loans & advances[4]	Loan commitments[5]	Total	Of which: Elevated	Loans & advances[4]	Loan commitments[5]	Total	Of which: Elevated	% Change
Agriculture, Food and Forest Products (logging)			3,430	803	4,233	4,179	3,597	914	4,511	4,463	(6%)
Agriculture	✓	✓	3,430	803	4,233	4,179	3,597	914	4,511	4,463	
Energy & Waters			2,846	17,010	19,856	19,684	3,510	16,305	19,815	19,652	—%
Power Utilities	✓	✓	2,284	15,401	17,685	17,685	2,793	14,727	17,520	17,520	
Metals (waste & recycling)			66	106	172	—	71	92	163	—	
Water Utilities	✓		496	1,503	1,999	1,999	646	1,486	2,132	2,132	
Manufacturing			5,527	30,519	36,046	12,344	6,038	31,521	37,559	13,970	(4%)
Automotive		✓	673	4,460	5,133	4,782	858	5,691	6,549	6,116	
Cements		✓	34	303	337	337	161	381	542	542	
Chemicals		✓	380	3,729	4,109	3,736	372	3,947	4,319	3,923	
Food, Bev and Tobacco		✓	925	5,906	6,831	814	962	5,705	6,667	795	
Manufacturing - Others		✓	2,745	13,368	16,113	698	3,126	12,782	15,908	776	
Metals		✓	281	387	668	262	157	408	565	159	
Oil and Gas (refining)	✓	✓	118	1,454	1,572	1,572	60	1,411	1,471	1,471	
Packaging Manufacturers: Metal, Glass and Plastics			135	242	377	—	113	303	416	—	
Paper and Forest Products (excluding logging)			219	544	763	—	186	748	934	—	
Steel		✓	17	126	143	143	43	145	188	188	
Materials and Building			22,786	12,596	35,382	1,270	23,650	10,640	34,290	1,516	3%
Construction and Materials	✓		1,956	1,326	3,282	1,270	2,500	1,322	3,822	1,516	
Real Estate Management and Development			20,830	11,270	32,100	—	21,150	9,318	30,398	—	
Mining and Quarrying			1,406	7,538	8,944	8,883	1,714	8,370	10,084	10,081	(11%)
Mining (incl. diversified miners)[6]	✓	✓	263	1,612	1,875	1,814	221	1,705	1,926	1,923	
Oil and Gas (extraction)	✓	✓	1,143	5,926	7,069	7,069	1,493	6,665	8,158	8,158	
Transport & storage			1,735	7,508	9,243	6,716	1,869	7,139	9,008	6,567	3%
Aviation	✓	✓	232	2,346	2,578	2,474	262	2,349	2,611	2,509	
Oil and Gas (midstream)	✓	✓	163	2,566	2,729	2,729	328	2,187	2,515	2,515	
Other Transport Services			686	1,318	2,004	—	687	1,263	1,950	0	
Ports	✓		87	88	175	175	75	124	199	199	
Road Haulage		✓	430	484	914	495	398	417	815	426	
Shipping		✓	137	706	843	843	119	799	918	918	
Wholesale and Retail Distribution and Leisure			2,487	5,560	8,047	4,270	2,203	7,089	9,292	4,543	(13%)
Oil and Gas (wholesale)		✓	889	1,340	2,229	1,882	375	2,139	2,514	2,102	
Others		✓	1,598	4,220	5,818	2,388	1,828	4,950	6,778	2,441	
Other Financial Institutions			380	469	849	—	515	1,726	2,241	—	(62%)
Real Estate Management and Development (REITs)			380	469	849	—	515	1,726	2,241	—	
Home Loans			168,061	11,433	179,494	174,520	171,512	8,226	179,738	171,694	—%
Residential Real Estate[7]	✓		168,061	11,433	179,494	174,520	171,512	8,226	179,738	171,694	
Carbon-related Assets/ Elevated Risk Sector Grand Total			208,658	93,436	302,094	231,866	214,608	91,930	306,538	232,486	(1%)
Total Loans & Advances & Loan Commitments			**414,483**	**407,799**	**822,282**	**822,282**	399,496	375,234	774,730	774,730	6%
Carbon-related assets / Total Loans & Advances and Loan Commitments			**50%**	**23%**	**37%**	**28%**	54%	24%	40%	30%	
Sub-total of sectors spanning in multiple industries											
Oil and Gas			2,313	11,286	13,599	13,252	2,256	12,402	14,658	14,246	(7%)

Notes:

1 The scope of elevated risk sector mapping has been revised based on our periodic assessment of climate risk sectors, resulting in activities such as renewable energy within Power Utilities, Water Utilities, Construction and Material, Food and fashion related activities (Others) now classified as elevated risk sectors/carbon related assets. The prior year comparatives have been re-presented to align with the updated sector mapping.

2 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.

3 Physical risk and Transition risk indicators are added for elevated risk sectors to indicate the drivers of risk. See page 65 for further details.

4 Loans & advances includes debt securities at amortised cost amounting to £68,210 (2023: £56,749m) of which carbon related assets are £1,929m (2023: £2,950m). These carbon related assets comprises £1,388m (2023: £2,643m) in Material & Buildings, £241m (2023: £nil) in Other Financial Corporations, £228m (2023: £238m) in Transport and storage, £63m (2023: £69m) in Energy and water and £9m (2023: £nil) in Wholesale and retail distribution and leisure.

5 Loan commitments excludes the fair value exposures of £15,350m in 2024 (2023: £15,203m).

6 Diversified miners with minority interests in thermal coal mining are included in this category.

7 Residential Real Estate includes mortgage portfolio within the UK as an elevated risk sectors.

Risk performance - Climate risk (continued)

Nature priority sectors

According to TNFD, certain industry segments ("nature priority sectors") are considered to have material nature-related dependencies and impacts.The table below shows Barclays exposure to these sectors which we have produced by mapping the industry codes provided by TNFD to Barclays Industry classifications.

The monitoring and reporting of our exposures to these priority sectors will continue to evolve in line with approaches taken to nature-related risk management and as such, are subject to change in future. Nature-related risks within a sector may vary substantially according to company and project.

Credit exposures to nature priority sectors [1, 2,3]

	2024			2023			
	(£m)			(£m)			
	Loans & advances[4]	Loan commitments[5]	Total	Loans & advances[4]	Loan commitments[5]	Total	% change
Agriculture	3,430	803	**4,233**	3,597	914	4,511	(6%)
Food, Bev and Tobacco	925	5,906	**6,831**	962	5,705	6,667	2%
Paper and Forest Products	219	544	**763**	186	748	934	(18%)
Oil and Gas	2,313	11,286	**13,599**	2,256	12,402	14,658	(7%)
Power Utilities	2,284	15,401	**17,685**	2,793	14,727	17,520	1%
Cement	34	303	**337**	161	381	542	(38%)
Chemicals	380	3,729	**4,109**	372	3,947	4,319	(5%)
Construction & Materials	2,315	1,941	**4,256**	1,569	3,255	4,824	(12%)
Manufacturing - Personal Care Products	49	578	**627**	80	729	809	(22%)
Manufacturing - Semiconductors and Semiconductor Equipments	254	582	**836**	240	886	1,126	(26%)
Manufacturing - Textiles, Apparel and Luxury Goods	152	459	**611**	242	526	768	(20%)
Metals	347	453	**800**	228	500	728	10%
Mining (incl. diversified miners)[6]	263	1,612	**1,875**	221	1,705	1,926	(3%)
Packaging manufacturers: Metal, Glass and Plastics	135	242	**377**	113	303	416	(9%)
Steel	17	126	**143**	43	145	188	(24%)
Automotive	673	4,460	**5,133**	858	5,691	6,549	(22%)
Aviation	232	2,346	**2,578**	262	2,349	2,611	(1%)
Other Transport Services	686	1,318	**2,004**	687	1,263	1,950	3%
Ports	87	88	**175**	75	124	199	(12%)
Road Haulage	430	484	**914**	398	417	815	12%
Shipping	137	706	**843**	119	799	918	(8%)
Pharmaceuticals	345	6,491	**6,836**	315	6,022	6,337	8%
Sewerage, Waste Collection, Treatment and Disposal	244	484	**728**	278	562	840	(13%)
Water Utilities	512	1,508	**2,020**	654	1,565	2,219	(9%)
Nature Priority Sector Assets Grand Total	**16,463**	**61,850**	**78,313**	16,709	65,665	82,374	(5%)
Total Loans & Advances and Loan Commitments	**414,483**	**407,799**	**822,282**	**399,496**	**375,234**	**774,730**	6%
Nature priority sectors assets / Total loans & advances and loan commitments	**4 %**	**15 %**	**10 %**	**4 %**	**17 %**	**11 %**	

Notes:

1 The scope of nature priority sector mapping has been revised based on our periodic assessment of version 1 of the TNFD published in September 2023, resulting in reclassification of activities from Homebuilding and property development to Real Estate and Construction & Material within the nature priority sectors .The prior year comparatives have been re-presented to align with the updated sector mapping.

2 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.

3 The TNFD highlights real estate development as a high-priority sector for nature. Barclays has £32,949m (2023: £32,709m) of Loans & Advances and Loan Commitments to Real Estate Management and Development, of which the majority is from real estate investment activity. As a result, this has been excluded from the Priority sector assets for Nature.

4 Loans & advances includes debt securities at amortised cost amounting to £68,210 (2023: £56,749m) of which nature priority sectors are £291m (2023: £307m).

5 Loan commitments excludes the fair value exposures of £15,350m in 2024 (2023: £15,203m).

6 Diversified miners with minority interests in thermal coal mining are included in this category.

Risk performance - Climate risk (continued)

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 2024 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)[1, 2]

	31.12.2024 (£m)	Of which: Elevated	31.12.2023 (£m)	Of which: Elevated	% Change
Agriculture, Food and Forest Products	**95**	**95**	—	—	
Agriculture	**95**	**95**	—	—	
Energy & Waters	**28,979**	**28,979**	22,920	22,920	26%
Power Utilities	**27,868**	**27,868**	21,967	21,967	
Water Utilities	**1,111**	**1,111**	953	953	
Manufacturing	**31,901**	**10,973**	29,702	12,398	7%
Automotive	**5,347**	**5,347**	6,948	6,861	
Cements	**344**	**344**	278	278	
Chemicals	**4,146**	**3,894**	2,903	2,685	
Food, Bev and Tobacco	**7,591**	**115**	6,845	460	
Manufacturing - Others	**10,618**	**49**	10,277	198	
Metals	**1,280**	**623**	298	55	
Oil and Gas (refining)	**601**	**601**	1,225	1,225	
Packaging Manufacturers: Metal, Glass and Plastics	**1,056**	**—**	223	—	
Paper and Forest Products	**918**	**—**	69	—	
Steel	**—**	**—**	636	636	
Materials and Building	**6,190**	**731**	3,853	686	61%
Construction and Materials	**810**	**731**	770	686	
Real Estate Management and Development	**5,380**	**—**	3,083	—	
Mining and Quarrying	**6,290**	**6,244**	3,080	3,080	
Mining (Incl. diversified miners)[3]	**585**	**539**	783	783	
Oil and Gas (extraction)	**5,705**	**5,705**	2,297	2,297	
Transport & storage	**17,190**	**15,182**	8,082	6,774	
Aviation	**4,292**	**4,292**	1,821	1,653	
Oil and Gas (midstream)	**10,076**	**10,076**	4,255	4,255	
Other Transport Services	**1,620**	**—**	957	—	
Ports	**64**	**64**	—	—	
Road Haulage	**633**	**245**	207	24	
Shipping	**505**	**505**	842	842	
Wholesale and retail distribution and leisure	**4,160**	**1,066**	3,605	1,063	15%
Oil and Gas (wholesale)	**235**	**100**	539	466	
Others	**3,925**	**966**	3,066	597	
Other Financial Institutions	**1,774**	**—**	760	—	
Real Estate Management and Development (REITs)	**1,774**	**—**	760	—	
Carbon-related Assets Grand Total	**96,579**	**63,270**	72,002	46,921	34%
Capital Market Financing Total	**415,433**		308,034		35%
Financing to Carbon-related Sector / Total Capital Market Financing %	**23%**		**23%**		
Sub-total of sectors spanning in multiple industries					
Oil and Gas	**16,617**	**16,482**	8,316	8,243	

Notes:
1 The scope of elevated risk sector mapping has been revised based on our periodic assessment of climate risk sectors, resulting in activities such as renewable energy within Power Utilities, Water Utilities, Construction and Material, Food and fashion related activities (Others) now classified as elevated risk sectors/carbon related assets. The prior year comparatives have been re-presented to align with the updated sector mapping.
2 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.
3 Diversified miners with minority interests in thermal coal mining are included in this category.

Risk performance - Climate risk (continued)

Subsidence: Total Volume of stock (as % of total UK Mortgages portfolio) per risk band

Subsidence is driven by the interplay of precipitation, temperature and soil type factors, which result in volumetric changes to the soil. Increased volatility in weather conditions, as a result of climate change, contributes to the acceleration of subsidence impacts. Some areas, particularly those with high concentrations of clay soil, for example London, are more susceptible to subsidence. This shrink-swell impact can cause localised property level impacts, resulting in impacts to the valuation of a property, or impacts to affordability through remediation costs and high insurance premiums.

Barclays works with a third-party climate data provider to support climate risk data enhancements within the UK Mortgages portfolio. This includes the ability to map subsidence risk at a property level granularity. The subsidence risk scoring is based on soil properties, in particular the extent to which the soil will shrink under hot and dry weather conditions, as well as the predicted temperature and probability of extreme rainfall. These variables are combined with subsidence claims per postcode to generate a pseudo-quantitative score, where a property in class 9 is around nine times as likely as a property in class 1 to make a subsidence claim. A small proportion of the UK Mortgage portfolio is not mapped to a subsidence risk score (c.5.6%). This is due either to a lack of data coverage (i.e. the property is not covered by underlying maps), or a lack of certainty in address matching.

		As at 30 September 2024	As at 30 September 2023
Risk Band	**Qualitative Risk Score**	**Volume %**	**Volume %**
0	No Subsidence Risk	—	—
1	Low	9.6	9.5
2	Low	36.1	36.0
3	Low	23.4	23.5
4	Moderate	4.7	4.7
5	Moderate	4.6	4.7
6	Moderate	3.3	3.4
7	High	2.4	2.4
8	High	—	—
9	High	0.2	0.3
10	Very High	5.3	5.4
11	Very High	—	—
12	Very High	2.6	2.6
13	Very High	—	—
14	Very High	—	—
15	Very High	2.2	2.3
Missing		5.6	5.2

Note:
Data collected from 3rd party source based on one quarter lag. 30 September 2024 closest available dataset.

Flood: Total Volume of stock (as % of total UK Mortgages portfolio) per risk band

Flooding in the UK is forecast to increase over time, with the potential for this increase to accelerate if greenhouse gas emissions are not reduced. The increased risk of flooding has the potential to impact the valuation of properties directly, as well as indirectly where areas may become high risk and property demand falls. Remediation costs, high insurance premiums or potential lack of insurance coverage have the potential to impact affordability.

Barclays works with a third-party climate data provider to support climate risk data enhancements within the UK Mortgages portfolio. This has enabled Barclays to move from postcode level to property level flood data granularity. Flood Risk bands are based on average annual loss, generated using flood hazard frequency and flood depth from tidal, surface, pluvial and fluvial flooding and accounting for the mitigating impact of flood defences where these are present. Properties in the Moderate and High Risk bands are expected to face above average insurance costs given their elevated exposure to flood risk. Those within the Very High band and which meet certain requirements (e.g. owner-occupied, built before-2009, are a single residential unit or a building comprising of two or three residential units) are considered likely to be eligible for Flood Re (a government subsidised flood insurance scheme).

	As at 30 September 2024	As at 30 September 2023
Risk Band	**Volume %**	**Volume %**
Negligible	80.9	81.3
Very Low	7.6	7.6
Low	1.8	1.8
Moderate	1.6	1.6
High	2.6	2.6
Very High	1.2	1.2
Missing	4.3	3.9

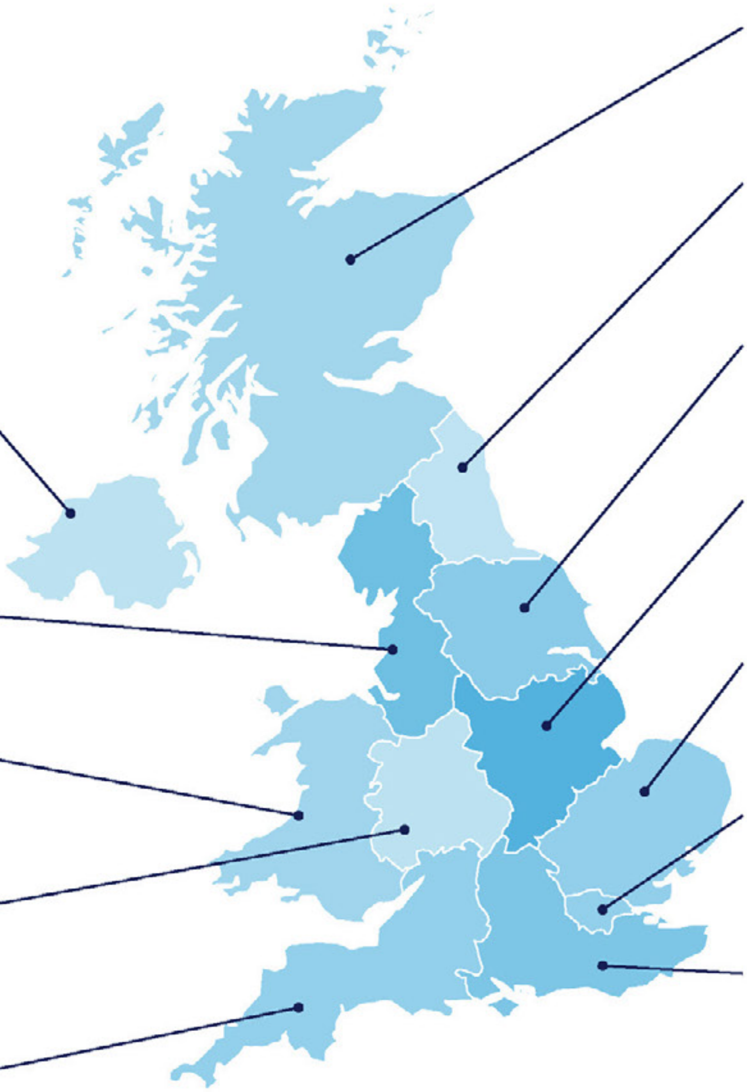
Note:
Data collected from 3rd party source based on one quarter lag. 30 September 2024 closest available dataset.

Risk performance - Climate risk (continued)

Flood: Very High & High Flood Risk Exposure per region (as % of Total Regional Exposure)

The map below represents the proportion of properties within the UK Mortgages portfolio at High and Very High risk of flood per region as a percentage of the total regional exposure (excluding Kensington Mortgage Company originated properties). The flood metrics are presented on current risk levels and are based on average annual loss, generated using flood hazard frequency and flood depth from tidal, surface, pluvial and fluvial flooding and accounting for the mitigating impact of flood defences where these are present. The mapping covers c.95% of the UK Mortgages portfolio on a total exposure basis - the remaining c.5% of properties are not currently mapped to flood risk ratings on a property level basis as a result of a lack of data coverage (i.e. the property is not covered by underlying maps), or a lack of certainty in address matching.

% of Total Lending
(as % of total UK Mortgages balances)
- High: 2.5%
- Very High: 1.0%



N. Ireland
% of Total Lending: 0.9%
of which:
- High: 1.1%
- Very High: 0.5%

North West
% of Total Lending: 6.0%
of which:
- High: 2.7%
- Very High: 1.7%

Wales
% of Total Lending: 2.3%
of which:
- High: 2.2%
- Very High: 0.6%

West Midlands
% of Total Lending: 5.2%
of which:
- High: 1.5%
- Very High: 0.5%

South West
% of Total Lending: 6.3%
of which:
- High: 2.4%
- Very High: 0.9%

Scotland
% of Total Lending: 3.7%
of which:
- High: 1.9%
- Very High: 0.9%

North East
% of Total Lending: 1.9%
of which:
- High: 1.2%
- Very High: 0.7%

Yorks & the Humber
% of Total Lending: 4.0%
of which:
- High: 2.3%
- Very High: 1.3%

East Midlands
% of Total Lending: 4.5%
of which:
- High: 2.9%
- Very High: 2.5%

East of England
% of Total Lending: 12.2%
of which:
- High: 2.4%
- Very High: 0.9%

London
% of Total Lending: 32.5%
Of which
- High: 2.6%
- Very High: 0.6%

South East
% of Total Lending: 20.6%
of which:
- High: 3.0%
- Very High: 1.0 %

Darker shades indicate higher proportion of high or very high flood risk exposure
High and Very High Flood Risk are shown as % of regional exposure

Note:
Data collected from third party source based on one quarter lag. 30 September 2024 closest available dataset.

Risk performance - Climate risk (continued)

Coastal Erosion: Total Volume of stock (as % of total UK Mortgages portfolio) per risk band

Coastal Erosion is defined as the loss or displacement of land, or the long-term removal of sediment and rocks along the coastline due to the action of waves, currents, tides, wind-driven water, waterborne ice, or other impacts of storms. The increased volatility of weather conditions, as a result of climate change contribute to the acceleration of coastal erosion impacts.

Coastal erosion risk is calculated using the modelled hazard level and the likelihood of that particular hazard impacting the value of the property. For example, a score of 100 (Very High Risk) might be assigned to a property within an area of predicted coastline retreat. In this situation, the likelihood of the ground collapsing is high (the coastal erosion data has determined that the current surface will no longer exist in n years) and the potential severity of damage to the property is also high (the building itself could partially or completely collapse into the sea).

	As at 30 September 2024	As at 30 September 2023
Risk Band	Volume %	Volume %
Negligible	94.4	94.8
Low	0.0	0.0
Moderate	0.0	0.0
Very High	0.0	0.0
Missing	5.6	5.2

Note
Data collected from 3rd party source based on one quarter lag, 30 September 2024 closest available dataset.

Current and Potential Energy Performance Certificate (EPC): Total Volume of stock (as % of total UK Mortgages portfolio) per EPC rating

The transition risk in the UK Mortgages portfolio is assessed via the distribution of Current & Potential EPC ratings across the portfolio. One of the levers to decarbonise the UK housing stock for the UK Government is to tighten energy efficiency requirements. In 2024, the UK Government announced that the minimum EPC rating of rental properties will be raised to EPC C (from EPC E) by 2030. It is anticipated that any tightening of Minimum Energy Efficiency Standards (MEES) will focus initially on buy-to-let properties. Buy-to-Let properties which are privately rented are currently required to have a minimum EPC rating of E. The transition risk identified has the potential to impact the valuation of properties directly, alongside impacting affordability as properties which fall under MEES may no longer be able to be rented out or the landlord may need to pay for retrofitting to be brought up to standard.

EPC ratings range from A (most efficient) to G (least efficient). Current & Potential EPC ratings are used as the basis for assessing expected energy costs but do not give a precise picture of emission intensity. The UK Mortgages portfolio is mapped to the Government EPC Register. Properties may not feature on the Government EPC Register as some properties may have never been required to have an EPC rating (not been sold or rented out since 2007), their EPC rating may have expired (EPC ratings are valid for 10 years) or the property may be in Scotland or Northern Ireland (which use separate databases). Whilst Barclays' proportion of 'missing EPC ratings' has declined year on year, the issue of missing EPC ratings is prevalent across the industry.

Current EPC: Residential and Buy-to-let balances and volume of stock per EPC rating as at September 2024[1]

Current EPC Rating	Residential Mortgage Balances	Balance as % of Residential Mortgages portfolio	Volume as % of Residential Mortgages portfolio	Buy-to-Let Mortgage Balances	Balance as % of Buy-to-Let Mortgages portfolio	Volume as % of Buy-to-Let Mortgages portfolio
	£m	%	%	£m	%	%
A	601	0.4	0.3	19	0.1	0.1
B	23,205	16.5	15.2	1,940	11.0	9.1
C	26,952	19.1	18.4	5,456	30.9	31.8
D	42,000	29.8	27.4	5,986	33.9	34.2
E	16,695	11.9	9.9	1,587	9.0	9.2
F	3,817	2.7	2.1	98	0.6	0.6
G	723	0.5	0.4	25	0.1	0.1
Missing	26,769	19.1	26.3	2,529	14.4	14.9
Total	140,762	100	100	17,640	100	100

Note:
1 Data matching provided by 3rd party source based on one quarter lag, 30 September 2024 closest available dataset - EPC monitoring based on Sept-24 portfolio and Sept-24 Government EPC Register. If no valid EPC is mapped, the expired EPC (where available) is included as a proxy.

Risk performance - Climate risk (continued)

EPC: Residential and Buy-to-let balances and volume of stock per EPC rating as at September 2023[1]

Current EPC Rating	Residential Mortgage Balances	Balance as % of Residential Mortgages portfolio	Volume as % of Residential Mortgages portfolio	Buy-to-Let Mortgage Balances	Balance as % of Buy-to-Let Mortgages portfolio	Volume as % of Buy-to-Let Mortgages portfolio
	£m	%	%	£m	%	%
A	487	0.3	0.2	20	0.1	0.1
B	22,514	15.8	14.3	2,144	10.7	8.9
C	24,954	17.5	16.6	5,781	28.9	29.6
D	41,575	29.3	26.4	6,842	34.3	34.4
E	17,546	12.3	10.2	1,991	10.0	10.1
F	4,132	2.9	2.2	129	0.6	0.7
G	780	0.5	0.4	31	0.2	0.2
Missing	30,528	21.4	29.7	3,033	15.2	16.0
Total	142,516	100	100	19,971	100	100

Note:
1 Data matching provided by 3rd party source based on one quarter lag, 30 September 2023 closest available dataset - EPC monitoring based on Sept-23 portfolio and Sept-23 Government EPC Register. If no valid EPC is mapped, the expired EPC (where available) is included as a proxy.

Potential EPC[1]: Residential and Buy-to-let balances and volume of stock per EPC rating as at September 2024[2]

Potential EPC Rating	Residential Mortgage Balances	Balance as % of Residential Mortgages portfolio	Volume as % of Residential Mortgages portfolio	Buy-to-Let Mortgage Balances	Balance as % of Buy-to-Let Mortgages portfolio	Volume as % of Buy-to-Let Mortgages portfolio
	£m	%	%	£m	%	%
A	13,892	9.9	9.3	474	2.7	2.9
B	52,672	37.4	36.0	8017	45.4	45.8
C	37,461	26.6	22.4	5802	32.9	31.8
D	7,471	5.3	4.6	716	4.1	4.0
E	2,012	1.4	1.1	87	0.5	0.5
F	398	0.3	0.2	13	0.1	0.1
G	87	0.1	0.1	3	0.0	0.0
Missing	26,769	19.0	26.3	2528	14.3	14.9
Total	140,762	100	100	17640	100	100

Note:
1 The potential EPC is the EPC rating that a property can reasonably be expected to achieve if the recommended energy efficiency upgrades are undertaken.
2 Data matching provided by 3rd party source based on one quarter lag, 30 September 2024 closest available dataset - EPC monitoring based on Sept-24 portfolio and Sept-24 Government EPC Register. If no valid EPC is mapped, the expired EPC (where available) is included as a proxy.

Potential EPC: Residential and Buy-to-let balances and volume of stock per EPC rating as at September 2023[1]

Potential EPC Rating	Residential Mortgage Balances	Balance as % of Residential Mortgages portfolio	Volume as % of Residential Mortgages portfolio	Buy-to-Let Mortgage Balances	Balance as % of Buy-to-Let Mortgages portfolio	Volume as % of Buy-to-Let Mortgages portfolio
	£m	%	%	£m	%	%
A	13,193	9.3	0.2	516	2.6	2.9
B	50,094	35.1	14.3	8,783	44.0	44.2
C	37,594	26.4	16.6	6,585	33.0	31.8
D	8,244	5.8	26.4	915	4.6	4.5
E	2,297	1.6	10.1	118	0.6	0.6
F	468	0.3	2.2	17	0.1	0.1
G	100	0.1	0.4	4	0.0	0.0
Missing	30,526	21.4	29.8	3,033	15.1	15.9
Total	142,516	100	100	19,971	100	100

Note:
1 Data matching provided by 3rd party source based on one quarter lag, 30 September 2023 closest available dataset - EPC monitoring based on Sept-23 portfolio and Sept-23 Government EPC Register. If no valid EPC is mapped, the expired EPC (where available) is included as a proxy.

Business Banking - Dairy & Cattle Exposure

Given methane's global warming potential the Dairy & Cattle sector is a significant contributor to the UK's emissions footprint and is therefore susceptible to the transition risks of climate change, namely consumer preference changes and potential emissions taxation. In 2024 Barclays Bank UK launched a Client Transition Tool, which is a data set compiled for Barclays Bank UK Business Banking clients in Dairy & Cattle sectors for all new or refinanced lending to assess transition trajectories against Barclays' targets and benchmarks. This tool will provide further granularity on clients' transition plans and progress. Coverage of the Client Transition Tool across the portfolio will increase over time. In 2024 Barclays Bank UK also implemented an enhanced Climate & Environment Lens questionnaire for clients in elevated climate risk sectors.

Risk performance - Credit risk

Credit risk

Credit risk: summary of contents

Risk performance - Credit risk (continued)

Credit Risk

All disclosures in this section are unaudited unless otherwise stated.

Overview

Credit risk represents a significant risk to the 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.

Credit risk disclosures are materially aligned to the recommendations of the Taskforce on Disclosures about Expected Credit Losses (DECL).

Acquisition of Tesco Bank

Barclays Group has acquired Tesco bank's retail banking business effective November 1, 2024. Gross loans and advances at amortised cost as at December 31, 2024 includes £8.3bn of unsecured lending balances from the Tesco Bank's acquisition, comprising of £4.2bn of credit card receivables and £4.1bn of unsecured personal loans, with corresponding impairment allowance of £0.2bn. On the acquisition date, balances were originated into Stage 1 with £0.06bn in purchased or originated credit-impaired (POCI) balances. POCI balances represent a fixed pool of assets purchased at a deep discount to face value reflecting credit losses incurred from the point of origination to date of acquisition.

Asset Held for Sale

A separate section has been included within credit risk disclosures to reflect portfolios which were classified as assets held for sale. These includes a co-branded card portfolio and German consumer finance business.

Summary of performance in the year

Gross exposure

Gross loans and advances at amortised cost to customers and banks increased to £420bn (2023: £405bn), driven by £11bn increase in debt securities on account of Treasury investments and £8.3bn from Tesco Bank acquisition, partially offset by (£6.3bn) reclassification of a co-branded card portfolio to assets held for sale and (£3.2bn) sale of Italian mortgages business.

Maximum exposure

The Group's net exposure to credit risk increased 4.3% to £1,074bn (2023: £1,030bn) which is mainly driven by £20bn increase in loan commitments, £18bn debt securities issued by government and £11bn cash collateral and settlement balances . Overall, the extent to which the mitigation is held against its total exposure has remained stable at 42% (2023: 42%).

Credit quality

Delinquencies were broadly stable across the group with an anticipated increase in US cards. A range of activities are in place to protect our existing defensive positioning against 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 £2.5bn is observed in Stage 2 gross exposure driven by an improved GDP forecast along with repayments in Business Banking and reclassification of a co-branded card portfolio to assets held for sale.

Stage 3 balances have increased to £7.4bn (2023: £7.2bn) driven by stage migration in corporate loans and US cards partially offset by sale of Italian mortgages business.

Refer to **pages 320** to **321** for further details.

Scenario

The economy is gradually recovering and is further stimulated as restrictive monetary policy continues loosening. For Q424, macroeconomic scenarios have been refreshed and are designed around a broad range of economic outcomes. The Downside 2 (DS2) scenario has been broadly aligned to Barclays 2024 Internal Stress Test (IST24) which includes climate drivers.

Refer to the Barclays resilience to climate scenarios on **page 126** for further details.

ECL

Impairment allowances on loans and advances at amortised cost including off-balance sheet decreased to £5.5bn (2023: £6.3bn) primarily driven by sale of Italian mortgage business, reclassification of a co-branded card portfolio to assets held for sale and an improved macroeconomic outlook, partially offset by the acquisition of Tesco Bank . As a result, on-balance sheet coverage decreased 20 bps to 1.2% (2023: 1.4%).

Charge

Credit impairment charges were £1,982m (2023: £1,881m), driven by the charge on the acquisition of Tesco Bank and anticipated higher delinquencies in US cards partially offset by the impact of credit risk management actions and methodology enhancements.

Management adjustments

Economic uncertainty adjustments decreased to £78m (2023: £198m), informed by lower inflationary risk and a resilient credit performance in UK retail lending.

Refer to the Management adjustment to models for impairment section on **page 322** for further details.

Climate

Barclays has performed a credit risk assessment of physical and transition risk due to climate change through a combination of a scenario approach and targeted reviews on specific portfolios identified as more susceptible to climate risk. As further enhancements during the year, the DS2 scenario has been aligned to the IST24 which is climate aware and for specific portfolios new climate modelling techniques were utilised to assess physical and transition risk due to climate change at customer level.

Further detail can be found in the Financial statements section in Note 8 Credit impairment charges. Description of terminology can be found in the glossary, available at **home.barclays/annualreport**.

Refer to **credit risk management** section for the details of governance, policies and procedures.

Risk performance - Credit risk (continued)

Maximum exposure and effects of netting, collateral and risk transfer

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

The Group mitigates the credit risk to which it is exposed through netting and set-off, collateral and risk transfer. Further detail on the Group's policies to each of these forms of credit enhancement is presented on pages 132 to 135 of the Barclays PLC Pillar 3 Report 2024 (unaudited).

Collateral obtained

Where collateral has been obtained in the event of default, the 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 Group as at 31 December 2024, as a result of the enforcement of collateral, was £12m (2023: £6m).

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

As at 31 December 2024	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	210,184	—	—	—	—	210,184
Cash collateral and settlement balances	119,843	—	—	—	—	119,843
Loans and advances at amortised cost:						
Retail mortgages	168,061	—	(22)	(168,026)	—	13
Retail credit cards	34,779	—	—	—	—	34,779
Retail other	13,808	—	(1,106)	(2,502)	(36)	10,164
Corporate loans	129,625	(3,006)	(1,107)	(67,909)	(11,548)	46,055
Total loans and advances at amortised cost	346,273	(3,006)	(2,235)	(238,437)	(11,584)	91,011
Of which credit-impaired (Stage 3):						
Retail mortgages	1,875	—	—	(1,874)	—	1
Retail credit cards - excluding POCI	396	—	—	—	—	396
Retail credit cards - POCI	40	—	—	—	—	40
Retail other - excluding POCI	217	—	(21)	(175)	—	21
Retail other - POCI	17	—	—	—	—	17
Corporate loans	2,490	—	(32)	(1,108)	(415)	935
Total credit-impaired loans and advances at amortised cost	5,035	—	(53)	(3,157)	(415)	1,410
Debt securities at amortised cost	68,210	—	—	(583)	(90)	67,537
Reverse repurchase agreements and other similar secured lending	4,734	—	—	(4,734)	—	—
Trading portfolio assets:						
Debt securities	78,014	—	—	(657)	—	77,357
Traded loans	13,470	—	—	(878)	—	12,592
Total trading portfolio assets	91,484	—	—	(1,535)	—	89,949
Financial assets at fair value through the income statement:						
Loans and advances	45,068	—	(17)	(41,766)	—	3,285
Debt securities	2,965	—	—	(182)	—	2,783
Reverse repurchase agreements	141,773	—	(2,429)	(138,905)	—	439
Other financial assets	110	—	—	—	—	110
Total financial assets at fair value through the income statement	189,916	—	(2,446)	(180,853)	—	6,617
Derivative financial instruments	293,530	(230,434)	(30,637)	(12,633)	(5,284)	14,542
Financial assets at fair value through other comprehensive income	78,055	—	—	(1,104)	(246)	76,705
Other assets	891	—	(1)	—	—	890
Assets held for sale	9,544	—	—	—	—	9,544
Total on-balance sheet	1,412,664	(233,440)	(35,319)	(439,879)	(17,204)	686,822
Off-balance sheet:						
Contingent liabilities	25,346	—	(2,664)	(441)	(248)	21,993
Loan commitments	423,149	—	(550)	(55,327)	(1,899)	365,373
Total off-balance sheet	448,495	—	(3,214)	(55,768)	(2,147)	387,366
Total	1,861,159	(233,440)	(38,533)	(495,647)	(19,351)	1,074,188

Off-balance sheet exposures are shown gross of provisions of £439m (2023: £504m). See Note 24 for further details. In addition to the above, the Group holds forward starting reverse repos with notional contract amounts of £108.6bn (2023: £54.3bn). These balances are fully collateralised. Corporate loans at amortised cost include £3.3bn (2023: £5.3bn) of BBLS, CBILS and CLBILS supported by UK government guarantees of £3.2bn (2023: £5.1bn), which are included within the Risk transfer column in the table. Reported off-balance sheet loan commitments also include exposures relating to financial assets classified as assets held for sale.

Risk performance - Credit risk (continued)

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

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	224,634	—	—	—	—	224,634
Cash collateral and settlement balances	108,889	—	—	—	—	108,889
Loans and advances at amortised cost:						
Retail mortgages	171,512	—	(13)	(171,484)	—	15
Retail credit cards	34,221	—	—	—	—	34,221
Retail other	9,952	—	(1,028)	(2,329)	(39)	6,556
Corporate loans	127,062	(3,876)	(1,117)	(61,892)	(14,716)	45,461
Total loans and advances at amortised cost	342,747	(3,876)	(2,158)	(235,705)	(14,755)	86,253
Of which credit-impaired (Stage 3):						
Retail mortgages	1,996	—	—	(1,994)	—	2
Retail credit cards - excluding POCI	387	—	—	—	—	387
Retail credit cards - POCI	—	—	—	—	—	—
Retail other - excluding POCI	317	—	(23)	(263)	—	31
Retail other - POCI	—	—	—	—	—	—
Corporate loans	1,956	—	(4)	(1,098)	(546)	308
Total credit-impaired loans and advances at amortised cost	4,656	—	(27)	(3,355)	(546)	728
Debt securities at amortised cost	56,749	—	—	(956)	(156)	55,637
Reverse repurchase agreements and other similar secured lending	2,594	—	—	(2,594)	—	—
Trading portfolio assets:						
Debt securities	75,498	—	—	(521)	—	74,977
Traded loans	12,653	—	—	(189)	—	12,464
Total trading portfolio assets	88,151	—	—	(710)	—	87,441
Financial assets at fair value through the income statement:						
Loans and advances	47,639	—	(47)	(41,334)	(4)	6,254
Debt securities	2,586	—	—	(221)	—	2,365
Reverse repurchase agreements	149,131	—	(3,416)	(145,292)	—	423
Other financial assets	110	—	—	—	—	110
Total financial assets at fair value through the income statement	199,466	—	(3,463)	(186,847)	(4)	9,152
Derivative financial instruments	256,836	(198,809)	(31,211)	(10,036)	(3,791)	12,989
Financial assets at fair value through other comprehensive income	71,830	—	—	(362)	(198)	71,270
Other assets	2,197	—	(1)	—	—	2,196
Assets held for sale	3,855	—	—	—	—	3,855
Total on-balance sheet	1,357,948	(202,685)	(36,833)	(437,210)	(18,904)	662,316
Off-balance sheet:						
Contingent liabilities	25,340	—	(2,225)	(358)	(283)	22,474
Loan commitments	390,437	—	(1,506)	(41,862)	(1,773)	345,296
Total off-balance sheet	415,777	—	(3,731)	(42,220)	(2,056)	367,770
Total	1,773,725	(202,685)	(40,564)	(479,430)	(20,960)	1,030,086

Risk performance - Credit risk (continued)

Expected Credit Losses

Loans and advances at amortised cost by geography

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 product and geographical breakdown by stages of loans and advances at amortised cost and the impairment allowance, including purchased or originated credit-impaired (POCI) balances. POCI balances represent a fixed pool of assets purchased at a deep discount to face value reflecting credit losses incurred from the point of origination to date of acquisition. Also included are stage allocation of debt securities and off-balance sheet loan commitments and financial guarantee contracts 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

Loans and advances at amortised cost by geography (audited)

	Gross exposure					Impairment allowance				
	Stage 1	Stage 2	Stage 3 excluding POCI	Stage 3 POCI	Total	Stage 1	Stage 2	Stage 3 excluding POCI	Stage 3 POCI	Total
As at 31 December 2024	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Retail mortgages	145,039	19,507	1,793	—	166,339	36	61	61	—	158
Retail credit cards	13,497	2,064	179	40	15,780	219	440	91	—	750
Retail other	10,606	1,218	257	17	12,098	135	110	138	—	383
Corporate loans[1]	52,284	7,266	2,171	—	61,721	133	196	420	—	749
Total UK	221,426	30,055	4,400	57	255,938	523	807	710	—	2,040
Retail mortgages	1,651	89	169	—	1,909	2	1	26	—	29
Retail credit cards	17,629	2,953	1,724	—	22,306	334	807	1,416	—	2,557
Retail other	1,844	155	121	—	2,120	3	1	23	—	27
Corporate loans	64,224	3,901	945	—	69,070	76	135	206	—	417
Total Rest of the World	85,348	7,098	2,959	—	95,405	415	944	1,671	—	3,030
Total loans and advances at amortised cost	306,774	37,153	7,359	57	351,343	938	1,751	2,381	—	5,070
Debt Securities at amortised cost	64,988	3,245	—	—	68,233	12	11	—	—	23
Total loans and advances at amortised cost including Debt Securities	371,762	40,398	7,359	57	419,576	950	1,762	2,381	—	5,093
Off-balance sheet loan commitments and financial guarantee contracts[2]	412,255	18,728	1,168	6	432,157	164	250	25	—	439
Total[3,4]	784,017	59,126	8,527	63	851,733	1,114	2,012	2,406	—	5,532

Risk performance - Credit risk (continued)

	Net Exposure					Coverage ratio				
	Stage 1	Stage 2	Stage 3 excluding POCI	Stage 3 POCI	Total	Stage 1	Stage 2	Stage 3 excluding POCI	Stage 3 POCI	Total
As at 31 December 2024	**£m**	**£m**	**£m**	**£m**	**£m**	**%**	**%**	**%**	**%**	**%**
Retail mortgages	145,003	19,446	1,732	—	166,181	—	0.3	3.4	—	0.1
Retail credit cards	13,278	1,624	88	40	15,030	1.6	21.3	50.8	—	4.8
Retail other	10,471	1,108	119	17	11,715	1.3	9.0	53.7	—	3.2
Corporate loans[1]	52,151	7,070	1,751	—	60,972	0.3	2.7	19.3	—	1.2
Total UK	220,903	29,248	3,690	57	253,898	0.2	2.7	16.1	—	0.8
Retail mortgages	1,649	88	143	—	1,880	0.1	1.1	15.4	—	1.5
Retail credit cards	17,295	2,146	308	—	19,749	1.9	27.3	82.1	—	11.5
Retail other	1,841	154	98	—	2,093	0.2	0.6	19.0	—	1.3
Corporate loans	64,148	3,766	739	—	68,653	0.1	3.5	21.8	—	0.6
Total Rest of the world	84,933	6,154	1,288	—	92,375	0.5	13.3	56.5	—	3.2
Total loans and advances at amortised cost	305,836	35,402	4,978	57	346,273	0.3	4.7	32.4	—	1.4
Debt securities at amortised cost	64,976	3,234	—	—	68,210	—	0.3	—	—	—
Total loans and advances at amortised cost including debt securities	370,812	38,636	4,978	57	414,483	0.3	4.4	32.4	—	1.2
Off-balance sheet loan commitments and financial guarantee contracts[2]	412,091	18,478	1,143	6	431,718	—	1.3	2.1	—	0.1
Total[3, 4]	782,903	57,114	6,121	63	846,201	0.1	3.4	28.2	—	0.6

Notes:
1 Includes Business Banking, which has a gross exposure of £13.1bn and an impairment allowance of £356m. This comprises £60m impairment allowance on £8.9bn Stage 1 exposure, £60m on £2.8bn Stage 2 exposure and £236m on £1.5bn Stage 3 exposure. Excluding this, total coverage for corporate loans in UK is 0.8%.
2 Excludes loan commitments and financial guarantees of £16.3bn carried at fair value and includes exposures relating to financial assets classified as assets held for sale.
3 Other financial assets subject to impairment excluded in the table above include cash collateral and settlement balances, reverse repurchase agreements and other similar secured lending, financial assets at fair value through other comprehensive income and other assets. These have a total gross exposure of £204.2bn and an impairment allowance of £156m. This comprises £19m impairment allowance on £202.7bn Stage 1 exposure, £7m on £1.3bn Stage 2 exposure and £130m on £139m Stage 3 exposure.
4 The annualised loan loss rate is 46bps after applying the total impairment charge of £1,982m.

Risk performance - Credit risk (continued)

Loans and advances at amortised cost by geography (audited)

	Gross exposure					Impairment allowance				
	Stage 1	Stage 2	Stage 3 excluding POCI	Stage 3 POCI	Total	Stage 1	Stage 2	Stage 3 excluding POCI	Stage 3 POCI	Total
As at 31 December 2023	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Retail mortgages	146,001	19,123	1,812	—	166,936	43	77	112	—	232
Retail credit cards	8,094	2,128	198	—	10,420	111	492	107	—	710
Retail other	6,832	1,252	264	—	8,348	56	117	144	—	317
Corporate loans[1]	54,257	8,673	1,692	—	64,622	191	214	346	—	751
Total UK	215,184	31,176	3,966	—	250,326	401	900	709	—	2,010
Retail mortgages	4,201	346	612	—	5,159	7	28	316	—	351
Retail credit cards	22,315	3,450	1,522	—	27,287	412	1,138	1,226	—	2,776
Retail other	1,637	91	229	—	1,957	3	1	32	—	36
Corporate loans	58,248	4,629	862	—	63,739	96	200	252	—	548
Total Rest of the World	86,401	8,516	3,225	—	98,142	518	1,367	1,826	—	3,711
Total loans and advances at amortised cost	301,585	39,692	7,191	—	348,468	919	2,267	2,535	—	5,721
Debt securities at amortised cost	52,869	3,907	—	—	56,776	11	16	—	—	27
Total loans and advances at amortised cost including debt securities	354,454	43,599	7,191	—	405,244	930	2,283	2,535	—	5,748
Off-balance sheet loan commitments and financial guarantee contracts[2]	374,063	24,208	1,037	—	399,308	173	287	44	—	504
Total[3,4]	728,517	67,807	8,228	—	804,552	1,103	2,570	2,579	—	6,252

Risk performance - Credit risk (continued)

Loans and advances at amortised cost by geography (audited)

	Net Exposure					Coverage ratio				
	Stage 1	Stage 2	Stage 3 excluding POCI	Stage 3 POCI	Total	Stage 1	Stage 2	Stage 3 excluding POCI	Stage 3 POCI	Total
As at 31 December 2023	£m	£m	£m	£m	£m	%	%	%	%	%
Retail mortgages	145,958	19,046	1,700	—	166,704	—	0.4	6.2	—	0.1
Retail credit cards	7,983	1,636	91	—	9,710	1.4	23.1	54.0	—	6.8
Retail other	6,776	1,135	120	—	8,031	0.8	9.3	54.5	—	3.8
Corporate loans[1]	54,066	8,459	1,346	—	63,871	0.4	2.5	20.4	—	1.2
Total UK	214,783	30,276	3,257	—	248,316	0.2	2.9	17.9	—	0.8
Retail mortgages	4,194	318	296	—	4,808	0.2	8.1	51.6	—	6.8
Retail credit cards	21,903	2,312	296	—	24,511	1.8	33.0	80.6	—	10.2
Retail other	1,634	90	197	—	1,921	0.2	1.1	14.0	—	1.8
Corporate loans	58,152	4,429	610	—	63,191	0.2	4.3	29.2	—	0.9
Total Rest of the World	85,883	7,149	1,399	—	94,431	0.6	16.1	56.6	—	3.8
Total loans and advances at amortised cost	300,666	37,425	4,656	—	342,747	0.3	5.7	35.3	—	1.6
Debt securities at amortised cost	52,858	3,891	—	—	56,749	—	0.4	—	—	—
Total loans and advances at amortised cost including debt securities	353,524	41,316	4,656	—	399,496	0.3	5.2	35.3	—	1.4
Off-balance sheet loan commitments and financial guarantee contracts[2]	373,890	23,921	993	—	398,804	—	1.2	4.2	—	0.1
Total[3, 4]	727,414	65,237	5,649	—	798,300	0.2	3.8	31.3	—	0.8

Notes:
1 Includes Business Banking, which has a gross exposure of £15.2bn and an impairment allowance of £431m. This comprises £99m impairment allowance on £9.8bn Stage 1 exposure, £81m on £4.1bn Stage 2 exposure and £251m on £1.3bn Stage 3 exposure. Excluding this, total coverage for corporate loans in UK is 0.6%.
2 Excludes loan commitments and financial guarantees of £16.5bn carried at fair value and includes exposures relating to financial assets classified as assets held for sale.
3 Other financial assets subject to impairment excluded in the table above include cash collateral and settlement balances, reverse repurchase agreements and other similar secured lending, financial assets at fair value through other comprehensive income and other assets. These have a total gross exposure of £186.2bn and an impairment allowance of £151m. This comprises £16m impairment allowance on £185.4bn Stage 1 exposure, £2m on £0.6bn Stage 2 exposure and £133m on £140m Stage 3 exposure.
4 The annualised loan loss rate is 46bps after applying the total impairment charge of £1,881m.

Risk performance - Credit risk (continued)

Loans and advances at amortised cost by product (audited)

The table below presents a product breakdown by stages of loans and advances at amortised cost. Also included is a breakdown of Stage 2 past due balances.

Loans and advances at amortised cost by product (audited)

		Stage 2						
As at 31 December 2024	Stage 1	Not past due	<=30 days past due	>30 days past due	Total	Stage 3 excluding POCI	Stage 3 POCI	Total
Gross exposure	£m	£m	£m	£m	£m	£m	£m	£m
Retail mortgages	**146,690**	**16,790**	**2,034**	**772**	**19,596**	**1,962**	**—**	**168,248**
Retail credit cards	**31,126**	**4,435**	**303**	**279**	**5,017**	**1,903**	**40**	**38,086**
Retail other	**12,450**	**1,056**	**211**	**106**	**1,373**	**378**	**17**	**14,218**
Corporate loans	**116,508**	**10,849**	**144**	**174**	**11,167**	**3,116**	**—**	**130,791**
Total	**306,774**	**33,130**	**2,692**	**1,331**	**37,153**	**7,359**	**57**	**351,343**
Impairment allowance								
Retail mortgages	**38**	**42**	**13**	**7**	**62**	**87**	**—**	**187**
Retail credit cards	**553**	**959**	**122**	**166**	**1,247**	**1,507**	**—**	**3,307**
Retail other	**138**	**76**	**17**	**18**	**111**	**161**	**—**	**410**
Corporate loans	**209**	**316**	**7**	**8**	**331**	**626**	**—**	**1,166**
Total	**938**	**1,393**	**159**	**199**	**1,751**	**2,381**	**—**	**5,070**
Net exposure								
Retail mortgages	**146,652**	**16,748**	**2,021**	**765**	**19,534**	**1,875**	**—**	**168,061**
Retail credit cards	**30,573**	**3,476**	**181**	**113**	**3,770**	**396**	**40**	**34,779**
Retail other	**12,312**	**980**	**194**	**88**	**1,262**	**217**	**17**	**13,808**
Corporate loans	**116,299**	**10,533**	**137**	**166**	**10,836**	**2,490**	**—**	**129,625**
Total	**305,836**	**31,737**	**2,533**	**1,132**	**35,402**	**4,978**	**57**	**346,273**
Coverage ratio	**%**	**%**	**%**	**%**	**%**	**%**	**%**	**%**
Retail mortgages	**—**	**0.3**	**0.6**	**0.9**	**0.3**	**4.4**	**—**	**0.1**
Retail credit cards	**1.8**	**21.6**	**40.3**	**59.5**	**24.9**	**79.2**	**—**	**8.7**
Retail other	**1.1**	**7.2**	**8.1**	**17.0**	**8.1**	**42.6**	**—**	**2.9**
Corporate loans	**0.2**	**2.9**	**4.9**	**4.6**	**3.0**	**20.1**	**—**	**0.9**
Total	**0.3**	**4.2**	**5.9**	**15.0**	**4.7**	**32.4**	**—**	**1.4**
As at 31 December 2023								
Gross exposure	£m	£m	£m	£m	£m	£m	£m	£m
Retail mortgages	150,202	16,834	1,971	664	19,469	2,424	—	172,095
Retail credit cards	30,409	4,858	392	328	5,578	1,720	—	37,707
Retail other	8,469	1,094	126	123	1,343	493	—	10,305
Corporate loans	112,505	12,960	179	163	13,302	2,554	—	128,361
Total	301,585	35,746	2,668	1,278	39,692	7,191	—	348,468
Impairment allowance								
Retail mortgages	50	73	20	12	105	428	—	583
Retail credit cards	523	1,257	166	207	1,630	1,333	—	3,486
Retail other	59	82	18	18	118	176	—	353
Corporate loans	287	399	8	7	414	598	—	1,299
Total	919	1,811	212	244	2,267	2,535	—	5,721
Net exposure								
Retail mortgages	150,152	16,761	1,951	652	19,364	1,996	—	171,512
Retail credit cards	29,886	3,601	226	121	3,948	387	—	34,221
Retail other	8,410	1,012	108	105	1,225	317	—	9,952
Corporate loans	112,218	12,561	171	156	12,888	1,956	—	127,062
Total	300,666	33,935	2,456	1,034	37,425	4,656	—	342,747
Coverage ratio	%	%	%	%	%	%	%	%
Retail mortgages	—	0.4	1.0	1.8	0.5	17.7	—	0.3
Retail credit cards	1.7	25.9	42.3	63.1	29.2	77.5	—	9.2
Retail other	0.7	7.5	14.3	14.6	8.8	35.7	—	3.4
Corporate loans	0.3	3.1	4.5	4.3	3.1	23.4	—	1.0
Total	0.3	5.1	7.9	19.1	5.7	35.3	—	1.6

Risk performance - Credit risk (continued)

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

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, reverse repurchase agreements and other similar secured lending, 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.

Risk performance - Credit risk (continued)

Loans and advances at amortised cost (audited)

	Stage 1		Stage 2		Stage 3 excluding POCI		Stage 3 POCI		Total	
	Gross exposure	ECL	Gross exposure	ECL	Gross exposure	ECL	Gross exposure	ECL	Gross exposure	ECL
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Retail mortgages										
As at 1 January 2024	150,202	50	19,469	105	2,424	428	—	—	172,095	583
Transfers from Stage 1 to Stage 2	(10,013)	(5)	10,013	5	—	—	—	—	—	—
Transfers from Stage 2 to Stage 1	6,591	29	(6,591)	(29)	—	—	—	—	—	—
Transfers to Stage 3	(388)	—	(530)	(10)	918	10	—	—	—	—
Transfers from Stage 3	82	3	142	2	(224)	(5)	—	—	—	—
Business activity in the year	22,881	8	792	4	7	—	—	—	23,680	12
Refinements to models used for calculation	—	—	—	—	—	—	—	—	—	—
Net drawdowns, repayments, net re-measurement and movements due to exposure and risk parameter changes	(7,297)	(37)	(918)	36	(53)	23	—	—	(8,268)	22
Final repayments	(12,680)	(5)	(2,099)	(11)	(394)	(24)	—	—	(15,173)	(40)
Disposals[1]	(2,688)	(5)	(682)	(40)	(699)	(328)	—	—	(4,069)	(373)
Write-offs	—	—	—	—	(17)	(17)	—	—	(17)	(17)
As at 31 December 2024	146,690	38	19,596	62	1,962	87	—	—	168,248	187
Retail credit cards										
As at 1 January 2024	30,409	523	5,578	1,630	1,720	1,333	—	—	37,707	3,486
Transfers from Stage 1 to Stage 2	(2,093)	(66)	2,093	66	—	—	—	—	—	—
Transfers from Stage 2 to Stage 1	1,933	461	(1,933)	(461)	—	—	—	—	—	—
Transfers to Stage 3	(702)	(26)	(1,079)	(469)	1,781	495	—	—	—	—
Transfers from Stage 3	26	13	25	10	(51)	(23)	—	—	—	—
Business activity in the year[2]	7,217	184	400	118	32	29	40	—	7,689	331
Refinements to models used for calculation[3]	—	5	—	(29)	—	4	—	—	—	(20)
Net drawdowns, repayments, net re-measurement and movements due to exposure and risk parameter changes	658	(450)	838	628	(7)	1,143	—	—	1,489	1,321
Final repayments	(136)	(7)	(41)	(16)	(5)	(3)	—	—	(182)	(26)
Transfers to assets held for sale[4]	(5,495)	(64)	(689)	(161)	(57)	(46)	—	—	(6,241)	(271)
Disposals[1]	(691)	(20)	(175)	(69)	(407)	(322)	—	—	(1,273)	(411)
Write-offs	—	—	—	—	(1,103)	(1,103)	—	—	(1,103)	(1,103)
As at 31 December 2024	31,126	553	5,017	1,247	1,903	1,507	40	—	38,086	3,307

Notes:

1 The £4.1bn of gross disposals reported within Retail mortgages include £3.2bn sale of the Italian mortgage portfolio and £0.8bn of transfer of facilities to a non-consolidated SPV for the purpose of securitisation. The £1.3bn of gross disposals reported within Retail credit cards include £0.9bn sale of the outstanding US Cards receivables to Blackstone and £0.4bn of other debt sales undertaken during the year.

2 Business activity in the year reported within Retail credit cards includes an acquisition of Tesco Bank's credit card receivables of £4.2bn.

3 Refinements to models used for calculation reported within Retail credit cards include a £(31)m movement in UK Cards and a £11m movement in the US Cards portfolio. 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 helps to ensure that the models used continue to reflect the risks inherent across the businesses.

4 Transfers to assets held for sale reported within Retail credit cards relate to a co-branded card portfolio within USCB.

Risk performance - Credit risk (continued)

Loans and advances at amortised cost (audited)

	Stage 1		Stage 2		Stage 3 excluding POCI		Stage 3 POCI		Total	
	Gross exposure	ECL	Gross exposure	ECL	Gross exposure	ECL	Gross exposure	ECL	Gross exposure	ECL
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Retail other										
As at 1 January 2024	**8,469**	**59**	**1,343**	**118**	**493**	**176**	**—**	**—**	**10,305**	**353**
Transfers from Stage 1 to Stage 2	(619)	(8)	619	8	—	—	—	—	—	—
Transfers from Stage 2 to Stage 1	423	27	(423)	(27)	—	—	—	—	—	—
Transfers to Stage 3	(209)	(2)	(151)	(30)	360	32	—	—	—	—
Transfers from Stage 3	82	1	52	4	(134)	(5)	—	—	—	—
Business activity in the year[1]	7,590	105	252	30	24	22	17	—	7,883	157
Refinements to models used for calculation	—	—	—	—	—	—	—	—	—	—
Net drawdowns, repayments, net re-measurement and movements due to exposure and risk parameter changes	(265)	(33)	(125)	13	59	116	—	—	(331)	96
Final repayments	(3,021)	(11)	(194)	(5)	(273)	(41)	—	—	(3,488)	(57)
Disposals[2]	—	—	—	—	(46)	(34)	—	—	(46)	(34)
Write-offs	—	—	—	—	(105)	(105)	—	—	(105)	(105)
As at 31 December 2024	**12,450**	**138**	**1,373**	**111**	**378**	**161**	**17**	**—**	**14,218**	**410**
Corporate loans										
As at 1 January 2024	**112,505**	**287**	**13,302**	**414**	**2,554**	**598**	**—**	**—**	**128,361**	**1,299**
Transfers from Stage 1 to Stage 2	(3,810)	(28)	3,810	28	—	—	—	—	—	—
Transfers from Stage 2 to Stage 1	3,316	75	(3,316)	(75)	—	—	—	—	—	—
Transfers to Stage 3	(1,073)	(6)	(892)	(37)	1,965	43	—	—	—	—
Transfers from Stage 3	269	14	230	22	(499)	(36)	—	—	—	—
Business activity in the year	27,032	45	897	36	415	26	—	—	28,344	107
Refinements to models used for calculation[3]	—	(6)	—	42	—	—	—	—	—	36
Net drawdowns, repayments, net re-measurement and movements due to exposure and risk parameter changes[4]	4,191	(124)	(531)	4	(631)	341	—	—	3,029	221
Final repayments	(25,861)	(46)	(2,322)	(98)	(363)	(21)	—	—	(28,546)	(165)
Transfers to assets held for sale[5]	(49)	(1)	(9)	(3)	(1)	(1)			(59)	(5)
Disposals[2]	(12)	(1)	(2)	(2)	(2)	(2)	—	—	(16)	(5)
Write-offs	—	—	—	—	(322)	(322)	—	—	(322)	(322)
As at 31 December 2024	**116,508**	**209**	**11,167**	**331**	**3,116**	**626**	**—**	**—**	**130,791**	**1,166**

Notes:

1 Business activity in the year reported within Retail other includes an acquisition of Tesco Bank's unsecured personal loans of £4.1bn.

2 The £46m of gross disposals reported within Retail other relate to debt sales undertaken during the period. The £16m of gross disposals reported within Corporate loans relate to debt sales undertaken during the year.

3 Refinements to models used for calculation reported within Corporate loans include a £69m movement in IB and a £(33)m movement in the ESHLA portfolio. 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 helps to ensure that the models used continue to reflect the risks inherent across the businesses.

4 'Net drawdowns, repayments, net re-measurement and movements due to exposure and risk parameter changes' reported within Corporate loans also include assets of £2.7bn derecognised due to payment received on defaulted loans from government guarantees issued under the Government's Bounce Back Loans Scheme.

5 Transfers to assets held for sale reported within Corporate loans relate to a co-branded card portfolio within USCB.

Risk performance - Credit risk (continued)

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

	Stage 1	Stage 2	Stage 3 excluding POCI	Stage 3 POCI	Total
	£m	£m	£m	£m	£m
Retail mortgages	(7)	(3)	4	—	(6)
Retail credit cards	114	(153)	1,645	—	1,606
Retail other	79	(7)	124	—	196
Corporate loans	(76)	(78)	353	—	199
ECL movements excluding assets held for sale, disposals and write-offs[1]	110	(241)	2,126	—	1,995
ECL movement on loan commitments and other financial guarantees	(9)	(37)	(19)	—	(65)
ECL movement on other financial assets	3	5	(3)	—	5
ECL movement on debt securities at amortised cost	1	(5)	—	—	(4)
Recoveries and reimbursements[2]	(21)	20	(90)	—	(91)
ECL charge on assets held for sale[3]					74
Total exchange and other adjustments					68
Total credit impairment charge for the year					1,982

Notes:
1 In 2024, gross write-offs amounted to £1,547m and post write-off recoveries amounted to £76m. Net write-offs represent gross write-offs less post write-off recoveries and amounted to £1,471m.
2 Recoveries and reimbursements include £15m for reimbursements expected to be received under the arrangement where 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 £76m.
3 ECL charge on assets held for sale relate to the German consumer finance business.

Risk performance - Credit risk (continued)

Loan commitments and financial guarantees (audited)[1]

	Stage 1		Stage 2		Stage 3 excluding POCI		Stage 3 POCI		Total	
	Gross exposure	ECL	Gross exposure	ECL	Gross exposure	ECL	Gross exposure	ECL	Gross exposure	ECL
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Retail mortgages										
As at 1 January 2024	7,776	—	448	—	4	—	—	—	8,228	—
Net transfers between stages	(47)	—	41	—	6	—	—	—	—	—
Business activity in the year	8,048	—	—	—	—	—	—	—	8,048	—
Net drawdowns, repayments, net re-measurement and movement due to exposure and risk parameter changes	(4,336)	—	(106)	—	(7)	—	—	—	(4,449)	—
Limit management and final repayments	(348)	—	(43)	—	(1)	—	—	—	(392)	—
As at 31 December 2024	11,093	—	340	—	2	—	—	—	11,435	—
Retail credit cards										
As at 1 January 2024	144,791	59	2,807	54	142	—	—	—	147,740	113
Net transfers between stages	(1,940)	30	1,853	(30)	87	—	—	—	—	—
Business activity in the year	31,376	13	226	5	2	—	6	—	31,610	18
Net drawdowns, repayments, net re-measurement and movement due to exposure and risk parameter changes	2,148	(36)	(1,969)	4	(88)	—	—	—	91	(32)
Limit management and final repayments	(13,904)	(13)	(402)	(20)	(21)	—	—	—	(14,327)	(33)
As at 31 December 2024	162,471	53	2,515	13	122	—	6	—	165,114	66
Retail other										
As at 1 January 2024	8,607	6	535	2	44	—	—	—	9,186	8
Net transfers between stages	(9)	—	(8)	—	17	—	—	—	—	—
Business activity in the year	781	2	1	—	—	—	—	—	782	2
Net drawdowns, repayments, net re-measurement and movement due to exposure and risk parameter changes	110	(2)	(77)	(2)	(13)	—	—	—	20	(4)
Limit management and final repayments	(1,073)	—	(11)	—	(23)	—	—	—	(1,107)	—
As at 31 December 2024	8,416	6	440	—	25	—	—	—	8,881	6
Corporate loans										
As at 1 January 2024	212,889	108	20,418	231	847	44	—	—	234,154	383
Net transfers between stages	1,241	29	(1,555)	(32)	314	3	—	—	—	—
Business activity in the year	50,411	33	1,666	31	193	—	—	—	52,270	64
Net drawdowns, repayments, net re-measurement and movement due to exposure and risk parameter changes	10,109	(39)	(1,383)	70	(46)	(14)	—	—	8,680	17
Limit management and final repayments	(44,375)	(26)	(3,713)	(63)	(289)	(8)	—	—	(48,377)	(97)
As at 31 December 2024	230,275	105	15,433	237	1,019	25	—	—	246,727	367

Note:
1 Loan commitments reported also include financial assets classified as held for sale.

Risk performance - Credit risk (continued)

Loans and advances at amortised cost (audited)

	Stage 1		Stage 2		Stage 3 excluding POCI		Stage 3 POCI		Total	
	Gross exposure	ECL	Gross exposure	ECL	Gross exposure	ECL	Gross exposure	ECL	Gross exposure	ECL
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Retail mortgages										
As at 1 January 2023	153,672	29	18,200	73	2,414	414	—	—	174,286	516
Transfers from Stage 1 to Stage 2	(9,557)	(2)	9,557	2	—	—	—	—	—	—
Transfers from Stage 2 to Stage 1	6,052	22	(6,052)	(22)	—	—	—	—	—	—
Transfers to Stage 3	(453)	—	(530)	(13)	983	13	—	—	—	—
Transfers from Stage 3	26	1	122	2	(148)	(3)	—	—	—	—
Business activity in the year[1]	23,329	13	978	7	26	11	—	—	24,333	31
Refinements to models used for calculation	—	—	—	—	—	—	—	—	—	—
Net drawdowns, repayments, net re-measurement and movements due to exposure and risk parameter changes	(11,505)	(8)	(1,136)	65	(502)	27	—	—	(13,143)	84
Final repayments	(10,837)	(3)	(1,666)	(9)	(328)	(15)	—	—	(12,831)	(27)
Disposals[2]	(525)	(2)	(4)	—	(2)	—	—	—	(531)	(2)
Write-offs	—	—	—	—	(19)	(19)	—	—	(19)	(19)
As at 31 December 2023	150,202	50	19,469	105	2,424	428	—	—	172,095	583
Retail credit cards										
As at 1 January 2023	29,788	458	6,449	1,620	1,380	955	—	—	37,617	3,033
Transfers from Stage 1 to Stage 2	(2,406)	(68)	2,406	68	—	—	—	—	—	—
Transfers from Stage 2 to Stage 1	2,900	590	(2,900)	(590)	—	—	—	—	—	—
Transfers to Stage 3	(678)	(27)	(874)	(374)	1,552	401	—	—	—	—
Transfers from Stage 3	54	32	31	18	(85)	(50)	—	—	—	—
Business activity in the year	2,775	60	332	116	29	25	—	—	3,136	201
Refinements to models used for calculation[3]	—	(28)	—	37	—	11	—	—	—	20
Net drawdowns, repayments, net re-measurement and movements due to exposure and risk parameter changes	(162)	(465)	649	797	(47)	998	—	—	440	1,330
Final repayments	(241)	(14)	(70)	(21)	(26)	(19)	—	—	(337)	(54)
Transfers to assets held for sale[4]	(1,621)	(15)	(445)	(41)	(92)	(68)	—	—	(2,158)	(124)
Disposals[2]	—	—	—	—	(186)	(115)	—	—	(186)	(115)
Write-offs	—	—	—	—	(805)	(805)	—	—	(805)	(805)
As at 31 December 2023	30,409	523	5,578	1,630	1,720	1,333	—	—	37,707	3,486
Retail other										
As at 1 January 2023	13,470	100	1,468	166	720	308	—	—	15,658	574
Transfers from Stage 1 to Stage 2	(1,179)	(13)	1,179	13	—	—	—	—	—	—
Transfers from Stage 2 to Stage 1	463	36	(463)	(36)	—	—	—	—	—	—
Transfers to Stage 3	(549)	(4)	(154)	(44)	703	48	—	—	—	—
Transfers from Stage 3	33	3	9	4	(42)	(7)	—	—	—	—
Business activity in the year	7,302	27	197	23	28	21	—	—	7,527	71
Refinements to models used for calculation	—	—	—	—	—	—	—	—	—	—
Net drawdowns, repayments, net re-measurement and movements due to exposure and risk parameter changes	(4,163)	(57)	(247)	31	(146)	115	—	—	(4,556)	89
Final repayments	(5,347)	(13)	(358)	(7)	(421)	(44)	—	—	(6,126)	(64)
Transfers to assets held for sale[4]	(1,561)	(20)	(288)	(32)	(84)	(60)	—	—	(1,933)	(112)
Disposals[2]	—	—	—	—	(134)	(74)	—	—	(134)	(74)
Write-offs	—	—	—	—	(131)	(131)	—	—	(131)	(131)
As at 31 December 2023	8,469	59	1,343	118	493	176	—	—	10,305	353

Notes:
1 Business activity in the year reported within Retail mortgages includes an acquisition of Kensington Mortgage Company in UK Mortgages of £2.4bn.
2 The £531m of gross disposals reported within Retail mortgages relate to transfer of facilities to a non-consolidated special purpose vehicle for the purpose of securitisation. The £186m of gross disposals reported within Retail credit cards include debt sales undertaken during the year. The £134m of gross disposals reported within Retail other include £64m part sale of Wealth portfolio in Italy and £70m of debt sales undertaken during the year.
3 Refinements to models used for calculation reported within Retail credit cards include a £88m movement in UK Cards, £43m movement in US Cards and £(111)m movement in the German consumer finance business. 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 helps to ensure that the models used continue to reflect the risks inherent across the businesses.
4 Transfers to assets held for sale reported within Retail credit cards and Retail other relate to the German consumer finance business.

Risk performance - Credit risk (continued)

Loans and advances at amortised cost (audited)

	Stage 1		Stage 2		Stage 3 excluding POCI		Stage 3 POCI		Total	
	Gross exposure	ECL	Gross exposure	ECL	Gross exposure	ECL	Gross exposure	ECL	Gross exposure	ECL
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Corporate loans										
As at 1 January 2023	111,891	461	16,818	424	2,572	542	—	—	131,281	1,427
Transfers from Stage 1 to Stage 2	(6,172)	(45)	6,172	45	—	—	—	—	—	—
Transfers from Stage 2 to Stage 1	5,592	108	(5,592)	(108)	—	—	—	—	—	—
Transfers to Stage 3	(758)	(10)	(1,011)	(27)	1,769	37	—	—	—	—
Transfers from Stage 3	195	16	403	22	(598)	(38)	—	—	—	—
Business activity in the year	23,213	43	933	29	205	29	—	—	24,351	101
Refinements to models used for calculation[1]	—	(61)	—	174	—	—	—	—	—	113
Net drawdowns, repayments, net re-measurement and movements due to exposure and risk parameter changes[2]	2,079	(179)	(1,618)	(73)	(667)	405	—	—	(206)	153
Final repayments	(23,149)	(43)	(2,689)	(46)	(406)	(65)	—	—	(26,244)	(154)
Disposals[3]	(386)	(3)	(114)	(26)	(108)	(99)	—	—	(608)	(128)
Write-offs	—	—	—	—	(213)	(213)	—	—	(213)	(213)
As at 31 December 2023	112,505	287	13,302	414	2,554	598	—	—	128,361	1,299

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

	Stage 1	Stage 2	Stage 3 excluding POCI	Stage 3 POCI	Total
	£m	£m	£m	£m	£m
Retail mortgages	23	32	33	—	88
Retail credit cards	80	51	1,366	—	1,497
Retail other	(21)	(16)	133	—	96
Corporate loans	(171)	16	368	—	213
ECL movement excluding assets held for sale ,disposals and write-offs[4]	(89)	83	1,900	—	1,894
ECL movement on loan commitments and financial guarantees	(72)	(28)	21	—	(79)
ECL movement on other financial assets	6	(7)	(11)	—	(12)
ECL movement on debt securities at amortised cost	2	(17)	—	—	(15)
Recoveries and reimbursements[5]	4	(4)	(73)	—	(73)
Total exchange and other adjustments					166
Total credit impairment charge for the year					1,881

Notes:
1 Refinements to models used for calculation reported within Corporate loans include a £93m movement in UKCB and IB portfolios and £20m movement in Barclaycard Payments portfolio. 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 helps to ensure that the models used continue to reflect the risks inherent across the businesses.
2 'Net drawdowns, repayments, net re-measurement and movements due to exposure and risk parameter changes' reported within Corporate loans also include assets of £0.8bn derecognised due to payment received on defaulted loans from government guarantees issued under the Government's Bounce Back Loans Scheme.
3 The £608m of gross disposals reported within Corporate loans relate to debt sales undertaken during the year.
4 In 2023, gross write-offs amounted to £1,168m and post write-off recoveries amounted to £44m. Net write-offs represent gross write-offs less post write-off recoveries and amounted to £1,124m.
5 Recoveries and reimbursements include £29m for reimbursements expected to be received under the arrangement where 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 £44m.

Risk performance - Credit risk (continued)

Loan commitments and financial guarantees (audited)[1]

	Stage 1		Stage 2		Stage 3 excluding POCI		Stage 3 POCI		Total	
	Gross exposure	ECL	Gross exposure	ECL	Gross exposure	ECL	Gross exposure	ECL	Gross exposure	ECL
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Retail mortgages										
As at 1 January 2023	11,714	—	450	—	6	—	—	—	12,170	—
Net transfers between stages	(62)	—	53	—	9	—	—	—	—	—
Business activity in the year	4,184	—	—	—	—	—	—	—	4,184	—
Net drawdowns, repayments, net re-measurement and movement due to exposure and risk parameter changes	(7,669)	—	(11)	—	(11)	—	—	—	(7,691)	—
Limit management and final repayments	(391)	—	(44)	—	—	—	—	—	(435)	—
As at 31 December 2023	7,776	—	448	—	4	—	—	—	8,228	—
Retail credit cards										
As at 1 January 2023	144,957	50	5,435	83	228	—	—	—	150,620	133
Net transfers between stages	448	61	(538)	(61)	90	—	—	—	—	—
Business activity in the year	19,098	16	224	13	1	—	—	—	19,323	29
Net drawdowns, repayments, net re-measurement and movement due to exposure and risk parameter changes	(5,863)	(59)	(1,769)	53	(101)	—	—	—	(7,733)	(6)
Limit management and final repayments	(13,849)	(9)	(545)	(34)	(76)	—	—	—	(14,470)	(43)
As at 31 December 2023	144,791	59	2,807	54	142	—	—	—	147,740	113
Retail other										
As at 1 January 2023	10,427	5	520	—	80	—	—	—	11,027	5
Net transfers between stages	(171)	—	140	—	31	—	—	—	—	—
Business activity in the year	1,639	—	1	—	4	—	—	—	1,644	—
Net drawdowns, repayments, net re-measurement and movement due to exposure and risk parameter changes	(1,690)	1	(93)	2	(59)	—	—	—	(1,842)	3
Limit management and final repayments	(1,598)	—	(33)	—	(12)	—	—	—	(1,643)	—
As at 31 December 2023	8,607	6	535	2	44	—	—	—	9,186	8
Corporate loans										
As at 1 January 2023	205,847	190	24,289	232	866	23	—	—	231,002	445
Net transfers between stages	2,416	23	(2,423)	(23)	7	—	—	—	—	—
Business activity in the year	54,807	27	2,271	43	39	2	—	—	57,117	72
Net drawdowns, repayments, net re-measurement and movement due to exposure and risk parameter changes	3,556	(106)	97	25	206	24	—	—	3,859	(57)
Limit management and final repayments	(53,737)	(26)	(3,816)	(46)	(271)	(5)	—	—	(57,824)	(77)
As at 31 December 2023	212,889	108	20,418	231	847	44	—	—	234,154	383

Note:
1 Loan commitments reported also include financial assets classified as held for sale.

Risk performance - Credit risk (continued)

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 (0.6% of impairment allowance and 2.6% 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 UK Corporate Bank and Investment Bank for reasons such as outstanding interest and fees rather than principal balances.

Loans and advances at amortised cost[1]

	Gross Exposure				Impairment Allowance			
	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 2024[2]	£m	£m	£m	£m	£m	£m	£m	£m
Retail mortgages	**9,143**	**9,681**	**683**	**19,507**	**42**	**15**	**4**	**61**
Retail credit cards	**1,719**	**345**	**—**	**2,064**	**367**	**73**	**—**	**440**
Retail other	**746**	**464**	**8**	**1,218**	**94**	**15**	**1**	**110**
Corporate loans	**5,406**	**1,743**	**117**	**7,266**	**143**	**52**	**1**	**196**
Total UK	**17,014**	**12,233**	**808**	**30,055**	**646**	**155**	**6**	**807**
Retail mortgages	**3**	**13**	**73**	**89**	**1**	**—**	**—**	**1**
Retail credit cards	**2,200**	**744**	**9**	**2,953**	**620**	**183**	**4**	**807**
Retail other	**15**	**72**	**68**	**155**	**—**	**1**	**—**	**1**
Corporate loans	**2,985**	**903**	**13**	**3,901**	**103**	**32**	**—**	**135**
Total Rest of the World	**5,203**	**1,732**	**163**	**7,098**	**724**	**216**	**4**	**944**
Retail mortgages	**9,146**	**9,694**	**756**	**19,596**	**43**	**15**	**4**	**62**
Retail credit cards	**3,919**	**1,089**	**9**	**5,017**	**987**	**256**	**4**	**1,247**
Retail other	**761**	**536**	**76**	**1,373**	**94**	**16**	**1**	**111**
Corporate loans	**8,391**	**2,646**	**130**	**11,167**	**246**	**84**	**1**	**331**
Total Stage 2	**22,217**	**13,965**	**971**	**37,153**	**1,370**	**371**	**10**	**1,751**
As at 31 December 2023	£m	£m	£m	£m	£m	£m	£m	£m
Retail mortgages	8,905	9,589	629	19,123	49	22	6	77
Retail credit cards	1,798	330	—	2,128	416	76	—	492
Retail other	775	462	15	1,252	104	12	1	117
Corporate loans	6,745	1,845	83	8,673	177	36	1	214
Total UK	**18,223**	**12,226**	**727**	**31,176**	**746**	**146**	**8**	**900**
Retail mortgages	301	28	17	346	24	2	2	28
Retail credit cards	2,399	1,020	31	3,450	750	367	21	1,138
Retail other	9	41	41	91	1	—	—	1
Corporate loans	3,593	964	72	4,629	155	42	3	200
Total Rest of the World	**6,302**	**2,053**	**161**	**8,516**	**930**	**411**	**26**	**1,367**
Retail mortgages	9,206	9,617	646	19,469	73	24	8	105
Retail credit cards	4,197	1,350	31	5,578	1,166	443	21	1,630
Retail other	784	503	56	1,343	105	12	1	118
Corporate loans	10,338	2,809	155	13,302	332	78	4	414
Total Stage 2	**24,525**	**14,279**	**888**	**39,692**	**1,676**	**557**	**34**	**2,267**

Notes:

1 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 have been assigned in order of categories presented.

2 Exposures exclude the portfolios which have been classified as assets held for sale.

Risk performance - Credit risk (continued)

Stage 3 decomposition

Stage 3 comprises 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, other individually assessed exposures and POCI as part of Tesco bank acquisition where imminent default or actual loss is identified.

Loans and advances at amortised cost

	Gross Exposure					Impairment Allowance				
	Stage 3 excluding POCI					Stage 3 excluding POCI				
	Exposures not charged-off	Exposures individually assessed or in recovery book	Total	POCI	Total Stage 3	Exposures not charged-off	Exposures individually assessed or in recovery book	Total	POCI	Total Stage 3
As at 31 December 2024[1]	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Retail mortgages	**1,438**	**355**	**1,793**	**—**	**1,793**	**28**	**33**	**61**	**—**	**61**
Retail credit cards	**179**	**—**	**179**	**40**	**219**	**88**	**3**	**91**	**—**	**91**
Retail other	**164**	**93**	**257**	**17**	**274**	**77**	**61**	**138**	**—**	**138**
Corporate loans	**1,294**	**877**	**2,171**	**—**	**2,171**	**110**	**310**	**420**	**—**	**420**
Total UK	**3,075**	**1,325**	**4,400**	**57**	**4,457**	**303**	**407**	**710**	**—**	**710**
Retail mortgages	**45**	**124**	**169**	**—**	**169**	**4**	**22**	**26**	**—**	**26**
Retail credit cards	**707**	**1,017**	**1,724**	**—**	**1,724**	**428**	**988**	**1,416**	**—**	**1,416**
Retail other	**21**	**100**	**121**	**—**	**121**	**1**	**22**	**23**	**—**	**23**
Corporate loans	**41**	**904**	**945**	**—**	**945**	**2**	**204**	**206**	**—**	**206**
Total Rest of the World	**814**	**2,145**	**2,959**	**—**	**2,959**	**435**	**1,236**	**1,671**	**—**	**1,671**
Retail mortgages	**1,483**	**479**	**1,962**	**—**	**1,962**	**32**	**55**	**87**	**—**	**87**
Retail credit cards	**886**	**1,017**	**1,903**	**40**	**1,943**	**516**	**991**	**1,507**	**—**	**1,507**
Retail other	**185**	**193**	**378**	**17**	**395**	**78**	**83**	**161**	**—**	**161**
Corporate loans	**1,335**	**1,781**	**3,116**	**—**	**3,116**	**112**	**514**	**626**	**—**	**626**
Total Stage 3	**3,889**	**3,470**	**7,359**	**57**	**7,416**	**738**	**1,643**	**2,381**	**—**	**2,381**
As at 31 December 2023	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Retail mortgages	1,473	339	1,812	—	1,812	67	45	112	—	112
Retail credit cards	198	—	198	—	198	107	—	107	—	107
Retail other	177	87	264	—	264	80	64	144	—	144
Corporate loans	1,198	494	1,692	—	1,692	139	207	346	—	346
Total UK	**3,046**	**920**	**3,966**	**—**	**3,966**	**393**	**316**	**709**	**—**	**709**
Retail mortgages	155	457	612	—	612	23	293	316	—	316
Retail credit cards	617	905	1,522	—	1,522	413	813	1,226	—	1,226
Retail other	65	164	229	—	229	2	30	32	—	32
Corporate loans	50	812	862	—	862	3	249	252	—	252
Total Rest of the World	**887**	**2,338**	**3,225**	**—**	**3,225**	**441**	**1,385**	**1,826**	**—**	**1,826**
Retail mortgages	1,628	796	2,424	—	2,424	90	338	428	—	428
Retail credit cards	815	905	1,720	—	1,720	520	813	1,333	—	1,333
Retail other	242	251	493	—	493	82	94	176	—	176
Corporate loans	1,248	1,306	2,554	—	2,554	142	456	598	—	598
Total Stage 3	**3,933**	**3,258**	**7,191**	**—**	**7,191**	**834**	**1,701**	**2,535**	**—**	**2,535**

Note:
1 Exposures exclude the portfolios which have been classified as assets held for sale.

Risk performance - Credit risk (continued)

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 and geography below:

Management adjustments to models for impairment allowance presented by product and geography (audited)[1]

	Impairment allowance pre management adjustments[2]	Economic uncertainty adjustments (a)	Other adjustments[3] (b)	Management adjustments (a+b)	Total impairment allowance[4]	Proportion of management adjustments to total impairment allowance
As at 31 December 2024	**£m**	**£m**	**£m**	**£m**	**£m**	**%**
Retail mortgages	51	36	71	107	158	67.7
Retail credit cards	787	—	(22)	(22)	765	(2.9)
Retail other	298	—	90	90	388	23.2
Corporate loans	759	42	39	81	840	9.6
Total UK	**1,895**	**78**	**178**	**256**	**2,151**	**11.9**
Retail mortgages	29	—	—	—	29	—
Retail credit cards	2,631	—	(23)	(23)	2,608	(0.9)
Retail other	24	—	4	4	28	14.3
Corporate loans	695	—	(2)	(2)	693	(0.3)
Total Rest of the World	**3,379**	**—**	**(21)**	**(21)**	**3,358**	**(0.6)**
Total	**5,274**	**78**	**157**	**235**	**5,509**	**4.3**
Debt securities at amortised cost	30	—	(7)	(7)	23	(30.4)
Total including debt securities at amortised cost	**5,304**	**78**	**150**	**228**	**5,532**	**4.1**
As at 31 December 2023	**£m**	**£m**	**£m**	**£m**	**£m**	**%**
Retail mortgages	54	57	121	178	232	76.7
Retail credit cards	700	45	(9)	36	736	4.9
Retail other	251	9	62	71	322	22.0
Corporate loans	761	71	10	81	842	9.6
Total UK	**1,766**	**182**	**184**	**366**	**2,132**	**17.2**
Retail mortgages	354	—	(3)	(3)	351	(0.9)
Retail credit cards	2,855	—	8	8	2,863	0.3
Retail other	45	—	(6)	(6)	39	(15.4)
Corporate loans	828	16	(4)	12	840	1.4
Total Rest of the World	**4,082**	**16**	**(5)**	**11**	**4,093**	**0.3**
Total	**5,848**	**198**	**179**	**377**	**6,225**	**6.1**
Debt securities at amortised cost	27	—	—	—	27	—
Total including debt securities at amortised cost	**5,875**	**198**	**179**	**377**	**6,252**	**6.0**

Risk performance - Credit risk (continued)

Economic uncertainty adjustments presented by stage (audited)

As at 31 December 2024	Stage 1 £m	Stage 2 £m	Stage 3 £m	Total £m
Retail mortgages	7	18	11	36
Retail credit cards	—	—	—	—
Retail other	—	—	—	—
Corporate loans	26	10	6	42
Total UK	**33**	**28**	**17**	**78**
Retail mortgages	—	—	—	—
Retail credit cards	—	—	—	—
Retail other	—	—	—	—
Corporate loans	—	—	—	—
Total Rest of the World	**—**	**—**	**—**	**—**
Total	**33**	**28**	**17**	**78**

As at 31 December 2023	Stage 1 £m	Stage 2 £m	Stage 3 £m	Total £m
Retail mortgages	12	32	13	57
Retail credit cards	8	37	—	45
Retail other	3	6	—	9
Corporate loans	48	12	11	71
Total UK	**71**	**87**	**24**	**182**
Retail mortgages	—	—	—	—
Retail credit cards	—	—	—	—
Retail other	—	—	—	—
Corporate loans	4	12	—	16
Total Rest of the World	**4**	**12**	**—**	**16**
Total	**75**	**99**	**24**	**198**

Notes:

1 Positive values reflect an increase in impairment allowance and negative values reflect a reduction in the impairment allowance.
2 Includes £4.7bn (2023: £5.2bn) of modelled ECL, £0.5bn (2023: £0.4bn) of individually assessed impairments, £0.4bn (2023: £0.3bn) of ECL from non-modelled exposures and debt securities and excludes £(0.3)bn (2023: £nil) of ECL from assets held for sale (co-branded card portfolio).
3 Management adjustments related to other financial assets subject to impairment not included in the table above include financial assets at fair value through other comprehensive income £(2)m, reverse repurchase agreements £(2)m and cash collateral and settlement balances £(1)m within the IB portfolio.
4 Total impairment allowance consists of ECL stock on drawn and undrawn exposure.

Risk performance - Credit risk (continued)

Economic uncertainty adjustments

Economic uncertainty adjustments continue to be 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.

The previously held uncertainty adjustments reflecting affordability concerns were reduced during the year, informed by lower inflationary risk and a resilient credit performance in UK retail lending.

The balance as at 31 December 2024 is £78m (2023: £198m) and includes:

Customer and client uncertainty provisions of £53m (2023: £166m):

Retail mortgages (UK) £11m (2023: £25m): This adjustment reflects the risk of borrowers refinancing onto higher rates in the medium term and was partially utilised during the year.

Retail credit cards (UK) £nil (2023: £45m) and Retail other (UK) £nil (2023: £9m): The previously held affordability linked adjustments in the UK unsecured lending portfolio have been retired, supported by a resilient credit performance from UK customers, evidenced by continued low and stable delinquencies.

Corporate loans:

UK £42m (December 2023: £71m): This adjustment reflects the possible cross default risk on Barclays' lending in respect of clients who have taken bounce back loans and is partially reduced on account of the latest credit performance.

ROW £nil (December 2023: £16m): The previously held adjustment to provide for expected downside uncertainties on European Corporates has been retired following a resilient credit performance and updated macroeconomic outlook.

Model uncertainty provisions of £25m (2023: £32m):

Retail mortgages (UK) £25m (2023:£32m): This adjustment remediates the higher recovery expectations impacted by model oversensitivity to certain macroeconomic variables and has reduced following the updated macroeconomic outlook.

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 £150m (2023: £179m) includes:

Adjustments for definition of default (DOD) under the Capital Requirements Regulation and model monitoring across products.

Retail mortgages (UK) £71m (2023: £121m): The reduction is driven by the adoption of a new LGD2 (Loss Given Default) model for the default book and re-sizing of model monitoring adjustments.

Retail credit cards (UK) £(22)m (2023: £(9)m): The movement is driven by a model monitoring adjustment to correct for 12m PD over prediction.

Retail credit cards (ROW) £(23)m (2023: £8m): The movement is driven by an adjustment introduced in the US to enhance the qualitative measures used to identify high-risk account management (HRAM) accounts.

Retail other (UK) £90m (2023: £62m): The increase reflects re-sizing of operational adjustments including model monitoring in the Barclays Partner Finance and Consumer Loan portfolios.

Corporate loans (UK) £39m (2023: £10m): The increase reflects re-sizing of an adjustment to remediate conservative modelled recovery expectations in the ESHLA portfolio partially offset by a reduction in the adjustment for DOD following model remediation.

Debt securities £(7)m: This reflects an adjustment applied to Exposure at Default (EAD) within the IB portfolio to remediate an overly conservative modelled amortisation expectation.

Risk performance - Credit risk (continued)

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.

Scenario Approach: The IFRS 9 Downside 2 scenario has been updated and aligned to the 2024 Internal Stress Test scenario which is climate aware, ensuring that climate is being considered within the modelled ECL output via existing macroeconomic variables.

Specific Approach: The approach reviewed portfolios previously identified from both internal and external stress tests as more susceptible to climate risks. In particular, new climate modelling techniques were utilised to inform customer level PD and LGD spreads of physical and transition risk due to climate change for i) the UK Mortgages portfolio (both PD and LGD) and ii) certain elevated risk sectors (predominantly Oil & Gas, Aviation, Automotive and Power sectors) within the Wholesale portfolio (PD only). The output of this review did not provide variances in ECL deemed sufficiently certain to warrant raising an additional climate-related charge in 2024.

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.

Refer to the Barclays resilience to climate scenarios on page 126 for further details.

Risk performance - Credit risk (continued)

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 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 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. The same scenarios used in the estimation of expected credit losses are also used to inform the Group's internal planning.

Scenarios used to calculate the Group's ECL charge were refreshed in Q424 with the Baseline scenario reflecting the latest consensus macroeconomic forecasts available at the time of the scenario refresh. In the Baseline scenario, following an encouraging first half of 2024, UK economic growth slowed in H224. However, it is further stimulated as restrictive monetary policy continues to loosen. UK and US GDP growth in 2025 is expected to be 1.4% and 2.0% respectively. Labour markets in major economies remain broadly resilient with unemployment rates relatively close to historic lows and are only expected to increase moderately.The UK unemployment rate peaks at 4.5% in 2026 before returning to 4.4% for the reminder of the 5-year projection period. US unemployment peaks at 4.3%, falling to 4.2% from 2026. The Bank of England cuts rates three times by 25bp in 2025. Similarly, the Fed finishes 2025 with rates at 4.0%. As lower rates feed into new mortgages, UK house prices stabilise and resume the upward trend from 2025. US house prices continue to grow at a decent pace.

The Downside 2 scenario has been broadly aligned to the Group's 2024 internal stress test which includes climate drivers. Under this scenario, long-standing structural issues, restrictive monetary policy and persistent household affordability loss leads to a sharp demand-driven economic contraction that precipitates into a severe global recession and disinflation process. The economic slowdown leads to rising unemployment rates as lay-offs intensify. UK and US unemployment peak at 8.4% and 7.5% respectively, during 2026. The combination of high interest rates and subdued growth leads to inflation declines which in turn causes central banks to reduce rates. In the Upside 2 scenario, a rise in labour force participation and higher productivity contribute to accelerated economic growth, without creating new inflationary pressures. Central banks lower interest rates stimulating private consumption and investment growth. Demand for labour increases. and unemployment rates stabilise and start falling again. As geopolitical tensions ease, low inflation supports consumer purchasing power and contributes further to a healthy GDP growth.

The strong economic outlook and lower interest rates provide a boost to house prices growth and support bullish financial markets.

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 increases in the Upside scenario weightings were driven by the improvement in GDP in the Baseline scenario, bringing the Baseline scenario closer to the Upside scenarios. For further details see page 329.

The economic uncertainty adjustments of £0.1bn (2023: £0.2bn) have been applied as overlays to the modelled ECL output. Previously held uncertainty adjustments reflecting affordability concerns were reduced during the year, informed by lower inflationary risk and a resilient credit performance in UK retail lending. For further details see pages 322 to 324.

The tables below show the key macroeconomic variables used in the five scenarios (5 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. 5-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).

Risk performance - Credit risk (continued)

Baseline					
	2024	2025	2026	2027	2028
As at 31 December 2024	%	%	%	%	%
UK GDP[1]	1.0	1.4	1.5	1.6	1.5
UK unemployment[2]	4.3	4.4	4.5	4.4	4.4
UK HPI[3]	2.8	3.3	1.6	4.5	3.0
UK bank rate	5.1	4.3	4.0	4.0	3.8
US GDP[1]	2.7	2.0	2.0	2.0	2.0
US unemployment[4]	4.1	4.3	4.2	4.2	4.2
US HPI[5]	6.5	2.6	2.7	3.0	3.0
US federal funds rate	5.1	4.1	4.0	3.8	3.8
Downside 2					
UK GDP[1]	1.0	(2.3)	(1.3)	2.6	2.3
UK unemployment[2]	4.3	6.2	8.1	6.6	5.5
UK HPI[3]	2.8	(24.8)	(5.2)	10.0	14.6
UK bank rate	5.1	3.5	1.7	0.6	1.1
US GDP[1]	2.7	(1.3)	(1.3)	3.3	2.9
US unemployment[4]	4.1	5.8	7.2	6.2	5.5
US HPI[5]	6.5	(8.0)	(0.7)	5.2	4.0
US federal funds rate	5.1	2.5	0.6	0.8	1.5
Downside 1					
UK GDP[1]	1.0	(0.5)	0.1	2.1	1.9
UK unemployment[2]	4.3	5.3	6.3	5.5	5.0
UK HPI[3]	2.8	(11.6)	(1.8)	7.2	8.7
UK bank rate	5.1	3.9	2.9	2.3	2.4
US GDP[1]	2.7	0.3	0.4	2.7	2.4
US unemployment[4]	4.1	5.1	5.7	5.2	4.9
US HPI[5]	6.5	(2.7)	1.0	4.1	3.5
US federal funds rate	5.1	3.4	2.3	2.3	2.7
Upside 2					
UK GDP[1]	1.0	3.0	3.7	2.9	2.4
UK unemployment[2]	4.3	3.8	3.4	3.5	3.5
UK HPI[3]	2.8	11.9	8.4	5.1	4.1
UK bank rate	5.1	3.9	2.9	2.8	2.8
US GDP[1]	2.7	2.8	3.1	2.8	2.8
US unemployment[4]	4.1	3.8	3.5	3.5	3.5
US HPI[5]	6.5	6.2	4.7	4.8	4.9
US federal funds rate	5.1	3.7	3.3	3.1	2.8
Upside 1					
UK GDP[1]	1.0	2.2	2.6	2.2	2.0
UK unemployment[2]	4.3	4.1	4.0	4.0	4.0
UK HPI[3]	2.8	7.6	4.9	4.8	3.5
UK bank rate	5.1	4.1	3.5	3.4	3.3
US GDP[1]	2.7	2.4	2.6	2.4	2.4
US unemployment[4]	4.1	4.0	3.9	3.9	3.9
US HPI[5]	6.5	4.4	3.7	3.9	3.9
US federal funds rate	5.1	4.0	3.8	3.6	3.3

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

Risk performance - Credit risk (continued)

Baseline					
	2023	2024	2025	2026	2027
As at 31 December 2023	%	%	%	%	%
UK GDP[1]	0.5	0.3	1.2	1.6	1.6
UK unemployment[2]	4.2	4.7	4.7	4.8	5.0
UK HPI[3]	(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[1]	2.4	1.3	1.7	1.9	1.9
US unemployment[4]	3.7	4.3	4.3	4.3	4.3
US HPI[5]	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[1]	0.5	(1.5)	(2.6)	2.4	1.6
UK unemployment[2]	4.2	5.2	7.9	6.3	5.5
UK HPI[3]	(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[1]	2.4	(0.6)	(2.0)	3.1	2.0
US unemployment[4]	3.7	5.2	7.2	5.9	5.2
US HPI[5]	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[1]	0.5	(0.6)	(0.7)	2.0	1.6
UK unemployment[2]	4.2	4.9	6.3	5.6	5.2
UK HPI[3]	(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[1]	2.4	0.3	(0.2)	2.5	1.9
US unemployment[4]	3.7	4.7	5.8	5.1	4.8
US HPI[5]	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[1]	0.5	2.4	3.7	2.9	2.4
UK unemployment[2]	4.2	3.9	3.5	3.6	3.6
UK HPI[3]	(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[1]	2.4	2.8	3.1	2.8	2.8
US unemployment[4]	3.7	3.5	3.6	3.6	3.6
US HPI[5]	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[1]	0.5	1.4	2.5	2.3	2.0
UK unemployment[2]	4.2	4.3	4.1	4.2	4.3
UK HPI[3]	(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[1]	2.4	2.0	2.4	2.4	2.4
US unemployment[4]	3.7	3.9	3.9	4.0	4.0
US HPI[5]	5.4	4.7	3.7	3.9	3.9
US federal funds rate	5.1	4.7	3.5	3.3	3.3

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

Risk performance - Credit risk (continued)

Scenario probability weighting (audited)[1]

	Upside 2 %	Upside 1 %	Baseline %	Downside 1 %	Downside 2 %
As at 31 December 2024					
Scenario probability weighting	**17.4**	**26.8**	**32.5**	**14.7**	**8.6**
As at 31 December 2023					
Scenario probability weighting	13.8	24.7	32.4	18.3	10.8

Note
1 For further details on changes to scenario weights see page 326.

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

Macroeconomic variables (specific bases) (audited)[1]

	Upside 2 %	Upside 1 %	Baseline %	Downside 1 %	Downside 2 %
As at 31 December 2024					
UK GDP[2]	**15.0**	**11.6**	**1.4**	**0.2**	**(2.9)**
UK unemployment[3]	**3.4**	**3.9**	**4.4**	**6.5**	**8.4**
UK HPI[4]	**36.3**	**25.9**	**3.0**	**(11.3)**	**(26.8)**
UK bank rate	**2.8**	**3.3**	**4.2**	**5.3**	**5.3**
US GDP[2]	**14.9**	**12.8**	**2.2**	**0.4**	**(2.1)**
US unemployment[3]	**3.5**	**3.8**	**4.2**	**5.9**	**7.5**
US HPI[4]	**30.1**	**24.4**	**3.5**	**1.1**	**(4.0)**
US federal funds rate	**2.8**	**3.3**	**4.2**	**5.3**	**5.3**
As at 31 December 2023					
UK GDP[2]	13.4	9.6	1.1	(1.3)	(4.1)
UK unemployment[3]	3.5	3.9	4.7	6.5	8.3
UK HPI[4]	23.8	11.5	0.1	(22.5)	(35.0)
UK bank rate	2.5	3.0	4.2	6.8	8.5
US GDP[2]	15.1	12.3	1.8	0.6	(1.7)
US unemployment[3]	3.4	3.5	4.2	5.9	7.5
US HPI[4]	27.4	23.5	3.7	0.4	(7.6)
US federal funds rate	2.8	3.3	4.3	6.8	8.5

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

Macroeconomic variables (5 year averages) (audited)[1]

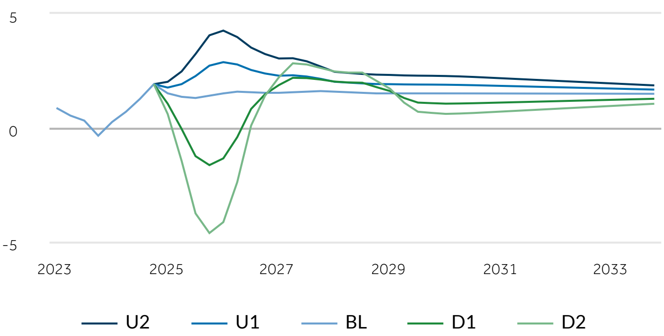
	Upside 2 %	Upside 1 %	Baseline %	Downside 1 %	Downside 2 %
As at 31 December 2024					
UK GDP[5]	**2.6**	**2.0**	**1.4**	**0.9**	**0.5**
UK unemployment[6]	**3.7**	**4.0**	**4.4**	**5.3**	**6.1**
UK HPI[7]	**6.4**	**4.7**	**3.0**	**0.8**	**(1.6)**
UK bank rate	**3.5**	**3.9**	**4.2**	**3.3**	**2.4**
US GDP[5]	**2.9**	**2.5**	**2.2**	**1.7**	**1.2**
US unemployment[6]	**3.7**	**3.9**	**4.2**	**5.0**	**5.8**
US HPI[7]	**5.4**	**4.5**	**3.5**	**2.4**	**1.2**
US federal funds rate	**3.6**	**4.0**	**4.2**	**3.2**	**2.1**
As at 31 December 2023					
UK GDP[5]	2.4	1.7	1.1	0.6	0.1
UK unemployment[6]	3.7	4.2	4.7	5.2	5.8
UK HPI[7]	4.4	2.2	0.1	(1.7)	(3.5)
UK bank rate	3.3	3.8	4.2	3.6	2.9
US GDP[5]	2.8	2.3	1.8	1.4	0.9
US unemployment[6]	3.6	3.9	4.2	4.8	5.4
US HPI[7]	5.0	4.3	3.7	2.4	1.2
US federal funds rate	3.6	4.0	4.3	3.9	3.2

Notes:
1 UK GDP = Real GDP growth seasonally adjusted; UK unemployment = UK unemployment rate 16-year+; UK HPI = Halifax All Houses, All Buyers Index; US GDP = Real GDP growth seasonally adjusted; US unemployment = US civilian unemployment rate 16-year+; US HPI = FHFA house price index. 20 quarter period starts from Q124 (2023: Q123).
2 Maximum growth relative to Q423 (2023: Q422), based on 20 quarter period in Upside scenarios; 5-year yearly average CAGR in Baseline; minimum growth relative to Q423 (2023: Q422), based on 20 quarter period in Downside scenarios.
3 Lowest quarter in Upside scenarios; 5-year average in Baseline; highest quarter in Downside scenarios. Period based on 20 quarters from Q124 (2023: Q123).
4 Maximum growth relative to Q423 (2023: Q422), based on 20 quarter period in Upside scenarios; 5-year quarter end CAGR in Baseline; minimum growth relative to Q423 (2023: Q422), based on 20 quarter period in Downside scenarios.
5 5-year yearly average CAGR, starting 2023 (2023: 2022).
6 5-year average. Period based on 20 quarters from Q124 (2023: Q123).
7 5-year quarter end CAGR, starting Q423 (2023: Q422).

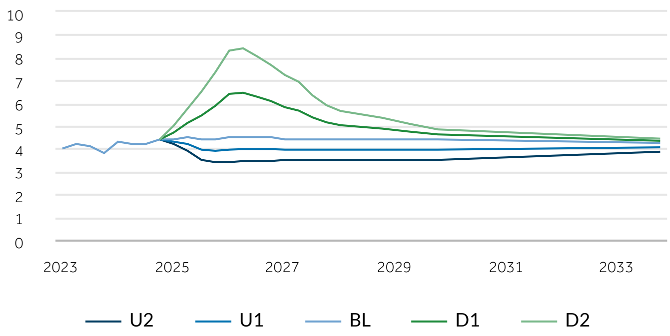
Risk performance - Credit risk (continued)

The graphs below plot the historical data for the quarterly, year on year GDP growth rate (Q v Q-4) and the quarterly unemployment rate in the UK and US as well as the forecasted data under each of the five scenarios.

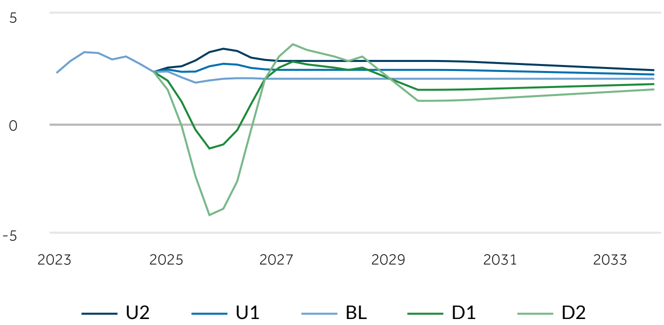
UK GDP
(%)



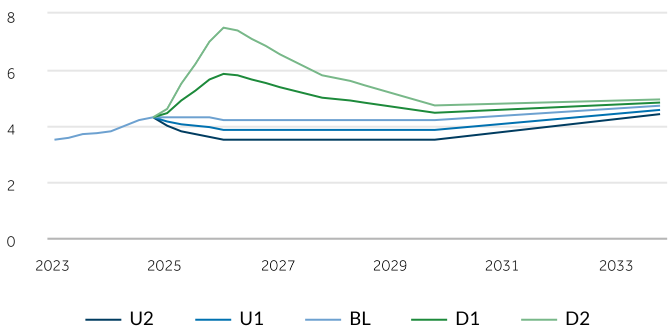
UK unemployment
(%)



US GDP
(%)



US unemployment
(%)



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

Risk performance - Credit risk (continued)

ECL sensitivity analysis (audited)

The table below shows the modelled ECL assuming each of the five modelled scenarios are 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.

	Scenarios[1]					
As at 31 December 2024	**Weighted[2]**	**Upside 2**	**Upside 1**	**Baseline**	**Downside 1**	**Downside 2**
Stage 1 Model exposure (£m)						
Retail mortgages	139,086	140,828	140,079	139,188	136,671	134,861
Retail credit cards	63,937	63,821	63,859	63,894	63,980	63,975
Retail other	7,952	8,074	8,025	7,968	7,804	7,614
Corporate loans	213,905	216,064	215,215	214,293	212,007	207,062
Stage 1 Model ECL (£m)						
Retail mortgages	1	—	1	1	3	6
Retail credit cards	535	512	523	534	560	586
Retail other	34	32	32	33	36	40
Corporate loans	270	235	247	258	311	363
Stage 1 Coverage (%)						
Retail mortgages	—	—	—	—	—	—
Retail credit cards	0.8	0.8	0.8	0.8	0.9	0.9
Retail other	0.4	0.4	0.4	0.4	0.5	0.5
Corporate loans	0.1	0.1	0.1	0.1	0.1	0.2
Stage 2 Model exposure (£m)						
Retail mortgages	20,401	18,178	19,072	20,134	23,359	26,339
Retail credit cards	6,904	6,747	6,817	6,889	7,052	7,310
Retail other	1,232	1,110	1,159	1,215	1,380	1,570
Corporate loans	21,197	18,889	19,793	20,827	23,238	28,340
Stage 2 Model ECL (£m)						
Retail mortgages	4	1	2	3	8	16
Retail credit cards	1,473	1,387	1,422	1,459	1,567	1,714
Retail other	81	68	72	77	101	134
Corporate loans	532	424	461	505	655	932
Stage 2 Coverage (%)						
Retail mortgages	—	—	—	—	—	0.1
Retail credit cards	21.3	20.6	20.9	21.2	22.2	23.4
Retail other	6.6	6.1	6.2	6.3	7.3	8.5
Corporate loans	2.5	2.2	2.3	2.4	2.8	3.3
Stage 3 Model exposure (£m)[3]						
Retail mortgages	1,062	1,062	1,062	1,062	1,062	1,062
Retail credit cards	2,197	2,197	2,197	2,197	2,197	2,197
Retail other	158	158	158	158	158	158
Corporate loans	4,051	4,051	4,051	4,051	4,051	4,051
Stage 3 Model ECL (£m)						
Retail mortgages	19	12	14	17	29	41
Retail credit cards	1,625	1,585	1,606	1,627	1,663	1,695
Retail other	92	90	91	92	95	97
Corporate loans[4]	71	66	67	69	79	89
Stage 3 Coverage (%)						
Retail mortgages	1.8	1.1	1.3	1.6	2.7	3.9
Retail credit cards	74.0	72.1	73.1	74.1	75.7	77.2
Retail other	58.2	57.0	57.6	58.2	60.1	61.4
Corporate loans[4]	1.8	1.6	1.7	1.7	2.0	2.2
Total Model ECL (£m)						
Retail mortgages	24	13	17	21	40	63
Retail credit cards	3,633	3,484	3,551	3,620	3,790	3,995
Retail other	207	190	195	202	232	271
Corporate loans[4]	873	725	775	832	1,045	1,384
Total Model ECL	4,737	4,412	4,538	4,675	5,107	5,713

Risk performance - Credit risk (continued)

Reconciliation to total ECL	£m
Total weighted model ECL	4,737
ECL from individually assessed exposures[4]	461
ECL from non-modelled exposures and others[5]	358
ECL from debt securities at amortised cost	23
ECL from held for sale assets (co-branded card portfolio)	(282)
ECL from post model management adjustments	235
Of which: ECL from economic uncertainty adjustments	78
Total ECL	**5,532**

Notes:

1 Model exposure and ECL reported within Retail credit cards and Retail Other excludes the German consumer finance business, sale of which completed after the balance sheet date. Model exposure and ECL reported within Retail credit cards and Corporate loans continues to include the co-branded card portfolio, as the sale is expected to close in 2026.

2 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.

3 Model exposures allocated to Stage 3 does not change in any of the scenarios as the transition criteria relies only on an observable evidence of default as at 31 December 2024 and not on macroeconomic scenario.

4 Material corporate loan defaults are individually assessed across different recovery strategies. As a result, ECL of £461m is reported as an individually assessed impairment in the reconciliation table.

5 ECL from non-modelled exposures and others includes ECL on Tesco Bank of £209m calculated using a benchmarked approach based on UK cards and UK retail loans. The sensitivity of the non-modelled exposures would materially reflect the sensitivity of the benchmarked model.

The use of five scenarios with associated weighting results in a total weighted ECL uplift from the Baseline ECL of 1.3%.

Retail mortgages: Total weighted ECL of £24m represents a 14.3% increase over the Baseline ECL (£21m) with coverage ratios remaining steady across the Upside scenarios, Baseline and Downside 1 scenario. Under the Downside 2 scenario, total ECL increases to £63m driven by a fall in UK HPI.

Retail credit cards: Total weighted ECL of £3,633m is broadly aligned to the Baseline ECL (£3,620m). Total ECL increases to £3,995m under the Downside 2 scenario, driven by an increase in UK and US unemployment rate.

Retail other: Total weighted ECL of £207m represents a 2.5% increase over the Baseline ECL (£202m). Total ECL increases to £271m under the Downside 2 scenario, largely driven by an increase in UK unemployment rate.

Corporate loans: Total weighted ECL of £873m represents a 4.9% increase over the Baseline ECL (£832m). Total ECL increases to £1,384m under the Downside 2 scenario, driven by a decrease in UK and US GDP.

Risk performance - Credit risk (continued)

As at 31 December 2023	Scenarios[1]					
	Weighted[2]	Upside 2	Upside 1	Baseline	Downside 1	Downside 2
Stage 1 Model exposure (£m)						
Retail mortgages	145,226	147,415	146,653	145,405	142,543	138,925
Retail credit cards	66,512	66,459	66,482	66,497	66,580	66,580
Retail other	8,749	8,915	8,841	8,758	8,631	8,479
Corporate loans	175,282	179,567	177,923	175,903	172,328	167,541
Stage 1 Model ECL (£m)						
Retail mortgages	9	4	5	7	11	22
Retail credit cards	562	529	545	561	584	605
Retail other	32	31	32	32	32	31
Corporate loans	275	243	257	270	298	318
Stage 1 Coverage (%)						
Retail mortgages	—	—	—	—	—	—
Retail credit cards	0.8	0.8	0.8	0.8	0.9	0.9
Retail other	0.4	0.3	0.4	0.4	0.4	0.4
Corporate loans	0.2	0.1	0.1	0.2	0.2	0.2
Stage 2 Model exposure (£m)						
Retail mortgages	20,615	17,769	18,702	20,149	23,836	28,822
Retail credit cards	7,076	6,897	6,976	7,064	7,183	7,387
Retail other	1,382	1,216	1,290	1,373	1,500	1,653
Corporate loans	24,374	19,919	21,621	23,763	27,445	32,375
Stage 2 Model ECL (£m)						
Retail mortgages	41	23	27	34	59	123
Retail credit cards	1,684	1,554	1,609	1,668	1,775	1,922
Retail other	85	72	78	84	95	105
Corporate loans	663	509	565	633	782	1,031
Stage 2 Coverage (%)						
Retail mortgages	0.2	0.1	0.1	0.2	0.2	0.4
Retail credit cards	23.8	22.5	23.1	23.6	24.7	26.0
Retail other	6.2	5.9	6.0	6.1	6.3	6.4
Corporate loans	2.7	2.6	2.6	2.7	2.8	3.2
Stage 3 Model exposure (£m)[3]						
Retail mortgages	1,672	1,672	1,672	1,672	1,672	1,672
Retail credit cards	1,827	1,827	1,827	1,827	1,827	1,827
Retail other	164	164	164	164	164	164
Corporate loans	3,436	3,436	3,436	3,436	3,436	3,436
Stage 3 Model ECL (£m)						
Retail mortgages	333	308	316	325	351	393
Retail credit cards	1,315	1,279	1,296	1,313	1,341	1,366
Retail other	95	94	94	95	96	97
Corporate loans[4]	77	71	73	75	82	89
Stage 3 Coverage (%)						
Retail mortgages	19.9	18.4	18.9	19.4	21.0	23.5
Retail credit cards	72.0	70.0	70.9	71.9	73.4	74.8
Retail other	57.9	57.3	57.3	57.9	58.5	59.1
Corporate loans[4]	2.2	2.1	2.1	2.2	2.4	2.6
Total Model ECL (£m)						
Retail mortgages	383	335	348	366	421	538
Retail credit cards	3,561	3,362	3,450	3,542	3,700	3,893
Retail other	212	197	204	211	223	233
Corporate loans[4]	1,015	823	895	978	1,162	1,438
Total Model ECL	5,171	4,717	4,897	5,097	5,506	6,102

Risk performance - Credit risk (continued)

Reconciliation to total ECL	£m
Total weighted model ECL	5,171
ECL from individually assessed exposures[4]	401
ECL from non-modelled exposures and others	276
ECL from debt securities at amortised cost	27
ECL from post model management adjustments	377
Of which: ECL from economic uncertainty adjustments	198
Total ECL	6,252

Notes:

1 Model exposure and ECL reported within Retail credit cards and Retail other excludes the German consumer finance business portfolio which has now been classified as assets held for sale.

2 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.

3 Model exposures allocated to Stage 3 does not change in any of the scenarios as the transition criteria relies only on an observable evidence of default as at 31 December 2023 and not on macroeconomic scenario.

4 Material corporate loan defaults are individually assessed across different recovery strategies. As a result, ECL of £401m is reported as an individually assessed impairment in the reconciliation table.

Risk performance - Credit risk (continued)

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 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, impairment stage, maturity and an indicator of inclusion in carbon-related sectors. A further table is included with geography, impairment stage and maturity allocation of debt securities at amortised cost, off- balance sheet commitments and financial guarantees and contingent liabilities at amortised cost.

Further detail on the Group policies with regard to managing concentration risk is presented in the Barclays PLC Pillar 3 Report 2024 (unaudited).

Credit risk concentration by Industry for contractual maturity, staging and geography

Loans and advances at amortised cost net of impairment allowance

Industry	Geography (audited)					Stage (audited)				Maturity				Carbon related sectors[1]
	United Kingdom	Americas	Europe	Others	Total	Stage 1	Stage 2	Stage 3	Total	< 1 year	1-5 Years	>5 years	Total	
As at 31 December 2024	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	
Agriculture, Food and Forest Products	3,430	—	—	—	3,430	2,518	484	428	3,430	769	1,109	1,552	3,430	Yes
Mining and Quarrying	515	708	189	—	1,412	1,335	76	1	1,412	346	1,060	6	1,412	Yes
Manufacturing	3,578	1,418	828	349	6,173	4,764	1,237	172	6,173	3,151	2,715	307	6,173	Yes
Government and central bank	3,373	—	2	342	3,717	3,674	43	—	3,717	254	291	3,172	3,717	
Banks	730	3,573	1,301	2,721	8,325	8,323	2	—	8,325	8,166	159	—	8,325	
Energy and water	2,109	401	203	287	3,000	2,537	206	257	3,000	809	1,300	891	3,000	Yes
Materials and Building	18,502	2,816	399	220	21,937	18,987	2,536	414	21,937	4,535	10,944	6,458	21,937	Yes
Wholesale and retail distribution and leisure	7,934	831	294	616	9,675	7,850	1,565	260	9,675	3,647	4,943	1,085	9,675	
Transport and storage	763	421	300	96	1,580	1,321	164	95	1,580	480	925	175	1,580	Yes
Home Loans	166,181	113	899	868	168,061	146,652	19,534	1,875	168,061	1,674	9,585	156,802	168,061	Yes
Business and other services	13,266	5,196	3,646	1,031	23,139	19,301	3,049	789	23,139	6,510	13,524	3,105	23,139	
Other Financial Institutions	6,772	30,791	7,121	2,553	47,237	45,689	1,474	74	47,237	16,552	24,002	6,683	47,237	
Cards, unsecured loans and other personal lending	26,745	20,079	994	769	48,587	42,885	5,032	670	48,587	10,505	19,218	18,864	48,587	
Total loans and advances at amortised cost	253,898	66,347	16,176	9,852	346,273	305,836	35,402	5,035	346,273	57,398	89,775	199,100	346,273	
Debt securities at amortised cost[3]	25,939	19,721	15,558	6,992	68,210	64,976	3,234	—	68,210	7,051	32,631	28,528	68,210	
Total loans and advances at amortised cost including debt securities	279,837	86,068	31,734	16,844	414,483	370,812	38,636	5,035	414,483	64,449	122,406	227,628	414,483	
Contingent liabilities	5,721	10,742	5,514	2,381	**24,358**	21,028	2,835	495	**24,358**	24,358	—	—	**24,358**	
Loan commitments	114,458	243,619	41,361	8,361	**407,799**	391,227	15,893	679	**407,799**	407,731	68	—	**407,799**	
Total off-balance sheet[2]	**120,179**	**254,361**	**46,875**	**10,742**	**432,157**	**412,255**	**18,728**	**1,174**	**432,157**	**432,089**	**68**	**—**	**432,157**	

Risk performance - Credit risk (continued)

Loans and advances at amortised cost net of impairment allowance

Industry	Geography (audited)					Stage (audited)				Maturity				Carbon related sectors[1]
	United Kingdom	Americas	Europe	Others	Total	Stage 1	Stage 2	Stage 3	Total	< 1 year	1-5 Years	>5 years	Total	
As at 31 December 2023	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	
Agriculture, Food and Forest Products	3,597	—	—	5	**3,602**	2,734	611	257	**3,602**	808	1,071	1,723	**3,602**	Yes
Mining and Quarrying	490	843	260	121	**1,714**	1,526	188	—	**1,714**	814	897	3	**1,714**	Yes
Manufacturing	4,200	1,279	826	416	**6,721**	5,036	1,515	170	**6,721**	2,873	3,522	326	**6,721**	Yes
Government and central bank	5,987	—	5	30	**6,022**	5,975	46	1	**6,022**	2,218	4	3,800	**6,022**	
Banks	437	3,606	1,520	1,896	**7,459**	7,458	1	—	**7,459**	7,365	94	—	**7,459**	
Energy and water	2,181	486	879	180	**3,726**	3,394	324	8	**3,726**	750	2,033	943	**3,726**	Yes
Materials and Building	18,631	2,623	448	118	**21,820**	18,918	2,318	584	**21,820**	5,154	9,156	7,510	**21,820**	Yes
Wholesale and retail distribution and leisure	7,585	1,061	481	452	**9,579**	7,099	2,151	329	**9,579**	3,114	5,169	1,296	**9,579**	
Transport and storage	868	536	182	118	**1,704**	1,275	395	34	**1,704**	402	1,046	256	**1,704**	Yes
Home Loans	166,704	97	3,882	829	**171,512**	150,152	19,364	1,996	**171,512**	2,009	10,334	159,169	**171,512**	Yes
Business and other services	13,802	6,032	3,151	1,021	**24,006**	19,815	3,726	465	**24,006**	7,088	12,190	4,728	**24,006**	
Other Financial Institutions	6,093	25,589	6,481	2,546	**40,709**	38,988	1,613	108	**40,709**	13,955	22,111	4,643	**40,709**	
Cards, unsecured loans and other personal lending	17,741	24,317	1,385	730	**44,173**	38,296	5,173	704	**44,173**	8,109	15,839	20,225	**44,173**	
Total loans and advances at amortised cost	**248,316**	**66,469**	**19,500**	**8,462**	**342,747**	**300,666**	**37,425**	**4,656**	**342,747**	**54,659**	**83,466**	**204,622**	**342,747**	
Debt securities at amortised cost[3]	26,093	11,681	10,262	8,713	**56,749**	52,858	3,891	—	**56,749**	10,061	28,739	17,949	**56,749**	
Total loans and advances at amortised cost including debt securities	**274,409**	**78,150**	**29,762**	**17,175**	**399,496**	**353,524**	**41,316**	**4,656**	**399,496**	**64,720**	**112,205**	**222,571**	**399,496**	
Contingent liabilities	5,668	10,262	5,919	2,225	**24,074**	20,884	2,607	583	**24,074**	24,073	1	—	**24,074**	
Loan commitments	96,135	227,618	43,397	8,084	**375,234**	353,179	21,601	454	**375,234**	375,179	55	—	**375,234**	
Total off-balance sheet[2]	**101,803**	**237,880**	**49,316**	**10,309**	**399,308**	**374,063**	**24,208**	**1,037**	**399,308**	**399,252**	**56**	**—**	**399,308**	

Notes:
1 Refer to Carbon related assets table on page 296 for more details on the "Exposures towards sectors that highly contribute to carbon related assets" under the respective Industry sectors.
2 The Off-balance sheet contingent liabilities and loan commitments excludes the fair value balance of £16,338m in 2024 (2023: £16,469m) and includes exposures relating to financial assets classified as assets held for sale.
3 Debt securities at amortised cost primarily includes £39,699m (2023: £34,237m) in Government and central bank, £24,007m (2023: £16,265m) in other financial institutions, £1,388m (2023: £2,854m) in materials & building and £1,249m (2023: £1,516m) in Banks.
- For analysis of Debt securities by issuer, refer to "Analysis of Debt Securities" on page 350.
4 Loans and advances stage 3 includes POCI assets of £57m .

Risk performance - Credit risk (continued)

The 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 the Expected Credit Losses section.

The following internal measures are used to determine credit quality for loans:

PD Range %	Internal Default Grade Band	Default Probability >Min	Default Probability Mid	Default Probability <=Max	Credit Quality description	Moody's	Standard and Poor's
0.00 to < 0.15	1	0.00%	0.01%	0.02%	Strong	Aaa, Aa1, Aa2	AAA, AA+, AA, AA-
	2	0.02%	0.03%	0.03%		Aa3	AA-
	3	0.03%	0.04%	0.05%		A1, A2, A3	A+, A
	4	0.05%	0.08%	0.10%		A1, A2, A3	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	BB+
	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	Ba2	BB, BB-
0.75 to < 2.50	12	0.75%	0.98%	1.20%	Satisfactory	Ba2	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%		Caa2	B-
10.00 to < 100.00	19	10.00%	10.67%	11.35%	Satisfactory	Caa2	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 is used to derive the probability of default of clients at inception and on an ongoing basis.

For loans that are not past due, these 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 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, home loans 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.

Loans that are past due are monitored closely, with impairment allowances raised as appropriate and in line with the Group's impairment policies. These loans are all considered higher risk for the purpose of this analysis of credit quality.

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 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 Group will use its own internal ratings for the securities.

Risk performance - Credit risk (continued)

Balance sheet credit quality

The following tables present the credit quality of the Group's assets exposed to credit risk.

Overview

As at 31 December 2024, the ratio of the Group's on-balance sheet assets classified as strong (0.0 to <0.60%) remained stable at 86% (2023: 87%) of total assets exposed to credit risk. Further analysis of debt securities by issuer and issuer type and netting and collateral arrangements on derivative financial instruments is presented in the Analysis of debt securities section and Analysis of derivatives section.

Balance sheet credit quality (audited)

	PD Range				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
	£m	£m	£m	£m	%	%	%	%
As at 31 December 2024								
Cash and balances at central banks	210,184	—	—	210,184	100	—	—	100
Cash collateral and settlement balances	104,446	15,371	26	119,843	87	13	—	100
Loans and advances at amortised cost:								
Retail mortgages	160,441	5,332	2,288	168,061	96	3	1	100
Retail credit cards	11,157	21,779	1,843	34,779	32	63	5	100
Retail other	6,014	7,390	404	13,808	44	53	3	100
Corporate loans	95,560	29,303	4,762	129,625	73	23	4	100
Total loans and advances at amortised cost	273,172	63,804	9,297	346,273	79	18	3	100
Debt securities at amortised cost	67,645	565	—	68,210	99	1	—	100
Reverse repurchase agreements and other similar secured lending	2,966	1,768	—	4,734	63	37	—	100
Trading portfolio assets:								
Debt securities	65,994	11,478	542	78,014	84	15	1	100
Traded loans	2,543	7,442	3,485	13,470	19	55	26	100
Total trading portfolio assets	68,537	18,920	4,027	91,484	75	21	4	100
Financial assets at fair value through the income statement:								
Loans and advances	25,051	19,444	573	45,068	56	43	1	100
Debt securities	1,756	1,156	53	2,965	59	39	2	100
Reverse repurchase agreements	103,571	37,565	637	141,773	74	26	—	100
Other financial assets	88	22	—	110	80	20	—	100
Total financial assets at fair value through the income statement	130,466	58,187	1,263	189,916	68	31	1	100
Derivative financial instruments	275,232	18,104	194	293,530	94	6	—	100
Financial assets at fair value through other comprehensive income	78,005	50	—	78,055	100	—	—	100
Other assets	815	69	7	891	91	8	1	100
Assets held for sale	1,178	8,235	131	9,544	12	87	1	100
Total on-balance sheet	1,212,646	185,073	14,945	1,412,664	86	13	1	100

Risk performance - Credit risk (continued)

Balance sheet credit quality (audited)

	PD Range				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
	£m	£m	£m	£m	%	%	%	%
As at 31 December 2023								
Cash and balances at central banks	224,634	—	—	224,634	100	—	—	100
Cash collateral and settlement balances	99,092	9,789	8	108,889	91	9	—	100
Loans and advances at amortised cost:								
Retail mortgages	160,647	8,313	2,552	171,512	94	5	1	100
Retail credit cards	10,201	22,322	1,698	34,221	30	65	5	100
Retail other	6,005	3,490	457	9,952	60	35	5	100
Corporate loans	89,972	32,824	4,266	127,062	71	26	3	100
Total loans and advances at amortised cost	266,825	66,949	8,973	342,747	77	20	3	100
Debt securities at amortised cost	56,398	350	1	56,749	99	1	—	100
Reverse repurchase agreements and other similar secured lending	2,424	170	—	2,594	93	7	—	100
Trading portfolio assets:								
Debt securities	65,469	9,642	387	75,498	86	13	1	100
Traded loans	4,006	5,893	2,754	12,653	32	46	22	100
Total trading portfolio assets	69,475	15,535	3,141	88,151	78	18	4	100
Financial assets at fair value through the income statement:								
Loans and advances	30,509	16,852	278	47,639	64	35	1	100
Debt securities	1,449	1,095	42	2,586	56	42	2	100
Reverse repurchase agreements	112,799	35,988	344	149,131	76	24	—	100
Other financial assets	88	22	—	110	80	20	—	100
Total financial assets at fair value through the income statement	144,845	53,957	664	199,466	73	27	—	100
Derivative financial instruments	245,086	11,616	134	256,836	95	5	—	100
Financial assets at fair value through other comprehensive income	71,375	455	—	71,830	99	1	—	100
Other assets	2,138	56	3	2,197	97	3	—	100
Assets held for sale	1,110	2,618	127	3,855	29	68	3	100
Total on-balance sheet	1,183,402	161,495	13,051	1,357,948	87	12	1	100

Risk performance - Credit risk (continued)

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)

			Gross carrying amount					Allowance for ECL						
Grading	PD range %	Credit quality description	Stage 1 £m	Stage 2 £m	Stage 3 excluding POCI £m	Stage 3 POCI £m	Total £m	Stage 1 £m	Stage 2 £m	Stage 3 excluding POCI £m	Stage 3 POCI £m	Total £m	Net exposure £m	Coverage ratio %
As at 31 December 2024														
1 - 3	0.0 to <0.05%	Strong	26,799	649	—	—	27,448	1	—	—	—	1	27,447	—
4 - 5	0.05 to <0.15%	Strong	90,420	6,864	—	—	97,284	16	3	—	—	19	97,265	—
6 - 8	0.15 to <0.30%	Strong	18,574	4,417	—	—	22,991	8	6	—	—	14	22,977	0.1
9 - 11	0.30 to <0.60%	Strong	9,829	2,945	—	—	12,774	12	10	—	—	22	12,752	0.2
12 - 14	0.60 to <2.15%	Satisfactory	863	2,741	—	—	3,604	1	19	—	—	20	3,584	0.6
15 - 19	2.15 to <11.35%	Satisfactory	83	1,681	—	—	1,764	—	16	—	—	16	1,748	0.9
20 - 21	11.35 to <100%	Higher Risk	122	299	—	—	421	—	8	—	—	8	413	1.9
22	100%	Credit Impaired	—	—	1,962	—	1,962	—	—	87	—	87	1,875	4.4
Total			**146,690**	**19,596**	**1,962**	**—**	**168,248**	**38**	**62**	**87**	**—**	**187**	**168,061**	**0.1**

Credit risk profile by internal PD grade for retail credit cards[3] (audited)

			Gross carrying amount					Allowance for ECL						
Grading	PD Range %	Credit quality description	Stage 1 £m	Stage 2 £m	Stage 3 excluding POCI £m	Stage 3 POCI £m	Total £m	Stage 1 £m	Stage 2 £m	Stage 3 excluding POCI £m	Stage 3 POCI £m	Total £m	Net exposure £m	Coverage ratio %
As at 31 December 2024														
1 - 3	0.0 to <0.05%	Strong	119	—	—	—	119	—	—	—	—	—	119	—
4 - 5	0.05 to <0.15%	Strong	1,706	4	—	—	1,710	2	—	—	—	2	1,708	0.1
6 - 8	0.15 to <0.30%	Strong	3,592	5	—	—	3,597	9	—	—	—	9	3,588	0.3
9 - 11	0.30 to <0.60%	Strong	5,758	10	—	—	5,768	26	—	—	—	26	5,742	0.5
12 - 14	0.60 to <2.15%	Satisfactory	10,298	171	—	—	10,469	179	12	—	—	191	10,278	1.8
15 - 19	2.15 to <11.35%	Satisfactory	9,330	2,907	—	—	12,237	290	446	—	—	736	11,501	6.0
20 - 21	11.35 to <100%	Higher Risk	323	1,920	—	—	2,243	47	789	—	—	836	1,407	37.3
22	100%	Credit Impaired	—	—	1,903	40	1,943	—	—	1,507	—	1,507	436	77.6
Total			**31,126**	**5,017**	**1,903**	**40**	**38,086**	**553**	**1,247**	**1,507**	**—**	**3,307**	**34,779**	**8.7**

Credit risk profile by internal PD grade for retail other[3] (audited)

			Gross carrying amount					Allowance for ECL						
Grading	PD Range %	Credit quality description	Stage 1 £m	Stage 2 £m	Stage 3 excluding POCI £m	Stage 3 POCI £m	Total £m	Stage 1 £m	Stage 2 £m	Stage 3 excluding POCI £m	Stage 3 POCI £m	Total £m	Net exposure £m	Coverage ratio %
As at 31 December 2024														
1 - 3	0.0 to <0.05%	Strong	76	1	—	—	77	1	—	—	—	1	76	1.3
4 - 5	0.05 to <0.15%	Strong	575	5	—	—	580	2	—	—	—	2	578	0.3
6 - 8	0.15 to <0.30%	Strong	774	6	—	—	780	4	—	—	—	4	776	0.5
9 - 11	0.30 to <0.60%	Strong	4,539	59	—	—	4,598	11	3	—	—	14	4,584	0.3
12 - 14	0.60 to <2.15%	Satisfactory	5,762	239	—	—	6,001	82	10	—	—	92	5,909	1.5
15 - 19	2.15 to <11.35%	Satisfactory	656	887	—	—	1,543	21	41	—	—	62	1,481	4.0
20 - 21	11.35 to <100%	Higher Risk	68	176	—	—	244	17	57	—	—	74	170	30.3
22	100%	Credit Impaired	—	—	378	17	395	—	—	161	—	161	234	40.8
Total			**12,450**	**1,373**	**378**	**17**	**14,218**	**138**	**111**	**161**	**—**	**410**	**13,808**	**2.9**

Risk performance - Credit risk (continued)

Credit risk profile by internal PD grade for corporate loans[3] (audited)

			Gross carrying amount					Allowance for ECL						
Grading	PD Range %	Credit quality description	Stage 1 £m	Stage 2 £m	Stage 3 excluding POCI £m	Stage 3 POCI £m	Total £m	Stage 1 £m	Stage 2 £m	Stage 3 excluding POCI £m	Stage 3 POCI £m	Total £m	Net exposure £m	Coverage ratio %
As at 31 December 2024														
1 - 3	0.0 to <0.05%	Strong	**41,412**	**228**	**3**	**—**	**41,643**	**6**	**1**	**2**	**—**	**9**	**41,634**	**—**
4 - 5	0.05 to <0.15%	Strong	**24,082**	**145**	**—**	**—**	**24,227**	**10**	**—**	**—**	**—**	**10**	**24,217**	**—**
6 - 8	0.15 to <0.30%	Strong	**11,933**	**575**	**—**	**—**	**12,508**	**9**	**2**	**—**	**—**	**11**	**12,497**	**0.1**
9 - 11	0.30 to <0.60%	Strong	**16,861**	**377**	**—**	**—**	**17,238**	**23**	**3**	**—**	**—**	**26**	**17,212**	**0.2**
12 - 14	0.60 to <2.15%	Satisfactory	**16,673**	**3,766**	**—**	**—**	**20,439**	**79**	**44**	**—**	**—**	**123**	**20,316**	**0.6**
15 - 19	2.15 to <11.35%	Satisfactory	**5,331**	**3,857**	**—**	**—**	**9,188**	**73**	**128**	**—**	**—**	**201**	**8,987**	**2.2**
20 - 21	11.35 to <100%	Higher Risk	**216**	**2,219**	**—**	**—**	**2,435**	**9**	**153**	**—**	**—**	**162**	**2,273**	**6.7**
22	100%	Credit Impaired	**—**	**—**	**3,113**	**—**	**3,113**	**—**	**—**	**624**	**—**	**624**	**2,489**	**20.0**
Total			**116,508**	**11,167**	**3,116**	**—**	**130,791**	**209**	**331**	**626**	**—**	**1,166**	**129,625**	**0.9**

Credit risk profile by internal PD grade for loans and advances at amortised cost[3] (audited)

			Gross carrying amount					Allowance for ECL						
Grading	PD Range %	Credit quality description	Stage 1 £m	Stage 2 £m	Stage 3 excluding POCI £m	Stage 3 POCI £m	Total £m	Stage 1 £m	Stage 2 £m	Stage 3 excluding POCI £m	Stage 3 POCI £m	Total £m	Net exposure £m	Coverage ratio %
As at 31 December 2024														
1 - 3	0.0 to <0.05%	Strong	**68,406**	**878**	**3**	**—**	**69,287**	**8**	**1**	**2**	**—**	**11**	**69,276**	**—**
4 - 5	0.05 to <0.15%	Strong	**116,783**	**7,018**	**—**	**—**	**123,801**	**30**	**3**	**—**	**—**	**33**	**123,768**	**—**
6 - 8	0.15 to <0.30%	Strong	**34,873**	**5,003**	**—**	**—**	**39,876**	**30**	**8**	**—**	**—**	**38**	**39,838**	**0.1**
9 - 11	0.30 to <0.60%	Strong	**36,987**	**3,391**	**—**	**—**	**40,378**	**72**	**16**	**—**	**—**	**88**	**40,290**	**0.2**
12 - 14	0.60 to <2.15%	Satisfactory	**33,596**	**6,917**	**—**	**—**	**40,513**	**341**	**85**	**—**	**—**	**426**	**40,087**	**1.1**
15 - 19	2.15 to <11.35%	Satisfactory	**15,400**	**9,332**	**—**	**—**	**24,732**	**384**	**631**	**—**	**—**	**1,015**	**23,717**	**4.1**
20 - 21	11.35 to <100%	Higher Risk	**729**	**4,614**	**—**	**—**	**5,343**	**73**	**1,007**	**—**	**—**	**1,080**	**4,263**	**20.2**
22	100%	Credit Impaired	**—**	**—**	**7,356**	**57**	**7,413**	**—**	**—**	**2,379**	**—**	**2,379**	**5,034**	**32.1**
Total			**306,774**	**37,153**	**7,359**	**57**	**351,343**	**938**	**1,751**	**2,381**	**—**	**5,070**	**346,273**	**1.4**

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

			Gross carrying amount					Allowance for ECL						
Grading	PD Range %	Credit quality description	Stage 1 £m	Stage 2 £m	Stage 3 excluding POCI £m	Stage 3 POCI £m	Total £m	Stage 1 £m	Stage 2 £m	Stage 3 excluding POCI £m	Stage 3 POCI £m	Total £m	Net exposure £m	Coverage ratio %
As at 31 December 2023														
1 - 3	0.0 to <0.05%	Strong	25,759	587	—	—	26,346	1	—	—	—	1	26,345	—
4 - 5	0.05 to <0.15%	Strong	58,656	3,386	—	—	62,042	12	2	—	—	14	62,028	—
6 - 8	0.15 to <0.30%	Strong	51,292	7,235	—	—	58,527	18	8	—	—	26	58,501	—
9 - 11	0.30 to <0.60%	Strong	11,350	2,447	—	—	13,797	12	12	—	—	24	13,773	0.2
12 - 14	0.60 to <2.15%	Satisfactory	2,833	3,114	—	—	5,947	6	25	—	—	31	5,916	0.5
15 - 19	2.15 to <11.35%	Satisfactory	194	2,243	—	—	2,437	1	39	—	—	40	2,397	1.6
20 - 21	11.35 to <100%	Higher Risk	118	457	—	—	575	—	19	—	—	19	556	3.3
22	100%	Credit Impaired	—	—	2,424	—	2,424	—	—	428	—	428	1,996	17.7
Total			150,202	19,469	2,424	—	172,095	50	105	428	—	583	171,512	0.3

Risk performance - Credit risk (continued)

Credit risk profile by internal PD grade for retail credit cards[3] (audited)

			Gross carrying amount					Allowance for ECL						
Grading	PD Range %	Credit quality description	Stage 1 £m	Stage 2 £m	Stage 3 excluding POCI £m	Stage 3 POCI £m	Total £m	Stage 1 £m	Stage 2 £m	Stage 3 excluding POCI £m	Stage 3 POCI £m	Total £m	Net exposure £m	Coverage ratio %
As at 31 December 2023														
1 - 3	0.0 to <0.05%	Strong	133	—	—	—	133	—	—	—	—	—	133	—
4 - 5	0.05 to <0.15%	Strong	1,463	4	—	—	1,467	2	—	—	—	2	1,465	0.1
6 - 8	0.15 to <0.30%	Strong	3,374	6	—	—	3,380	9	—	—	—	9	3,371	0.3
9 - 11	0.30 to <0.60%	Strong	5,248	11	—	—	5,259	27	—	—	—	27	5,232	0.5
12 - 14	0.60 to <2.15%	Satisfactory	11,010	173	—	—	11,183	137	14	—	—	151	11,032	1.4
15 - 19	2.15 to <11.35%	Satisfactory	8,867	3,436	—	—	12,303	314	699	—	—	1,013	11,290	8.2
20 - 21	11.35 to <100%	Higher Risk	314	1,948	—	—	2,262	34	917	—	—	951	1,311	42.0
22	100%	Credit Impaired	—	—	1,720	—	1,720	—	—	1,333	—	1,333	387	77.5
Total			30,409	5,578	1,720	—	37,707	523	1,630	1,333	—	3,486	34,221	9.2

Credit risk profile by internal PD grade for retail other[3] (audited)

			Gross carrying amount					Allowance for ECL						
Grading	PD Range %	Credit quality description	Stage 1 £m	Stage 2 £m	Stage 3 excluding POCI £m	Stage 3 POCI £m	Total £m	Stage 1 £m	Stage 2 £m	Stage 3 excluding POCI £m	Stage 3 POCI £m	Total £m	Net exposure £m	Coverage ratio %
As at 31 December 2023														
1 - 3	0.0 to <0.05%	Strong	67	—	—	—	67	1	—	—	—	1	66	1.5
4 - 5	0.05 to <0.15%	Strong	569	4	—	—	573	1	—	—	—	1	572	0.2
6 - 8	0.15 to <0.30%	Strong	964	6	—	—	970	2	—	—	—	2	968	0.2
9 - 11	0.30 to <0.60%	Strong	4,369	50	—	—	4,419	16	4	—	—	20	4,399	0.5
12 - 14	0.60 to <2.15%	Satisfactory	1,899	241	—	—	2,140	15	15	—	—	30	2,110	1.4
15 - 19	2.15 to <11.35%	Satisfactory	583	862	—	—	1,445	22	43	—	—	65	1,380	4.5
20 - 21	11.35 to <100%	Higher Risk	18	180	—	—	198	2	56	—	—	58	140	29.3
22	100%	Credit Impaired	—	—	493	—	493	—	—	176	—	176	317	35.7
Total			8,469	1,343	493	—	10,305	59	118	176	—	353	9,952	3.4

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

			Gross carrying amount					Allowance for ECL						
Grading	PD Range %	Credit quality description	Stage 1 £m	Stage 2 £m	Stage 3 excluding POCI £m	Stage 3 POCI £m	Total £m	Stage 1 £m	Stage 2 £m	Stage 3 excluding POCI £m	Stage 3 POCI £m	Total £m	Net exposure £m	Coverage ratio %
As at 31 December 2023														
1 - 3	0.0 to <0.05%	Strong	36,981	146	4	—	37,131	4	—	2	—	6	37,125	—
4 - 5	0.05 to <0.15%	Strong	23,344	92	—	—	23,436	15	—	—	—	15	23,421	0.1
6 - 8	0.15 to <0.30%	Strong	10,833	346	—	—	11,179	9	3	—	—	12	11,167	0.1
9 - 11	0.30 to <0.60%	Strong	17,914	390	—	—	18,304	41	4	—	—	45	18,259	0.2
12 - 14	0.60 to <2.15%	Satisfactory	17,433	4,694	—	—	22,127	106	68	—	—	174	21,953	0.8
15 - 19	2.15 to <11.35%	Satisfactory	5,779	5,360	—	—	11,139	101	167	—	—	268	10,871	2.4
20 - 21	11.35 to <100%	Higher Risk	221	2,274	—	—	2,495	11	172	—	—	183	2,312	7.3
22	100%	Credit Impaired	—	—	2,550	—	2,550	—	—	596	—	596	1,954	23.4
Total			**112,505**	**13,302**	**2,554**	**—**	**128,361**	**287**	**414**	**598**	**—**	**1,299**	**127,062**	1.0

Risk performance - Credit risk (continued)

Credit risk profile by internal PD grade for loans and advances at amortised cost[3] (audited)

			Gross carrying amount					Allowance for ECL						
Grading	PD Range %	Credit quality description	Stage 1 £m	Stage 2 £m	Stage 3 excluding POCI £m	Stage 3 POCI £m	Total £m	Stage 1 £m	Stage 2 £m	Stage 3 excluding POCI £m	Stage 3 POCI £m	Total £m	Net exposure £m	Coverage ratio %
As at 31 December 2023														
1 - 3	0.0 to <0.05%	Strong	62,940	733	4	—	63,677	6	—	2	—	8	63,669	—
4 - 5	0.05 to <0.15%	Strong	84,032	3,486	—	—	87,518	30	2	—	—	32	87,486	—
6 - 8	0.15 to <0.30%	Strong	66,463	7,593	—	—	74,056	38	11	—	—	49	74,007	0.1
9 - 11	0.30 to <0.60%	Strong	38,881	2,898	—	—	41,779	96	20	—	—	116	41,663	0.3
12 - 14	0.60 to <2.15%	Satisfactory	33,175	8,222	—	—	41,397	264	122	—	—	386	41,011	0.9
15 - 19	2.15 to <11.35%	Satisfactory	15,423	11,901	—	—	27,324	438	948	—	—	1,386	25,938	5.1
20 - 21	11.35 to <100%	Higher Risk	671	4,859	—	—	5,530	47	1,164	—	—	1,211	4,319	21.9
22	100%	Credit Impaired	—	—	7,187	—	7,187	—	—	2,533	—	2,533	4,654	35.2
Total			**301,585**	**39,692**	**7,191**	**—**	**348,468**	**919**	**2,267**	**2,535**	**—**	**5,721**	**342,747**	1.6

Credit risk profile by internal PD grade for contingent liabilities[1] (audited)

			Gross carrying amount					Allowance for ECL						
Grading	PD range %	Credit quality description	Stage 1 £m	Stage 2 £m	Stage 3 excluding POCI £m	Stage 3 POCI £m	Total £m	Stage 1 £m	Stage 2 £m	Stage 3 excluding POCI £m	Stage 3 POCI £m	Total £m	Net exposure £m	Coverage ratio %
As at December 31, 2024														
1-3	0.0 to <0.05%	Strong	**8,132**	**310**	**—**	**—**	**8,442**	**1**	**1**	**—**	**—**	**2**	**8,440**	**—**
4-5	0.05 to <0.15%	Strong	**4,934**	**—**	**—**	**—**	**4,934**	**2**	**—**	**—**	**—**	**2**	**4,932**	**—**
6-8	0.15 to <0.30%	Strong	**2,717**	**391**	**—**	**—**	**3,108**	**2**	**—**	**—**	**—**	**2**	**3,106**	**0.1**
9-11	0.30 to <0.60%	Strong	**2,177**	**119**	**—**	**—**	**2,296**	**4**	**—**	**—**	**—**	**4**	**2,292**	**0.2**
12-14	0.60 to <2.15%	Satisfactory	**2,309**	**563**	**—**	**—**	**2,872**	**12**	**7**	**—**	**—**	**19**	**2,853**	**0.7**
15-19	2.15 to <11.35%	Satisfactory	**730**	**937**	**—**	**—**	**1,667**	**22**	**36**	**—**	**—**	**58**	**1,609**	**3.5**
20-21	11.35 to <100%	Higher Risk	**29**	**515**	**—**	**—**	**544**	**—**	**82**	**—**	**—**	**82**	**462**	**15.1**
22	100%	Credit Impaired	**—**	**—**	**495**	**—**	**495**	**—**	**—**	**16**	**—**	**16**	**479**	**3.2**
Total			**21,028**	**2,835**	**495**	**—**	**24,358**	**43**	**126**	**16**	**—**	**185**	**24,173**	**0.8**

Credit risk profile by internal PD grade for contingent liabilities[1] (audited)

			Gross carrying amount					Allowance for ECL						
Grading	PD range %	Credit quality description	Stage 1 £m	Stage 2 £m	Stage 3 excluding POCI £m	Stage 3 POCI £m	Total £m	Stage 1 £m	Stage 2 £m	Stage 3 excluding POCI £m	Stage 3 POCI £m	Total £m	Net exposure £m	Coverage ratio %
As at December 31, 2023														
1-3	0.0 to <0.05%	Strong	7,582	79	—	—	7,661	1	—	—	—	1	7,660	—
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	29	41	—	—	70	2,458	2.8
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			**20,884**	**2,607**	**583**	**—**	**24,074**	**47**	**113**	**22**	**—**	**182**	**23,892**	0.8

Risk performance - Credit risk (continued)

Credit risk profile by internal PD grade for loan commitments[1] (audited)

			Gross carrying amount					Allowance for ECL						
Grading	PD range %	Credit quality description	Stage 1 £m	Stage 2 £m	Stage 3 excluding POCI £m	Stage 3 POCI £m	Total £m	Stage 1 £m	Stage 2 £m	Stage 3 excluding POCI £m	Stage 3 POCI £m	Total £m	Net exposure £m	Coverage ratio %
As at 31 December 2024														
1-3	0.0 to <0.05%	Strong	**92,589**	**342**	**—**	**—**	**92,931**	**3**	**—**	**—**	**—**	**3**	**92,928**	**—**
4-5	0.05 to <0.15%	Strong	**82,489**	**342**	**—**	**—**	**82,831**	**8**	**—**	**—**	**—**	**8**	**82,823**	**—**
6-8	0.15 to <0.30%	Strong	**63,004**	**1,071**	**—**	**—**	**64,075**	**12**	**1**	**—**	**—**	**13**	**64,062**	**—**
9-11	0.30 to <0.60%	Strong	**70,770**	**904**	**—**	**—**	**71,674**	**19**	**1**	**—**	**—**	**20**	**71,654**	**—**
12-14	0.60 to <2.15%	Satisfactory	**68,038**	**3,179**	**—**	**—**	**71,217**	**36**	**12**	**—**	**—**	**48**	**71,169**	**0.1**
15-19	2.15 to <11.35%	Satisfactory	**13,633**	**6,535**	**—**	**—**	**20,168**	**41**	**50**	**—**	**—**	**91**	**20,077**	**0.5**
20-21	11.35 to <100%	Higher Risk	**704**	**3,520**	**—**	**—**	**4,224**	**2**	**60**	**—**	**—**	**62**	**4,162**	**1.5**
22	100%	Credit Impaired	**—**	**—**	**673**	**6**	**679**	**—**	**—**	**9**	**—**	**9**	**670**	**1.3**
Total			**391,227**	**15,893**	**673**	**6**	**407,799**	**121**	**124**	**9**	**—**	**254**	**407,545**	**0.1**

Credit risk profile by internal PD grade for loan commitments[1] (audited)

			Gross carrying amount					Allowance for ECL						
Grading	PD range %	Credit quality description	Stage 1 £m	Stage 2 £m	Stage 3 excluding POCI £m	Stage 3 POCI £m	Total £m	Stage 1 £m	Stage 2 £m	Stage 3 excluding POCI £m	Stage 3 POCI £m	Total £m	Net exposure £m	Coverage ratio %
As at December 31, 2023														
1-3	0.0 to <0.05%	Strong	77,689	715	—	—	78,404	2	—	—	—	2	78,402	—
4-5	0.05 to <0.15%	Strong	75,399	479	—	—	75,878	6	1	—	—	7	75,871	—
6-8	0.15 to <0.30%	Strong	63,545	2,798	—	—	66,343	12	1	—	—	13	66,330	—
9-11	0.30 to <0.60%	Strong	66,423	1,441	—	—	67,864	22	2	—	—	24	67,840	—
12-14	0.60 to <2.15%	Satisfactory	54,686	4,177	—	—	58,863	38	15	—	—	53	58,810	0.1
15-19	2.15 to <11.35%	Satisfactory	14,690	8,275	—	—	22,965	40	71	—	—	111	22,854	0.5
20-21	11.35 to <100%	Higher Risk	747	3,716	—	—	4,463	6	84	—	—	90	4,373	2.0
22	100%	Credit Impaired	—	—	454	—	454	—	—	22	—	22	432	4.8
Total			**353,179**	**21,601**	**454**	**—**	**375,234**	**126**	**174**	**22**	**—**	**322**	**374,912**	**0.1**

Notes:

1 Excludes loan commitments and financial guarantees of £16.3bn (2023: £16.5bn) carried at fair value.
2 Reported off-balance sheet loan commitments reported also include exposures relating to financial assets classified as assets held for sale.
3 Exposures reported within Retail credit cards, Retail other and Corporate loans does not include the German consumer finance business and a co-branded card portfolio (2024) which is classified as assets held for sale.

Risk performance - Credit risk (continued)

Analysis of specific portfolios and asset types

This section provides an analysis of principal portfolios and businesses, in particular, home loans, credit cards, unsecured loans and other retail lending.

Secured home loans

The UK home loans portfolio comprises first lien home loans and accounts for 97% (2023: 95%) of the Group's total home loan balances.

Home loans principal portfolios

	Barclays UK	
As at 31 December	2024	2023
Gross loans and advances (£m)	**163,197**	163,639
>90 day arrears, excluding recovery book (%)	**0.2**	0.2
Annualised gross charge-off rates (%)	**0.5**	0.5
Recovery book proportion of outstanding balances (%)	**0.6**	0.6
Recovery book impairment coverage ratio (%)[1]	**3.7**	7.2

Note:
1 Recovery Book Impairment Coverage Ratio excludes KMC.

Within the UK home loans portfolio:

- Gross loans and advances decreased by £0.4bn (0.3%) reflecting a £2.0bn (10.3%) decrease in Buy to Let, partially offset by a £1.6bn (1.1%) increase in Residential.
- Owner-occupied interest-only home loans comprised 15% (2023: 17%) of total balances. The average balance weighted LTV on owner occupied loans decreased to 52.7% (2023: 53.1%).
- BTL home loans comprised 11.0% (2023: 12.3%) of total balances. In BTL, the average balance weighted LTV decreased to 55.7% (2023: 56.9%).

Home loans principal portfolios - distribution of balances by LTV[1]

	Distribution of Balances				Distribution of impairment allowance				Coverage ratio			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Barclays UK	%	%	%	%	%	%	%	%	%	%	%	%
As at 31 December 2024												
<=75%	**74.5**	**10.7**	**0.9**	**86.1**	**8.3**	**15.8**	**18.7**	**42.8**	**—**	**0.1**	**1.8**	**—**
>75% and <=90%	**11.8**	**1.2**	**0.1**	**13.1**	**10.2**	**24.2**	**9.7**	**44.1**	**0.1**	**1.7**	**13.0**	**0.3**
>90% and <=100%	**0.8**	**—**	**—**	**0.8**	**1.3**	**2.3**	**4.0**	**7.6**	**0.1**	**4.9**	**35.8**	**0.8**
>100%	**—**	**—**	**—**	**—**	**0.2**	**1.4**	**3.9**	**5.5**	**1.6**	**45.9**	**68.7**	**24.8**
As at 31 December 2023												
<=75%	73.5	10.4	0.9	84.8	8.5	16.2	26.7	51.4	—	0.2	3.8	0.1
>75% and <=90%	12.3	1.2	0.1	13.6	7.4	16.7	12.8	36.9	0.1	1.9	27.9	0.4
>90% and <=100%	1.5	0.1	—	1.6	1.2	2.5	3.6	7.3	0.1	2.6	63.3	0.6
>100%	—	—	—	—	0.3	0.7	3.4	4.4	1.0	12.1	100.0	12.4

Note:
1 Portfolio marked to market based on the most updated valuation including recovery book balances. Updated valuations reflect the application of the latest HPI available as at 31 December 2024.

Risk performance - Credit risk (continued)

Home loans principal portfolios – average LTV

As at 31 December	Barclays UK 2024	2023
Overall portfolio LTV (%):		
Balance weighted %	**53.0**	53.6
Valuation weighted %	**39.7**	40.0
For >100% LTVs:		
Balances £m	**30**	75
Marked to market collateral £m	**26**	65
Average LTV: Balance weighted %	**190.3**	146.7
Average LTV: Valuation weighted %	**142.0**	123.6
% of Balances in Recoveries	**30.7**	11.5

Home loans principal portfolios - new lending

As at 31 December 2024	Barclays UK 2024	2023
New Home loan bookings (£m)	**23,895**	22,669
New home loan proportion above 90% LTV (%)	**0.9**	0.6
Average LTV on new home loan: balance weighted (%)	**65.5**	62.6
Average LTV on new home loan: valuation weighted (%)	**56.3**	53.8

New home loans bookings increased 5% to £23.9bn (2023: £22.7bn), mainly driven by interest rate reductions leading to lower mortgage pricing and a corresponding increase in mortgage affordability and demand, along with a strategy to increase mortgage market share.

Head Office: Italian home loans balances reduced to £0.4bn (2023: £3.6bn) due to the disposal of the performing portfolio in Q224 and the disposal of the majority of loans in the non-performing portfolio in Q424. The residual portfolio is secured on residential property with an average balance weighted marked to market LTV of 86.3% (2023: 55.6%). 90-day arrears increased to 3.1% (2023: 2.4%) due to a decrease in the portfolio credit quality given the majority of the disposed assets were performing. The gross charge-off rate was 0.9% (2023: 0.7%).The residual portfolio includes a Swiss-Franc linked portfolio of £0.2bn (2023: £0.3bn).

Risk performance - Credit risk (continued)

Retail Credit Cards and Retail Other

The principal portfolios listed below accounted for 91% (2023: 91%) of the Group's total retail credit cards and retail other.

Retail Credit Cards and Retail Other

	Gross exposure	30 day arrears rate, excluding recoveries book	90 day arrears rate, excluding recoveries book	Annualised gross write-off rates	Annualised net write-off rates
	£m	%	%	%	%
As at 31 December 2024					
Barclays UK					
UK cards[1]	**15,781**	**0.7**	**0.2**	**1.1**	**0.9**
UK cards – excluding Tesco Bank cards	**11,611**	**0.7**	**0.2**	**1.4**	**1.1**
Tesco Bank cards[1]	**4,170**	**0.8**	**0.3**	**0.1**	**0.1**
UK personal loans[1]	**8,051**	**1.0**	**0.4**	**0.7**	**0.5**
UK personal loans – excluding Tesco Bank personal loans	**3,993**	**1.4**	**0.6**	**1.3**	**1.0**
Tesco Bank personal loans[1]	**4,058**	**0.5**	**0.2**	**0.1**	**0.0**
Barclays Partner Finance	**1,609**	**0.6**	**0.3**	**1.0**	**1.0**
Barclays US Consumer Bank					
US cards[2]	**28,548**	**3.0**	**1.6**	**3.8**	**3.7**
As at 31 December 2023					
Barclays UK					
UK cards	10,420	0.9	0.2	1.4	1.3
UK personal loans	3,641	1.5	0.6	1.3	1.0
Barclays Partner Finance	2,344	0.6	0.3	0.7	0.7
Barclays US Consumer Bank					
US cards	27,286	2.9	1.5	2.3	2.3

Note:
1 Tesco Bank arrears rates calculated using POCI balances adjusted to fair value. This has the impact of reducing the Tesco Bank arrears rates.
2 Includes a co-branded card portfolio, classified as held for sale (see table below)

Retail Credit Cards and Retail Other held for sale

	Gross exposure	30 day arrears rate, excluding recoveries book	90 day arrears rate, excluding recoveries book	Annualised gross write-off rates	Annualised net write-off rates
As at 31 December 2024					
Barclays US Consumer Bank	**6,241**	**1.3**	**0.5**	**2.0**	**2.0**
Head Office - German consumer finance business	**3,733**	**1.8**	**0.9**	**1.3**	**1.2**
As at 31 December 2023					
Head Office - German consumer finance business	4,094	1.7	0.8	1.0	1.0

UK cards: Gross exposure increased from £10.4bn to £15.8bn due to the acquisition of Tesco Bank (£4.2bn) and growth in spend and promotional balances. The inclusion of Tesco Bank had limited impact on arrears rates. Excluding Tesco Bank, 30 day arrears rates reduced to 0.7% (2023: 0.9%) following lower inflow whilst 90 day arrears rates remained stable at 0.2% (2023: 0.2%). Gross and net write off rates reduced to 1.1% (2023: 1.4%) and 0.9% (2023: 1.3%) reflecting limited write offs in the Tesco Bank cards portfolio post the acquisition. Excluding Tesco Bank, gross and net write off rates remained relatively stable at 1.4% (2023: 1.4%) and 1.1% (2023: 1.3%) respectively.

UK personal loans: Gross exposure increased from £3.6bn to £8.1bn due to the purchase of Tesco Bank (£4.1bn) and growth in new lending. 30 and 90 day arrears rates reduced to 1.0% (2023: 1.5%) and 0.4% (2023: 0.6%) respectively, reflecting the inclusion of Tesco Bank. Excluding Tesco Bank, 30 and 90 day arrears rates remained broadly stable at 1.4% (2023: 1.5%) and 0.6% (2023: 0.6%) respectively. Gross and net write off rates reduced to 0.7% (2023: 1.3%) and 0.5% (2023: 1.0%) reflecting limited write offs in the Tesco Bank loans portfolio post the acquisition. Excluding Tesco Bank, gross and net write off rates remained stable at 1.3% (2023: 1.3%) and 1.0% (2023: 1.0%) respectively.

Barclays Partner Finance: 30 and 90 day arrears rates remained stable at 0.6% (2023: 0.6%) and 0.3% (2023: 0.3%) respectively. Total exposure fell to £1.6bn (2023: £2.3bn) due to a strategic decision to reduce the number of active partner businesses. Both annualised gross and net write off rates increased to 1.0% (2023: 0.7%) following the reduction in gross exposure.

US cards: 30 and 90 day arrears rates increased to 3.0% (2023: 2.9%) and 1.6% (2023: 1.5%) respectively due to higher flow into and through delinquency. The increase in both gross and net write-off rates reflected the overall delinquency trends through to charge-off lagged by the charge off to write-off period of 12 months as well as a sale in the year.

German consumer finance business: Gross exposure decreased 8.8% as loan originations were limited to existing customers following the discontinuation of Open Market loan originations in 2023. Cards origination strategy moved to a more profitable revolver customer segment in 2024 resulting in expected increases in 30 and 90 day arrears and write-offs rates.

Risk performance - Credit risk (continued)

Forbearance

Forbearance measures consist of concessions towards a debtor that is experiencing or about to experience difficulties in meeting their financial commitments ('financial difficulties').

Analysis of forbearance programmes

	Balances				Impairment allowance			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	£m	£m	£m	£m	£m	£m	£m	£m
As at 31 December 2024								
Barclays UK	**58**	**108**	**596**	**762**	**—**	**15**	**133**	**148**
Barclays US Consumer Bank	**—**	**—**	**448**	**448**	**—**	**—**	**209**	**209**
Head Office	**4**	**1**	**7**	**12**	**—**	**—**	**2**	**2**
Total retail	**62**	**109**	**1,051**	**1,222**	**—**	**15**	**344**	**359**
Barclays UK	**74**	**91**	**431**	**596**	**—**	**2**	**37**	**39**
Barclays Investment Bank	**—**	**361**	**514**	**875**	**—**	**14**	**103**	**117**
Barclays UK Corporate Bank	**2**	**597**	**109**	**708**	**—**	**11**	**41**	**52**
Barclays Private Bank and Wealth Management	**—**	**1**	**205**	**206**	**—**	**—**	**16**	**16**
Head Office	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Total wholesale	**76**	**1,050**	**1,259**	**2,385**	**—**	**27**	**197**	**224**
Group total	**138**	**1,159**	**2,310**	**3,607**	**—**	**42**	**541**	**583**
As at 31 December 2023								
Barclays UK	59	82	514	655	—	12	137	149
Barclays US Consumer Bank	—	—	290	290	—	—	128	128
Head Office	39	20	60	119	—	2	9	11
Total retail	98	102	864	1,064	—	14	274	288
Barclays UK	133	224	502	859	1	3	52	56
Barclays Investment Bank	—	631	308	939	—	18	80	98
Barclays UK Corporate Bank	2	546	127	675	—	11	29	40
Barclays Private Bank and Wealth Management	—	19	214	233	—	—	16	16
Head Office	—	—	—	—	—	—	—	—
Total wholesale	135	1,420	1,151	2,706	1	32	177	210
Group total	233	1,522	2,015	3,770	1	46	451	498

Analysis of Portfolios- held for sale in Forbearance Programmes

	Balances				Impairment allowance			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	£m	£m	£m	£m	£m	£m	£m	£m
As at 31 December 2024								
Head Office								
German consumer finance business	**1**	**1**	**25**	**27**	**—**	**—**	**18**	**18**
As at 31 December 2023								
Head Office								
German consumer finance business	1	1	30	32	—	—	22	22

Retail balances on forbearance reflected increases in UK Home Finance and US cards.

Barclays UK wholesale forbearance balances decreased to £596m (2023: £859m) due to a reduction in ESHLA exposures, mostly through repayments, and a reduction in the in the Bounce Back Loan book reflecting increased exits and lower inflows.

Note:
1 Tesco Bank balances not included.

Risk performance - Credit risk (continued)

Retail forbearance programmes

Forbearance on the Group's principal retail portfolios is presented below. The principal portfolios account for 98% (2023: 99%) of total retail forbearance balances.

Analysis of Key Portfolios in Forbearance Programmes

	Balances on Forbearance Programmes		Marked to market LTV of forbearance balances: balance weighted	Marked to market LTV of forbearance balances: valuation weighted	Impairment allowances marked against balances on forbearance programmes	Total balances on forbearance programmes coverage ratio
	Total	% of gross retail loans and advances				
	£m	£m	%	%	£m	%
As at 31 December 2024						
Barclays UK						
UK Home Loans	**473**	**0.3**	**51.3**	**41.8**	**10**	**2.1**
UK cards	**192**	**1.7**	**n/a**	**n/a**	**76**	**39.6**
UK personal loans	**51**	**1.3**	**n/a**	**n/a**	**34**	**66.7**
Barclays Partner Finance	**16**	**1.0**	**n/a**	**n/a**	**9**	**56.3**
Barclays US Consumer Bank						
US cards	**448**	**1.6**	**n/a**	**n/a**	**209**	**46.7**
Head Office						
Italy Mortgages	**12**	**30.0**	**78.5**	**48.9**	**2**	**16.7**
As at 31 December 2023						
Barclays UK						
UK Home Loans	366	0.2	44.7	32.2	15	4.1
UK cards	215	2.1	n/a	n/a	86	40.0
UK personal loans	46	1.3	n/a	n/a	30	65.2
Barclays Partner Finance	17	0.7	n/a	n/a	10	58.8
Barclays US Consumer Bank						
US cards	290	1.1	n/a	n/a	128	44.1
Head Office						
Italy Mortgages	119	3.3	59.8	44.6	11	9.2

Analysis of Portfolios- held for sale in Forbearance Programmes

	Balances on Forbearance Programmes		Marked to market LTV of forbearance balances: balance weighted	Marked to market LTV of forbearance balances: valuation weighted	Impairment allowances marked against balances on forbearance programmes	Total balances on forbearance programmes coverage ratio
	Total	% of gross retail loans and advances				
	£m	£m	%	%	£m	%
As at 31 December 2024						
Head Office						
German consumer finance business	**27**	**0.7**	**n/a**	**n/a**	**18**	**66.7**
As at 31 December 2023						
Head Office						
German consumer finance business	32	0.8	n/a	n/a	22	68.8

Note:
1 Tesco Bank balances not included.

UK home loans: Forbearance balances rose to £473m (2023: £366m) due to an increase in temporary switches to Interest-Only along with concessionary interest rates given to support customers facing rising mortgage interest rates and increased affordability stress.
UK cards: Balances on forbearance decreased to £192m (2023: £215m) due to increased outflow, against a reducing forbearance inflow across 2024.
UK personal loans: Balances on forbearance programmes increased to £51m (2023: £46m), due to the impact of enhanced forbearance classification data.
Barclays Partner Finance: Balances on forbearance remained stable.

US cards: Forbearance balances increased to £448m (2023: £290m) reflecting an increase in new enrolments in 2024 following elevated delinquency trends through the year.
German consumer finance business: Forbearance balances decreased to £27m (2023: £32m) due to lower customer demand and increased operational focus on early delinquency stages.

Italian home loans: Forbearance balances decreased to £12m (2023: £119m) due to the disposal of the performing portfolio in Q224.

Risk performance - Credit risk (continued)

Wholesale forbearance programmes

The table below details balance information for wholesale forbearance cases.

Analysis of wholesale balances in forbearance programmes

	Balances on forbearance programmes		Impairment allowances marked against balances on forbearance programmes	Total balances on forbearance programmes coverage ratio
	Total balances	% of gross wholesale loans and advances		
	£m	%	£m	%
As at 31 December 2024				
Barclays UK	**596**	**2.9**	**39**	**6.5 %**
Barclays Investment Bank	**875**	**1.2**	**117**	**13.4 %**
Barclays UK Corporate Bank	**708**	**2.7**	**52**	**7.3 %**
Barclays Private Bank and Wealth Management	**206**	**3.4**	**16**	**7.8 %**
Total	**2,385**	**1.8**	**224**	**9.4 %**
As at 31 December 2023				
Barclays UK	859	3.5	56	6.5 %
Barclays Investment Bank	939	1.4	98	10.4 %
Barclays UK Corporate Bank	675	2.5	40	6.0 %
Barclays Private Bank and Wealth Management	233	4.1	16	6.9 %
Total	2,706	2.1	210	7.8 %

Analysis of debt securities

Debt securities include government securities held as part of the Group's treasury management portfolio for liquidity and regulatory purposes, and are for use on a continuing basis in the activities of the Group.

The following tables provide an analysis of debt securities held by the Group for trading and investment purposes by issuer type. Further information on the credit quality of debt securities is presented in the Balance sheet credit quality section.

Debt securities

	2024		2023	
As at 31 December	£m	%	£m	%
Of which issued by:				
Governments and other public bodies	**134,786**	**60.2**	130,816	63.5
Corporate and other issuers	**45,559**	**20.3**	43,001	20.9
US agency	**17,262**	**7.7**	12,907	6.3
Mortgage and asset backed securities	**26,354**	**11.8**	19,168	9.3
Total	**223,961**	**100.0**	205,892	100

Risk performance - Credit risk (continued)

Analysis of derivatives

The tables below set out the fair values of the derivative assets together with the value of those assets subject to enforceable counterparty netting arrangements for which the Group holds offsetting liabilities and eligible collateral.

Derivative assets (audited)

	2024			2023		
	Balance sheet assets	Counterparty netting	Net exposure	Balance sheet assets	Counterparty netting	Net exposure
As at 31 December	£m	£m	£m	£m	£m	£m
Foreign exchange	**126,098**	**98,677**	**27,421**	89,533	69,570	19,963
Interest rate	**95,796**	**70,138**	**25,658**	109,609	79,861	29,748
Credit derivatives	**6,898**	**5,728**	**1,170**	7,662	6,758	904
Equity and stock index	**62,912**	**54,237**	**8,675**	48,171	40,946	7,225
Commodity derivatives	**1,826**	**1,654**	**172**	1,861	1,674	187
Total derivative assets	**293,530**	**230,434**	**63,096**	256,836	198,809	58,027
Cash collateral held			**30,637**			31,211
Net exposure less collateral			**32,459**			26,816

Derivative asset exposures would be £261bn (2023: £230bn) lower than reported under IFRS if netting were permitted for assets and liabilities with the same counterparty or for which the Group holds cash collateral. Similarly, derivative liabilities would be £254bn (2023: £223bn) lower reflecting counterparty netting and collateral placed. In addition, non-cash collateral of £13bn (2023: £10bn) was held in respect of derivative assets. The Group received collateral from clients in support of over the counter derivative transactions. These transactions are generally undertaken under International Swaps and Derivative Association (ISDA) agreements governed by either UK or New York law.

Assets held for sale

This section presents portfolios classified as assets held for sale. These include a co-branded card portfolio and German consumer finance business.

For further details on assets held for sale, see Note 40 to the financial statements in Barclays PLC Annual Report 2024.

Loans and advances by product

Loans and advances to customers classified as assets held for sale (audited)

	Stage 1			Stage 2			Stage 3			Total		
	Gross	ECL	Coverage	Gross	ECL	Coverage	Gross	ECL	Coverage	Gross	ECL	Coverage
As at 31 December 2024	£m	£m	%	£m	£m	%	£m	£m	%	£m	£m	%
Retail credit cards - US	**5,495**	**64**	**1.2**	**689**	**161**	**23.4**	**57**	**46**	**80.7**	**6,241**	**271**	**4.3**
Retail credit cards - Germany	**1,908**	**18**	**0.9**	**307**	**29**	**9.4**	**93**	**69**	**74.2**	**2,308**	**116**	**5.0**
Retail other - Germany	**1,134**	**16**	**1.4**	**220**	**33**	**15.0**	**71**	**48**	**67.6**	**1,425**	**97**	**6.8**
Corporate loans - US	**49**	**1**	**2.0**	**9**	**3**	**33.3**	**1**	**1**	**100.0**	**59**	**5**	**8.5**
Total Rest of the World	**8,586**	**99**	**1.2**	**1,225**	**226**	**18.4**	**222**	**164**	**73.9**	**10,033**	**489**	**4.9**
As at 31 December 2023												
Retail credit cards - US	—	—	—	—	—	—	—	—	—	—	—	—
Retail credit cards - Germany	1,621	15	0.9	445	41	9.2	92	68	73.9	2,158	124	5.7
Retail other - Germany	1,561	20	1.3	288	32	11.1	84	60	71.4	1,933	112	5.8
Corporate loans - US	—	—	—	—	—	—	—	—	—	—	—	—
Total Rest of the World	3,182	35	1.1	733	73	10.0	176	128	72.7	4,091	236	5.8

Risk performance - Credit risk (continued)

Stage 2 decomposition

Loans and advances at amortised cost classified as held for sale

	Gross Exposure				Impairment Allowance			
	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 2024	£m	£m	£m	£m	£m	£m	£m	£m
Retail credit cards - US	**564**	**123**	**2**	**689**	**130**	**30**	**1**	**161**
Retail credit cards - Germany	**209**	**96**	**2**	**307**	**19**	**9**	**1**	**29**
Retail other - Germany	**207**	**11**	**2**	**220**	**31**	**1**	**1**	**33**
Corporate loan - US	**7**	**2**	**—**	**9**	**2**	**1**	**—**	**3**
Total Stage 2	**987**	**232**	**6**	**1,225**	**182**	**41**	**3**	**226**
As at 31 December 2023	£m	£m	£m	£m	£m	£m	£m	£m
Retail credit cards - US	—	—	—	—	—	—	—	—
Retail credit cards - Germany	387	56	2	445	34	6	1	41
Retail other - Germany	265	20	3	288	29	2	1	32
Corporate loan - US	—	—	—	—	—	—	—	—
Total Stage 2	652	76	5	733	63	8	2	73

Stage 3 decomposition

Loans and advances at amortised cost classified as held for sale

	Gross Exposure					Impairment Allowance				
	Stage 3 excluding POCI					Stage 3 excluding POCI				
	Exposures not charged-off	Exposures individually assessed or in recovery book	Total	POCI	Total Stage 3	Exposures not charged-off	Exposures individually assessed or in recovery book	Total	POCI	Total Stage 3
As at 31 December 2024	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Retail credit cards - US	**57**	**—**	**57**	**—**	**57**	**46**	**—**	**46**	**—**	**46**
Retail credit cards - Germany	**68**	**25**	**93**	**—**	**93**	**49**	**20**	**69**	**—**	**69**
Retail other - Germany	**51**	**20**	**71**	**—**	**71**	**32**	**16**	**48**	**—**	**48**
Corporate loan - US	**1**	**—**	**1**	**—**	**1**	**1**	**—**	**1**	**—**	**1**
Total Stage 3	**177**	**45**	**222**	**—**	**222**	**128**	**36**	**164**	**—**	**164**
As at 31 December 2023	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Retail credit cards - US	—	—	—	—	—	—	—	—	—	—
Retail credit cards - Germany	65	27	92	—	92	45	23	68	—	68
Retail other - Germany	61	23	84	—	84	38	22	60	—	60
Corporate loan - US	—	—	—	—	—	—	—	—	—	—
Total Stage 3	126	50	176	—	176	83	45	128	—	128

Risk performance - Credit risk (continued)

Management adjustments to models for impairment (audited)

Management adjustments to models for impairment allowance presented by product (audited)

	Impairment allowance pre management adjustments	Economic uncertainty adjustments (a)	Other adjustments (b)	Management adjustments (a+b)	Total impairment allowance	Proportion of Management adjustments to total impairment allowance
As at 31 December 2024	**£m**	**£m**	**£m**	**£m**	**£m**	**%**
Retail credit cards - US	277	—	—	—	277	—
Retail credit cards - Germany[1]	101	—	16	16	117	13.7
Retail other - Germany[1]	80	—	17	17	97	17.5
Corporate loans - US	5	—	—	—	5	—
Total Rest of the World	**463**	**—**	**33**	**33**	**496**	**6.7**
As at 31 December 2023	**£m**	**£m**	**£m**	**£m**	**£m**	**%**
Retail credit cards - US	—	—		—	—	—
Retail credit cards - Germany[1]	111	—	14	14	125	11.2
Retail other - Germany[1]	96	—	17	17	113	15.0
Corporate loans - US	—	—		—	—	—
Total rest of the World	**207**	**—**	**31**	**31**	**238**	**13.0**

Note:

1 Management adjustments of £33m (2023: £31m) include an adjustment for definition of default under the Capital Requirements Regulation (CRR) and an adjustment for recalibration of LGD to reflect revised recovery expectations partially offset by adjustments for model monitoring.

Credit exposures by internal PD grade

Credit risk profile by internal PD grade classified as assets held for sale for Retail credit cards - US (audited)

			Gross carrying amount					Allowance for ECL						
	PD Range	Credit quality	Stage 1	Stage 2	Stage 3 excluding POCI	Stage 3 POCI	Total	Stage 1	Stage 2	Stage 3 excluding POCI	Stage 3 POCI	Total	Net exposure	Coverage ratio
Grading	**%**	**description**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**%**
As at 31 December 2024														
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	—	—	—	—	—	—	—	—	—	—	—	—
12 - 14	0.60 to <2.15%	Satisfactory	5,495	—	—	—	5,495	64	—	—	—	64	5,431	1.2
15 - 19	2.15 to <11.35%	Satisfactory	—	689	—	—	689	—	161	—	—	161	528	23.4
20 - 21	11.35 to <100%	Higher Risk	—	—	—	—	—	—	—	—	—	—	—	—
22	100%	Credit Impaired	—	—	57	—	57	—	—	46	—	46	11	80.7
Total			**5,495**	**689**	**57**	**—**	**6,241**	**64**	**161**	**46**	**—**	**271**	**5,970**	**4.3**

Credit risk profile by internal PD grade classified as assets held for sale for Retail credit cards - Germany (audited)

			Gross carrying amount					Allowance for ECL						
	PD Range	Credit quality	Stage 1	Stage 2	Stage 3 excluding POCI	Stage 3 POCI	Total	Stage 1	Stage 2	Stage 3 excluding POCI	Stage 3 POCI	Total	Net exposure	Coverage ratio
Grading	**%**	**description**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**%**
As at 31 December 2024														
1 - 3	0.0 to <0.05%	Strong	62	—	—	—	62	—	—	—	—	—	62	—
4 - 5	0.05 to <0.15%	Strong	289	—	—	—	289	1	—	—	—	1	288	0.3
6 - 8	0.15 to <0.30%	Strong	152	—	—	—	152	1	—	—	—	1	151	0.7
9 - 11	0.30 to <0.60%	Strong	250	—	—	—	250	1	—	—	—	1	249	0.4
12 - 14	0.60 to <2.15%	Satisfactory	928	5	—	—	933	9	—	—	—	9	924	1.0
15 - 19	2.15 to <11.35%	Satisfactory	227	229	—	—	456	6	15	—	—	21	435	4.6
20 - 21	11.35 to <100%	Higher Risk	—	73	—	—	73	—	14	—	—	14	59	19.2
22	100%	Credit Impaired	—	—	93	—	93	—	—	69	—	69	24	74.2
Total			**1,908**	**307**	**93**	**—**	**2,308**	**18**	**29**	**69**	**—**	**116**	**2,192**	**5.0**

Risk performance - Credit risk (continued)

Credit risk profile by internal PD grade classified as assets held for sale for Retail other - Germany (audited)

			Gross carrying amount					Allowance for ECL						
Grading	PD Range %	Credit quality description	Stage 1 £m	Stage 2 £m	Stage 3 excluding POCI £m	Stage 3 POCI £m	Total £m	Stage 1 £m	Stage 2 £m	Stage 3 excluding POCI £m	Stage 3 POCI £m	Total £m	Net exposure £m	Coverage ratio %
As at 31 December 2024														
1 - 3	0.0 to <0.05%	Strong	1	—	—	—	1	—	—	—	—	—	1	—
4 - 5	0.05 to <0.15%	Strong	25	—	—	—	25	—	—	—	—	—	25	—
6 - 8	0.15 to <0.30%	Strong	110	—	—	—	110	—	—	—	—	—	110	—
9 - 11	0.30 to <0.60%	Strong	294	—	—	—	294	1	—	—	—	1	293	0.3
12 - 14	0.60 to <2.15%	Satisfactory	534	17	—	—	551	6	4	—	—	10	541	1.8
15 - 19	2.15 to <11.35%	Satisfactory	170	182	—	—	352	9	22	—	—	31	321	8.8
20 - 21	11.35 to <100%	Higher Risk	—	21	—	—	21	—	7	—	—	7	14	33.3
22	100%	Credit Impaired	—	—	71	—	71	—	—	48	—	48	23	67.6
Total			1,134	220	71	—	1,425	16	33	48	—	97	1,328	6.8

Credit risk profile by internal PD grade classified as assets held for sale for Corporate loans - US (audited)

			Gross carrying amount					Allowance for ECL						
Grading	PD Range %	Credit quality description	Stage 1 £m	Stage 2 £m	Stage 3 excluding POCI £m	Stage 3 POCI £m	Total £m	Stage 1 £m	Stage 2 £m	Stage 3 excluding POCI £m	Stage 3 POCI £m	Total £m	Net exposure £m	Coverage ratio %
As at 31 December 2024														
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	—	—	—	—	—	—	—	—	—	—	—	—
12 - 14	0.60 to <2.15%	Satisfactory	49	—	—	—	49	1	—	—	—	1	48	2.0
15 - 19	2.15 to <11.35%	Satisfactory	—	9	—	—	9	—	3	—	—	3	6	33.3
20 - 21	11.35 to <100%	Higher Risk	—	—	—	—	—	—	—	—	—	—	—	—
22	100%	Credit Impaired	—	—	1	—	1	—	—	1	—	1	—	100.0
Total			49	9	1	—	59	1	3	1	—	5	54	8.5

Credit risk profile by internal PD grade classified as assets held for sale for Retail credit cards - Germany (audited)

			Gross carrying amount					Allowance for ECL						
Grading	PD Range %	Credit quality description	Stage 1 £m	Stage 2 £m	Stage 3 excluding POCI £m	Stage 3 POCI £m	Total £m	Stage 1 £m	Stage 2 £m	Stage 3 excluding POCI £m	Stage 3 POCI £m	Total £m	Net exposure £m	Coverage ratio %
As at 31 December 2023														
1 - 3	0.0 to <0.05%	Strong	52	—	—	—	52	—	—	—	—	—	52	—
4 - 5	0.05 to <0.15%	Strong	232	—	—	—	232	—	—	—	—	—	232	—
6 - 8	0.15 to <0.30%	Strong	148	—	—	—	148	—	—	—	—	—	148	—
9 - 11	0.30 to <0.60%	Strong	226	—	—	—	226	1	—	—	—	1	225	0.4
12 - 14	0.60 to <2.15%	Satisfactory	755	74	—	—	829	8	5	—	—	13	816	1.6
15 - 19	2.15 to <11.35%	Satisfactory	208	302	—	—	510	6	22	—	—	28	482	5.5
20 - 21	11.35 to <100%	Higher Risk	—	69	—	—	69	—	14	—	—	14	55	20.3
22	100%	Credit Impaired	—	—	92	—	92	—	—	68	—	68	24	73.9
Total			1,621	445	92	—	2,158	15	41	68	—	124	2,034	5.7

Risk performance - Credit risk (continued)

Credit risk profile by internal PD grade classified as assets held for sale for Retail other - Germany (audited)

			Gross carrying amount					Allowance for ECL						
Grading	PD Range %	Credit quality description	Stage 1 £m	Stage 2 £m	Stage 3 excluding POCI £m	Stage 3 POCI £m	Total £m	Stage 1 £m	Stage 2 £m	Stage 3 excluding POCI £m	Stage 3 POCI £m	Total £m	Net exposure £m	Coverage ratio %
As at 31 December 2023														
1 - 3	0.0 to <0.05%	Strong	—	—	—	—	—	—	—	—	—	—	—	—
4 - 5	0.05 to <0.15%	Strong	16	—	—	—	16	—	—	—	—	—	16	—
6 - 8	0.15 to <0.30%	Strong	90	—	—	—	90	—	—	—	—	—	90	—
9 - 11	0.30 to <0.60%	Strong	348	—	—	—	348	1	—	—	—	1	347	0.3
12 - 14	0.60 to <2.15%	Satisfactory	791	18	—	—	809	8	2	—	—	10	799	1.2
15 - 19	2.15 to <11.35%	Satisfactory	316	240	—	—	556	11	24	—	—	35	521	6.3
20 - 21	11.35 to <100%	Higher Risk	—	30	—	—	30	—	6	—	—	6	24	20.0
22	100%	Credit Impaired	—	—	84	—	84	—	—	60	—	60	24	71.4
Total			1,561	288	84	—	1,933	20	32	60	—	112	1,821	5.8

Risk performance - Market risk

Market risk

Summary of contents

Market risk

All disclosures in this section are unaudited unless otherwise stated.

Overview

This section contains key statistics describing the market risk profile of the Group. The market risk management section provides a description of management VaR.

Measures of market risk in the 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 decreased 38% to £26m (2023: £42m). The decrease was mainly driven by lower market volatility and credit spread levels in 2024, as inflation continued to decline and central banks continued to cut rates.

Traded market risk review

Review of management measures

The following disclosures provide details on management measures of market risk. Refer to the market risk management section of the Barclays PLC Pillar 3 Report 2024 (unaudited) for more detail on management measures and the differences when compared to regulatory measures.

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 Treasury and it is calculated with a one-day holding period, 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.

Risk performance - Market risk (continued)

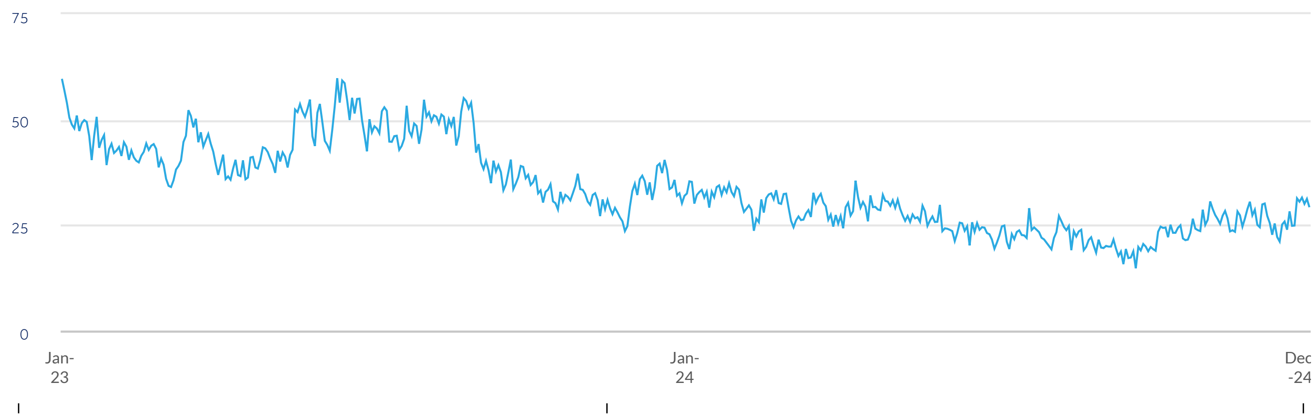
The daily average, high and low values of management VaR

Management VaR (95%, one day) (audited)

	2024			2023		
	Average	High[1]	Low[1]	Average	High[1]	Low[1]
For the year ended 31 December	£m	£m	£m	£m	£m	£m
Credit risk	**21**	**27**	**17**	40	57	22
Interest rate risk	**15**	**25**	**7**	15	25	9
Equity risk	**6**	**12**	**2**	6	10	3
Basis risk	**5**	**8**	**4**	13	25	8
Spread risk	**5**	**7**	**3**	9	14	5
Foreign exchange risk	**4**	**9**	**2**	4	9	1
Commodity risk	**—**	**1**	**—**	—	1	—
Inflation risk	**4**	**5**	**2**	6	11	2
Diversification effect[1]	**(34)**	**n/a**	**n/a**	(51)	n/a	n/a
Total management VaR	**26**	**36**	**15**	42	60	24

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

Group Management VaR
(£m)



Risk performance - Treasury and Capital risk

Treasury and Capital risk

Treasury and Capital risk: summary of contents

Risk performance - Treasury and Capital risk (continued)

Interest rate risk in the banking book performance

A description of the non-traded market risk framework is provided.

The Group discloses a sensitivity analysis on pre-tax net interest income for non-trading financial assets and liabilities. The analysis is carried out by business unit and currency.

The Group measures some non-traded market risks, in particular prepayment, recruitment, and residual risk using an economic capital methodology.

The Group discloses the overall impact of a parallel shift in interest rates on other comprehensive income and cash flow hedges.

The 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 are unaudited unless otherwise stated.

Overview

The Group's liquidity risk is managed within the Treasury and Capital Risk framework and is designed to maintain liquidity resources that are sufficient in amount and quality, and a funding profile that is appropriate to meet the Group's Liquidity Risk Appetite and PRA Regulatory requirements. The liquidity risk framework is delivered via a combination of policy formation, review and governance, analysis, stress testing, limit setting and monitoring.
This section provides an analysis of the Group's: (i) summary of performance, (ii) liquidity risk stress testing, iii) liquidity regulation, iv) liquidity pool, (v) funding structure and funding relationships, (vi) credit ratings, and (vii) contractual maturity of financial assets and liabilities.

For further detail on liquidity risk governance and framework, refer to pages 173 to 175 of the Barclays PLC Pillar 3 Report 2024 (unaudited).

Key metrics

Liquidity Coverage Ratio[1]

172%

Net Stable Funding Ratio[2]

135%

1 LCR represents average of the last 12 spot month end ratios.
2 NSFR represents average of the last four spot quarter end ratios.

Summary of performance

The liquidity pool at £297bn (December 2023: £298bn) reflects the Group's prudent approach to liquidity management. The Average Liquidity Coverage Ratio (LCR) remained well above the 100% regulatory requirement at 172% (December 2023: 161%), equivalent to a surplus of £127bn (December 2023: £118bn).

A decrease in net stress outflows led by an increase in the proportion of corporate deposits treated as operational, and an increase in Inflows from secured lending led to an increase in the LCR ratio. The Net Stable Funding Ratio (NSFR) (average of last four quarter ends) was 135% (December 2023: 138%), which represents a surplus of £163bn (December 2023: £167bn) above the 100% regulatory requirement.

During the year, the Group issued £15.1bn of minimum requirement for own funds and eligible liabilities (MREL) instruments in a range of tenors and currencies.

Barclays Bank PLC continued to issue in the shorter-term and medium-term markets and Barclays Bank UK PLC continued to issue in the shorter-term markets and maintain active secured funding programmes. This funding capacity enables the respective entities to maintain their stable and diversified funding bases.

The Group's reliance on short-term wholesale funding, as measured by the proportion of wholesale funding maturing in less than one year decreased year-on-year to 30% (December 2023: 33%).

Liquidity risk stress testing

Barclays' Liquidity Risk is managed within the Principal Risk: Treasury and Capital Risk Framework. Under this framework, the Group has established a liquidity risk appetite together with the appropriate limits for the management of the liquidity risk. This is the level of liquidity risk the Group chooses to take in pursuit of its business objectives and in meeting its regulatory obligations. The Group sets its internal liquidity risk appetite based on internal liquidity risk stress tests and, external regulatory requirements namely the LCR and NSFR.

Internal Liquidity Stress Tests (ILST)

The Internal Liquidity Risk Stress Test measures the potential contractual and contingent stress outflows under a range of internally defined stress scenarios, which are then used to determine the size of the liquidity pool that is immediately available to meet anticipated outflows should a stress occur.

As part of the ILST, the Group runs four liquidity stress scenarios, aligned to the PRA's prescribed stresses:

- 90 days market-wide stress event
- 30 days Barclays-specific stress event
- 30 days combined market-wide and Barclays-specific stress event
- 12 months market wide stress

Risk performance - Treasury and Capital risk (continued)

Key ILST assumptions

For the year ended 31 December 2024

Drivers of Liquidity Risk	ILST Combined stress – key assumptions
Wholesale Secured and Unsecured Funding Risk	Zero rollover of maturing wholesale unsecured funding
	Partial loss of repo capacity on non-extremely liquid repos at contractual maturity date
	Roll of repo for extremely liquid repo at wider haircut at contractual maturity date
	Withdrawal of contractual buyback obligations, excess client futures margin, Prime Brokerage (PB) client cash and overlifts
	Haircuts applied to the market value of marketable assets held in the liquidity buffer
Retail and Corporate Funding Risk	Retail and Corporate deposit outflows as counterparties seek to diversify their deposit balances
Intraday Liquidity Risk	Liquidity held to meet increased intraday liquidity usage due to payment and receipts volatility, loss of unsecured credit lines and haircuts applied to collateral values used to back secured credit lines, in a stress
Intra-Group Liquidity Risk	Liquidity support for material subsidiaries. Surplus liquidity held within certain subsidiaries is not taken as a benefit to the wider Group
Cross-Currency Liquidity Risk	Deterioration in FX market capacity that may result in restriction in net currency positions (managed as a separate framework)
Off-Balance Sheet Liquidity Risk	Drawdown on committed facilities based on facility and counterparty type
	Collateral outflows due to a two-notch credit rating downgrade
	Increase in the Group's initial margin requirement across all major exchanges
	Variation margin outflows from collateralised risk positions
	Outflow of collateral owing but not called
	Loss of internal sources of funding within the PB synthetics business
Franchise-Viability Risk	Liquidity held to enable the firm to meet select non-contractual obligations to ensure market confidence in the firm is maintained, including debt buy-backs, swap tear-ups and increased prime brokerage margin debits
Funding Concentration Risk	Funding from counterparties providing greater than 1% of total funding

As at 31 December 2024, the Group held eligible liquid assets well in excess of 100% of net stress outflows of the 30 days combined scenario, which has the highest net outflows of the three short-term liquidity stress scenarios and the 12 month market-wide scenario.

Liquidity regulation

Barclays Group monitors its position against both the LCR and NSFR 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.

Risk performance - Treasury and Capital risk (continued)

Liquidity coverage ratio

The external LCR requirement 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.

Liquidity Coverage Ratio (LCR)[1]	2024	2023
As at 31 December	£bn	£bn
LCR Eligible High Quality Liquid Assets (HQLA)	304	310
Net stress outflows	(177)	(192)
Surplus	127	118
Liquidity coverage ratio	172%	161%

Note:
1 Liquidity Coverage Ratio is now shown on an average basis, based on the average of the last 12 spot month end ratios. The HQLA, Net Stress outflow, and Surplus balances in the table above are average month end balances for the past 12 months. Prior period HQLA, Net Stress Outflows, Surplus & LCR comparatives have been updated for consistency.

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 the balance sheet and certain off balance sheet exposures which may require longer term funding). The NSFR was 135% at December 2024 (December 2023: 138%) (average of last four quarter ends) equivalent to a surplus of £163bn (2023: £167bn) above the regulatory requirement and demonstrates Barclays' stable balance sheet funding profile.

	2024	2023
Net Stable Funding Ratio (NSFR)[1]	£bn	£bn
Total Available Stable Funding	630	607
Total Required Stable Funding	467	440
Surplus	163	167
Net Stable Funding Ratio	135%	138%

Note:
1 Average represents the last four spot quarter end ratios.

As part of the liquidity risk appetite, Barclays establishes minimum LCR, NSFR and internal liquidity stress test limits. The Group plans to maintain its surplus to the internal and regulatory requirements at an efficient level. Risks to market funding conditions, the 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.

Liquidity pool

The Group liquidity pool as at 31 December 2024 was £297bn (2023: 298bn). In 2024, the month-end liquidity pool ranged from £297bn to £341bn (2023: £298bn to £342bn), and the month-end average balance was £322bn (2023: 328bn). The liquidity pool is held unencumbered and is intended to offset stress outflows. It comprises the following cash and unencumbered assets.

Composition of the Group liquidity pool as at 31 December 2024

	LCR eligible High Quality Liquid Assets (HQLA)[1]					Liquidity pool	
	Cash	Level 1	Level 2A	Level 2B	Total	2024	2023
	£bn	£bn	£bn	£bn	£bn	£bn	£bn
Cash and deposits with central banks[2]	196				196	216	232
Government bonds[3]							
AAA to AA-		58	1		59	55	48
A+ to A-		2			2	2	1
BBB+ to BBB-		1			1	1	1
Total government bonds		61	1		62	58	50
Other							
Government guaranteed issuers, PSEs and GSEs		4	3		7	9	5
International organisations and MDBs		7			7	7	3
Covered bonds		2	5		7	7	7
Other				2	2		1
Total other		13	8	2	23	23	16
Total as at 31 December 2024	196	74	9	2	281	297	
Total as at 31 December 2023	211	52	9	2	274		298

Notes:
1 The LCR eligible HQLA is adjusted for operational restrictions upon consolidation under Article 8 of the Liquidity Coverage Ratio section of the PRA rulebook (CRR) such as trapped liquidity within Barclays subsidiaries. It also reflects differences in eligibility of assets between the LCR and Barclays' Liquidity Pool.
2 Includes cash held at central banks and surplus cash at central banks related to payment schemes. Of which over 98% (2023: over 99%) was placed with the Bank of England, US Federal Reserve, European Central Bank, Bank of Japan and Swiss National Bank.
3 Of which over 85% (2023: over 80%) comprised UK, US, French, German, Japanese, Swiss and Dutch securities.

Risk performance - Treasury and Capital risk (continued)

The Group liquidity pool is well diversified by major currency and the Group monitors ILST stress scenarios for major currencies.

Liquidity pool by currency

	USD £bn	EUR £bn	GBP £bn	Other £bn	Total £bn
Liquidity pool as at 31 December 2024	**92**	**75**	**109**	**21**	**297**
Liquidity pool as at 31 December 2023	82	76	117	23	298

Management of the liquidity pool

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

As at 31 December 2024, 60% (2023: 59%) of the liquidity pool was located in Barclays Bank PLC, 23% (2023: 22%) in Barclays Bank UK PLC and 9% (2023: 11%) in Barclays Bank Ireland PLC. The residual portion of the liquidity pool is held outside of these entities, predominantly in the US subsidiaries, to meet entity-specific stress outflows and local regulatory requirements. To the extent the use of this portion of the liquidity pool is restricted due to local regulatory requirements, it is assumed to be unavailable to the rest of the Group in calculating the LCR.

Contingent liquidity

In addition to the Group liquidity pool, the Group has access to other unencumbered assets which provide a source of contingent liquidity. While these are not relied on in the Group's ILST, a portion of these assets may be monetised in a stress to generate liquidity through their use as collateral for secured funding or through outright sale.

In a Barclays-specific, market-wide or combined liquidity stress, liquidity available via market sources could be severely disrupted. In circumstances where market liquidity is unavailable or available only at significantly elevated prices, the Group could generate liquidity via central bank facilities. To this end, as at 31 December 2024, the Group had £87.9bn (December 2023: £72.5bn) of assets positioned at various central banks.

For more detail on the Group's other unencumbered assets, see pages 199 to 203 of the Barclays PLC Pillar 3 Report 2024 (unaudited).

Funding structure and funding relationships

The basis for sound liquidity risk management is a funding structure that reduces the probability of a liquidity stress leading to an inability to meet funding obligations as they fall due. The Group's overall funding strategy is to develop a diversified funding base (geographically, by type and by counterparty) and maintain access to a variety of alternative funding sources, to provide protection against unexpected fluctuations, while minimising the cost of funding.

Within this, the Group aims to align the sources and uses of funding. As such, retail and corporate loans and advances are largely funded by deposits in the relevant entities, with the surplus primarily funding the liquidity pool. The majority of reverse repurchase agreements are matched by repurchase agreements. Derivative liabilities and assets are largely matched. A substantial proportion of balance sheet derivative positions qualify for counterparty netting and the remaining portions are largely offset when netted against cash collateral received and paid. Wholesale debt and equity is used to fund residual assets.

These funding relationships are summarised below:

Assets	2024 £bn	2023 £bn	**Liabilities**	2024 £bn	2023 £bn
Loans and advances at amortised cost[1]	**392**	386	Deposits at amortised cost	**561**	539
Group liquidity pool	**297**	298	<1 Year wholesale funding	**55**	59
			>1 Year wholesale funding	**131**	118
Reverse repurchase agreements, trading portfolio assets, cash collateral and settlement balances	**433**	435	Repurchase agreements, trading portfolio liabilities, cash collateral and settlement balances	**358**	380
Derivative financial instruments	**294**	257	Derivative financial instruments	**279**	250
Other assets[2]	**102**	101	Other liabilities	**62**	59
			Equity	**72**	72
Total assets	**1,518**	1,477	**Total liabilities**	**1,518**	1,477

Notes:
1 Adjusted for liquidity pool debt securities reported at amortised costs of £22bn (December 2023: £18bn).
2 Other assets include fair value assets that are not part of reverse repurchase agreements or trading portfolio assets, and other asset categories.

Risk performance - Treasury and Capital risk (continued)

Deposit funding

Funding of loans and advances	2024 Loans and advances,debt securities at amortised cost	2024 Deposits at amortised cost	2024 Loan: deposit ratio[1]	2023 Loan: deposit ratio
As at 31 December 2024	£bn	£bn	%	%
Barclays UK	225	244	92	92
Barclays UK Corporate Bank	26	83	31	31
Barclays Private Bank and Wealth Management	15	70	21	23
Barclays Investment Bank	124	141	88	82
Barclays US consumer Bank	21	23	91	125
Head Office	3	—		
Barclays Group	414	561	74	74

Note:
1 The loan: deposit ratio is calculated as loans and advances at amortised cost and debt securities at amortised cost divided by deposits at amortised cost.

As at 31 December 2024, £233bn (2023: £224bn) of deposits at amortised cost were insured through the UK Financial Services Compensation Scheme (FSCS) and other similar schemes. In addition to these customer deposits £8.0bn (2023: £5.6n) of other liabilities are insured by other governments.

Contractually current accounts are repayable on demand and savings accounts at short notice. In practice, their observed maturity is typically longer than their contractual maturity. Similarly, repayment profiles of certain types of assets e.g. mortgages, overdrafts and credit card lending, differ from their contractual profiles. The Group therefore assesses the behavioural maturity of both customer assets and liabilities to identify structural balance sheet funding gaps. In doing so, it applies quantitative modelling and qualitative assessments which take into account historical experience, current customer composition, and macroeconomic projections.

The Group's broad base of customers, numerically and by depositor type, helps protect against unexpected fluctuations in balances and hence provides a stable funding base for the Group's operations and liquidity needs.

Wholesale funding

Barclays Bank Group and Barclays Bank UK Group maintain access to a variety of sources of wholesale funds in major currencies, including those available from term investors across a variety of distribution channels and geographies, short-term funding markets and repo markets.

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.

Key sources of wholesale funding for Barclays Bank UK Group include money markets, certificates of deposit, commercial paper, covered bonds and other securitisations.

The Group expects to continue issuing public wholesale debt from Barclays PLC (the Parent company), in order to maintain compliance with indicative MREL requirements and maintain a stable and diverse funding base by type, currency and market. During the year, the Group issued £15.1bn of MREL instruments from Barclays PLC in a range of different currencies and tenors.

Barclays Bank PLC continued to issue in the shorter-term markets and medium-term notes programmes. Barclays Bank UK PLC continued to issue in the shorter-term markets and maintain active secured funding programmes. This funding capacity enables the respective entities to maintain their stable and diversified funding bases.

As at 31 December 2024, the Group's total wholesale funding outstanding (excluding repurchase agreements) was £186.0bn (2023: £176.8n), of which £20.5bn (2023: £19.0bn) was secured funding and £165.5bn (2023: £157.8bn) unsecured funding. Unsecured funding includes £78.9bn (2023: £69.2bn) of privately placed senior unsecured notes issued through a variety of distribution channels including intermediaries and private banks.

Wholesale funding of £55.0bn (2023: £58.6bn) matures in less than one year, representing 30% (December 2023: 33%) of total wholesale funding outstanding. This includes £22.0bn (2023: £18.7bn) related to term funding[2]. Although not a requirement, the liquidity pool exceeded the wholesale funding maturing in less than one year by £242bn (2023: £239bn).

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

In 2024, Barclays fully repaid its entire outstanding TLTRO balance of £0.5bn. In addition, Barclays repaid £3.6bn of its TFSME drawings reducing its outstanding balance to £18.4bn at year end.

Risk performance - Treasury and Capital risk (continued)

Maturity profile of wholesale funding[1,2]

	<1 month	1-3 months	3-6 months	6-12 months	<1 year	1-2 years	2-3 years	3-4 years	4-5 years	>5 years	Total
	£bn	£bn	£bn	£bn	£bn	£bn	£bn	£bn	£bn	£bn	£bn
Barclays PLC (the Parent company)											
Senior unsecured (Public benchmark)	—	1.6	—	—	1.6	9.8	5.9	7.8	4.6	23.8	53.5
Senior unsecured (Privately placed)	—	—	—	—	—	—	—	—	0.1	0.9	1.0
Subordinated liabilities	—	—	—	—	—	1.7	—	1.6	—	7.3	10.6
Barclays Bank PLC (including subsidiaries)											
Certificates of deposit and commercial paper	0.7	7.3	5.2	4.4	17.6	0.7	—	—	—	—	18.3
Asset backed commercial paper	2.4	8.8	1.3	—	12.5	—	—	—	—	—	12.5
Senior unsecured (Public benchmark)	—	—	—	—	—	—	—	—	—	—	—
Senior unsecured (Privately placed)[3]	1.9	3.4	4.5	8.6	18.4	9.3	11.0	8.3	9.8	20.9	77.7
Asset backed securities	—	—	0.8	0.8	1.6	0.5	—	0.7	0.1	2.6	5.5
Subordinated liabilities	—	0.2	0.1	0.1	0.4	0.4	0.1	—	—	0.4	1.3
Barclays Bank UK PLC (including subsidiaries)											
Certificates of deposit and commercial paper	2.9	—	—	—	2.9	—	—	—	—	—	2.9
Senior unsecured (Privately placed)	—	—	—	—	—	—	—	—	—	0.2	0.2
Covered bonds	—	—	—	—	—	—	0.5	0.2	0.5	0.7	1.9
Asset backed securities	—	—	—	—	—	0.6	—	—	—	—	0.6
Total as at 31 December 2024	**7.9**	**21.3**	**11.9**	**13.9**	**55.0**	**23.0**	**17.5**	**18.6**	**15.1**	**56.8**	**186.0**
Of which secured	**2.4**	**8.8**	**2.1**	**0.8**	**14.1**	**1.1**	**0.5**	**0.9**	**0.6**	**3.3**	**20.5**
Of which unsecured	**5.5**	**12.5**	**9.8**	**13.1**	**40.9**	**21.9**	**17.0**	**17.7**	**14.5**	**53.5**	**165.5**
Total as at 31 December 2023	7.5	19.6	13.9	17.6	58.6	20.3	20.4	11.7	13.5	52.3	176.8
Of which secured	2.4	8.2	1.1	1.0	12.7	1.2	0.5	0.5	0.3	3.8	19.0
Of which unsecured	5.1	11.4	12.8	16.6	45.9	19.1	19.9	11.2	13.2	48.5	157.8

Notes:
1 The composition of wholesale funds comprises the balance sheet reported financial liabilities at fair value, debt securities in issue and subordinated liabilities. It does not include participation in the central bank facilities reported within repurchase agreements and other similar secured borrowing.
2 Term funding comprises public benchmark and privately placed senior unsecured notes, covered bonds, asset-backed securities and subordinated debt where the original maturity of the instrument was more than one year.
3 Includes structured notes of £63.5bn, of which £15.5bn matures within one year.

Currency composition of wholesale debt

As at 31 December 2024, the proportion of wholesale funding by major currencies was as follows:

Currency composition of wholesale funding

	USD	EUR	GBP	Other
	%	%	%	%
Certificates of deposit and commercial paper	72	24	3	1
Asset backed commercial paper	87	5	8	—
Senior unsecured (Public benchmark)	65	19	12	4
Senior unsecured (Privately placed)	59	18	5	18
Covered bonds / Asset backed securities	76	12	12	—
Subordinated liabilities	76	7	15	2
Total as at 31 December 2024	**66**	**18**	**7**	**9**
Total as at 31 December 2023	64	19	8	9

To manage cross currency refinancing risk, the Group manages to currency mismatch limits, which limit risk at specific maturities.

Risk performance - Treasury and Capital risk (continued)

Credit ratings

In addition to monitoring and managing key metrics related to the financial strength of the Group, Barclays also solicits independent credit ratings from Standard & Poor's Global (S&P), Moody's, Fitch, and Rating and Investment Information (R&I). These ratings assess the creditworthiness of the Group, its subsidiaries and its branches, and are based on reviews of a broad range of business and financial attributes including capital strength, profitability, funding, liquidity, asset quality, strategy and governance.

Credit ratings

As at 31 December 2024	Standard & Poor's	Moody's	Fitch
Barclays PLC			
Long term	**BBB+/Stable**	**Baa1/Stable**	**A/Stable**
Short term	**A-2**	**P-2**	**F1**
Barclays Bank PLC			
Long term	**A+/Stable**	**A1/Stable**	**A+/Stable**
Short term	**A-1**	**P-1**	**F1**
Barclays Bank UK PLC			
Long term	**A+/Stable**	**A1[1]/Stable**	**A+/Stable**
Short term	**A-1**	**P-1**	**F1**

Note:
1 Deposit rating

During 2024, S&P, Moody's and Fitch affirmed all ratings for Barclays PLC, Barclays Bank PLC and Barclays Bank UK PLC.

A credit rating downgrade could result in outflows to meet collateral requirements on existing contracts. Outflows related to credit rating downgrades are included in the ILST stress scenarios and a portion of the liquidity pool is held against this risk. Credit ratings downgrades could also result in reduced funding capacity and increased funding costs.

The contractual collateral requirement following one- and two-notch long-term and associated short-term downgrades across all credit rating agencies, would result in outflows of £1bn and £3bn respectively, and are provided for in determining an appropriate liquidity pool size given the Group's liquidity risk appetite. These numbers do not assume any management or restructuring actions that could be taken to reduce posting requirements. These outflows do not include the potential liquidity impact from loss of unsecured funding, such as from money market funds, or loss of secured funding capacity. However, unsecured and secured funding stresses are included in the ILST stress scenarios and a portion of the liquidity pool is held against these risks.

Risk performance - Treasury and Capital risk (continued)

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 they 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)

As at 31 December 2024	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	210,184	—	—	—	—	—	—	210,184
Cash collateral and settlement balances	82,661	37,182	—	—	—	—	—	119,843
Debt securities at amortised cost	233	1,009	2,218	3,591	20,231	12,400	28,528	68,210
Loans and advances at amortised cost to banks and customers	24,290	6,237	8,327	18,544	57,020	32,755	199,100	346,273
Reverse repurchase agreements and other similar secured lending	1,390	37	292	359	1,676	980	—	4,734
Trading portfolio assets	166,453	—	—	—	—	—	—	166,453
Financial assets at fair value through the income statement	152,935	11,628	4,489	4,494	10,174	5,568	4,446	193,734
Derivative financial instruments	291,006	293	512	710	783	79	147	293,530
Financial assets at fair value through other comprehensive income	1,473	1,067	351	944	14,239	23,511	36,474	78,059
Assets included in disposal groups classified as held for sale	—	3,710	—	—	6,144	—	—	9,854
Other financial assets	786	29	55	18	2	—	1	891
Total financial assets	931,411	61,192	16,244	28,660	110,269	75,293	268,696	1,491,765
Other assets								26,437
Total assets								1,518,202
Liabilities								
Deposits at amortised cost from banks and customers	450,889	40,688	34,512	26,999	5,283	1,505	787	560,663
Cash collateral and settlement balances	76,655	29,574	—	—	—	—	—	106,229
Repurchase agreements and other similar secured borrowing	18,771	1,823	84	8,537	10,200	—	—	39,415
Debt securities in issue	2,928	16,868	5,859	3,469	17,477	15,378	30,423	92,402
Subordinated liabilities	—	96	65	80	2,126	1,583	7,971	11,921
Trading portfolio liabilities	56,908	—	—	—	—	—	—	56,908
Financial liabilities designated at fair value	160,429	23,084	16,739	15,328	28,320	19,050	19,274	282,224
Derivative financial instruments	278,616	27	18	17	282	263	192	279,415
Liabilities included in disposal groups classified as held for sale	—	3,726	—	—	—	—	—	3,726
Other financial liabilities	4,957	4	30	61	202	140	739	6,133
Total financial liabilities	1,050,153	115,890	57,307	54,491	63,890	37,919	59,386	1,439,036
Other liabilities								6,685
Total liabilities								1,445,721

Risk performance - Treasury and Capital risk (continued)

Contractual maturity of financial assets and liabilities (audited)

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	224,634	—	—	—	—	—	—	224,634
Cash collateral and settlement balances	61,837	47,052	—	—	—	—	—	108,889
Debt securities at amortised cost	3	4,779	579	4,700	16,626	12,113	17,949	56,749
Loans and advances at amortised cost to banks and customers	22,457	5,907	9,929	16,366	50,126	33,340	204,622	342,747
Reverse repurchase agreements and other similar secured lending	1,435	—	—	34	1,123	—	2	2,594
Trading portfolio assets	174,605	—	—	—	—	—	—	174,605
Financial assets at fair value through the income statement	158,213	17,761	6,214	5,902	11,119	2,966	4,476	206,651
Derivative financial instruments	254,655	100	91	160	1,070	533	227	256,836
Financial assets at fair value through other comprehensive income	1,789	2,421	365	8,699	12,424	17,179	28,959	71,836
Assets included in disposal groups classified as held for sale	—	—	—	3,916	—	—	—	3,916
Other financial assets	2,122	26	36	9	1	1	2	2,197
Total financial assets	901,750	78,046	17,214	39,786	92,489	66,132	256,237	1,451,654
Other assets								25,833
Total assets								1,477,487
Liabilities								
Deposits at amortised cost from banks and customers	440,122	36,812	22,665	29,464	7,691	1,321	714	538,789
Cash collateral and settlement balances	65,227	28,857	—	—	—	—	—	94,084
Repurchase agreements and other similar secured borrowing	12,164	12,433	1,307	247	8,279	7,092	79	41,601
Debt securities in issue	5,535	17,004	9,949	7,286	17,558	12,079	27,414	96,825
Subordinated liabilities	—	121	—	584	1,987	1,554	6,248	10,494
Trading portfolio liabilities	58,669	—	—	—	—	—	—	58,669
Financial liabilities designated at fair value	180,554	31,587	13,867	14,579	23,469	13,994	19,489	297,539
Derivative financial instruments	249,481	21	—	24	82	64	372	250,044
Liabilities included in disposal groups classified as held for sale	—	—	—	3,164	—	—	—	3,164
Other financial liabilities	6,492	265	40	77	266	182	377	7,699
Total financial liabilities	1,018,244	127,100	47,828	55,425	59,332	36,286	54,693	1,398,908
Other liabilities								6,715
Total liabilities								1,405,623

Expected maturity date may differ from the contractual dates, to account for:

- trading portfolio assets and liabilities and derivative financial instruments, which may not be held to maturity as part of the 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 these deposits provide stable funding for the Group's operations and liquidity needs because of the broad base of customers, both numerically and by depositor type
- 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.

Risk performance - Treasury and Capital risk (continued)

Contractual maturity of financial liabilities on an undiscounted basis

The table below presents the cash flows payable by the 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)

	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
	£m	£m	£m	£m	£m	£m	£m	£m
As at 31 December 2024								
Deposits at amortised cost from banks and customers	**451,093**	**40,992**	**34,963**	**27,670**	**5,579**	**1,752**	**1,025**	**563,074**
Cash collateral and settlement balances	**76,658**	**29,745**	**—**	**—**	**—**	**—**	**—**	**106,403**
Repurchase agreements and other similar secured borrowing	**18,790**	**1,832**	**84**	**8,822**	**10,953**	**—**	**—**	**40,481**
Debt securities in issue	**2,937**	**16,981**	**5,938**	**3,593**	**18,365**	**17,563**	**46,183**	**111,560**
Subordinated liabilities	**—**	**96**	**65**	**80**	**2,283**	**1,777**	**10,726**	**15,027**
Trading portfolio liabilities	**56,908**	**—**	**—**	**—**	**—**	**—**	**—**	**56,908**
Financial liabilities designated at fair value	**160,604**	**23,256**	**16,968**	**15,709**	**29,999**	**21,427**	**34,407**	**302,370**
Derivative financial instruments	**278,620**	**27**	**18**	**17**	**304**	**307**	**403**	**279,696**
Liabilities included in disposal groups classified as held for sale	**—**	**3,726**	**—**	**—**	**—**	**—**	**—**	**3,726**
Other financial liabilities	**4,963**	**16**	**49**	**96**	**322**	**239**	**4,149**	**9,834**
Total financial liabilities	**1,050,573**	**116,671**	**58,085**	**55,987**	**67,805**	**43,065**	**96,893**	**1,489,079**
As at 31 December 2023								
Deposits at amortised cost from banks and customers	440,184	37,101	23,055	30,377	8,107	1,540	882	541,246
Cash collateral and settlement balances	65,230	29,096	—	—	—	—	—	94,326
Repurchase agreements and other similar secured borrowing	12,196	12,516	1,326	252	9,042	7,902	213	43,447
Debt securities in issue	5,546	17,142	10,121	7,481	18,674	13,688	40,154	112,806
Subordinated liabilities	—	121	—	601	2,241	1,822	8,594	13,379
Trading portfolio liabilities	58,669	—	—	—	—	—	—	58,669
Financial liabilities designated at fair value	180,687	31,794	14,174	15,013	24,891	15,309	34,035	315,903
Derivative financial instruments	249,482	21	—	24	90	75	705	250,397
Liabilities included in disposal groups classified as held for sale	—	—	—	3,164	—	—	—	3,164
Other financial liabilities	6,492	269	45	89	309	220	615	8,039
Total financial liabilities	1,018,486	128,060	48,721	57,001	63,354	40,556	85,198	1,441,376

Risk performance - Treasury and Capital risk (continued)

Maturity of off-balance sheet commitments given

The table below presents the maturity split of the 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)

	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
	£m	£m	£m	£m	£m	£m	£m	£m
As at 31 December 2024								
Contingent liabilities and financial guarantees	**25,322**	**22**	**1**	**1**	**—**	**—**	**—**	**25,346**
Documentary credits and other short-term trade related transactions	**1,432**	**1**	**—**	**—**	**—**	**—**	**—**	**1,433**
Standby facilities, credit lines and other commitments[1]	**421,648**	**—**	**—**	**—**	**68**	**—**	**—**	**421,716**
Total off-balance sheet commitments given	**448,402**	**23**	**1**	**1**	**68**	**—**	**—**	**448,495**
As at 31 December 2023								
Contingent liabilities and financial guarantees	25,217	119	2	1	1	—	—	25,340
Documentary credits and other short-term trade related transactions	2,348	3	1	—	—	—	—	2,352
Standby facilities, credit lines and other commitments[1]	388,030	—	—	—	55	—	—	388,085
Total off-balance sheet commitments given	415,595	122	3	1	56	—	—	415,777

Note:
1 Includes exposures relating to financial assets classified as assets held for sale.

Risk performance - Treasury and Capital risk (continued)

Capital risk

All disclosures in this section are unaudited unless otherwise stated.

Overview

The CET1 ratio, among other metrics, is a measure of the capital strength and resilience of Barclays. Maintenance of our capital resources is vital in order to meet the overall regulatory capital requirement, 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.

This section provides an overview of the Group's: (i) CET1 capital, leverage and own funds and eligible liabilities requirements; (ii) capital resources; (iii) risk weighted assets (RWAs); (iv) leverage ratios and exposures; and (v) own funds and eligible liabilities.

More details on monitoring and managing capital risk may be found in the risk management sections of the Barclays PLC Pillar 3 Report 2024 (unaudited).

Significant regulatory updates in the period

Following its 12 December 2023 publication of 'Implementation of the Basel 3.1 standards near-final part 1' (PS17/23), covering Credit Valuation Adjustments, Counterparty Credit Risk, Market Risk and Operational Risk, on 12 September 2024 the PRA published its near-final policy statement 'Implementation of the Basel 3.1 standards near-final part 2' (PS9/24) covering the remaining aspects of the Basel 3.1 standards. This covered Credit Risk, Credit Risk Mitigation, the Output Floor, and Reporting and Disclosure requirements. On 17 January 2025 the PRA announced a delay in the implementation of Basel 3.1 in the UK until 1 January 2027.

Key metrics

Common Equity Tier 1 ratio

13.6%

UK leverage ratio

5.0%

Own funds and eligible liabilities ratio as a percentage of RWAs

34.4%

Summary of performance in the period

The Group continues to be in excess of overall capital, leverage and MREL regulatory requirements.

The reported CET1 ratio decreased by c.20bps to 13.6% (December 2023: 13.8%) as RWAs increased by £15.4bn to £358.1bn partially offset by an increase in CET1 capital of £1.3bn to £48.6bn. Excluding the c.20bps decrease as a result of the acquisition of Tesco Bank, significant movements in the year were:

- c.140bps increase from attributable profit including other inorganic activity
- c.80bps decrease driven by shareholder distributions including the completed share buybacks announced with FY23 and H124 results and an accrual for the FY24 dividend
- c.30bps decrease from other capital movements including decreases in the other qualifying reserves
- c.30bps decrease as a result of an £8.4bn increase in RWAs, including strategic growth in lending within UKCB and Barclays UK and regulatory driven methodology changes

The UK leverage ratio decreased to 5.0% (December 2023: 5.2%) due to an increase in exposure of £38.2bn to £1,206.5bn (December 2023: £1,168.3bn). The increase in exposure was largely driven by an increase in derivatives in Global Markets, and the acquisition of Tesco Bank.

Minimum capital requirements

As at 31 December 2024, the Group's Overall Capital Requirement for CET1 remained at 12.0% comprising a 4.5% Pillar 1 minimum, a 2.5% Capital Conservation Buffer (CCB), a 1.5% Global Systemically Important Institution (G-SII) buffer, a 2.6% Pillar 2A requirement and a 1.0% Countercyclical Capital Buffer (CCyB).

The Group's CCyB is based on the buffer rate applicable for each jurisdiction in which the Group has exposures. The buffer rates set by other national authorities for non-UK exposures are not currently material.

The Group's Pillar 2A requirement as per the PRA's Individual Capital Requirement was 4.6% with at least 56.25% to be met with CET1 capital, equating to 2.6% of RWAs. The Pillar 2A requirement, based on a point in time assessment, has been set as a proportion of RWAs and is subject to at least annual review.

The Group's CET1 target ratio of 13-14% takes into account minimum capital requirements and applicable buffers. The Group remains above its minimum capital regulatory requirements and applicable buffers.

Minimum leverage requirements

As at 31 December 2024, the Group was subject to a UK leverage ratio requirement of 4.1% as at 31 December 2024. This comprises the 3.25% minimum requirement, a G-SII additional leverage ratio buffer (G-SII ALRB) of 0.53% and a countercyclical leverage ratio buffer (CCLB) of 0.3%.

The Group is also required to disclose an average UK leverage ratio which is based on capital on the last day of each month in the quarter and an exposure measure for each day in the quarter.

Minimum requirements for own funds and eligible liabilities

As at 31 December 2024, the Group was required to meet the higher of: (i) two times the sum of 8% Pillar 1 and 4.6% Pillar 2A equating to 25.2% of RWAs; and (ii) 6.75% of leverage exposures. In addition, the higher of regulatory capital and leverage buffers apply. CET1 capital cannot be counted towards both MREL and the buffers, meaning that the buffers, including the above mentioned confidential institution-specific PRA buffer, will effectively be applied above MREL requirements.

Risk performance - Treasury and Capital risk (continued)

Capital resources

Capital ratios[1, 2]

As at 31 December	2024	2023
CET1	**13.6%**	13.8%
Tier 1 (T1)	**16.9%**	17.7%
Total regulatory capital	**19.6%**	20.1%
MREL ratio as a percentage of total RWAs	**34.4%**	33.6%

Own funds and eligible liabilities (audited)

As at 31 December	2024 £m	2023 £m
Total equity excluding non-controlling interests per the balance sheet	**71,821**	71,204
Less: other equity instruments (recognised as AT1 capital)	**(12,075)**	(13,259)
Adjustment to retained earnings for foreseeable ordinary share dividends	**(786)**	(795)
Adjustment to retained earnings for foreseeable other equity coupons	**(35)**	(43)
Other regulatory adjustments and deductions		
Additional value adjustments (PVA)	**(2,051)**	(1,901)
Goodwill and intangible assets	**(8,272)**	(7,790)
Deferred tax assets that rely on future profitability excluding temporary differences	**(1,451)**	(1,630)
Fair value reserves related to gains or losses on cash flow hedges	**2,930**	3,707
Excess of expected losses over impairment	**(403)**	(296)
Gains or losses on liabilities at fair value resulting from own credit	**981**	136
Defined benefit pension fund assets	**(2,367)**	(2,654)
Direct and indirect holdings by an institution of own CET1 instruments	**(1)**	(20)
Adjustment under IFRS 9 transitional arrangements	**138**	288
Other regulatory adjustments	**129**	357
CET1 capital	**48,558**	47,304
AT1 capital		
Capital instruments and related share premium accounts	**12,108**	13,263
Other regulatory adjustments and deductions	**(32)**	(60)
AT1 capital	**12,076**	13,203
T1 capital	**60,634**	60,507
T2 capital		
Capital instruments and related share premium accounts	**9,150**	7,966
Qualifying T2 capital (including minority interests) issued by subsidiaries	**367**	569
Other regulatory adjustments and deductions	**(33)**	(160)
Total regulatory capital	**70,118**	68,882
Less : Ineligible T2 capital (including minority interests) issued by subsidiaries	**(367)**	(569)
Eligible liabilities	**53,547**	46,995
Total own funds and eligible liabilities[3]	**123,298**	115,308
Total RWAs (Unaudited)	**358,127**	342,717

Notes:

1 CET1, T1 and T2 capital, and RWAs are calculated applying the transitional arrangements in accordance with UK CRR. This includes IFRS 9 transitional arrangements and the grandfathering of certain capital instruments until 28 June 2025. Effective from 1 January 2025, the IFRS9 transitional arrangements no longer applied.

2 The fully loaded CET1 ratio, as is relevant for assessing against the conversion trigger in Barclays PLC AT1 securities, was 13.5%, with £48.4bn of CET1 capital and £358.1bn of RWAs calculated without applying the transitional arrangements in accordance with UK CRR.

3 As at 31 December 2024, the Group's MREL requirement, excluding the PRA buffer, was to hold £108.0bn of own funds and eligible liabilities equating to 30.2% of RWAs. The Group remains above its MREL regulatory requirement including the PRA buffer.

Risk performance - Treasury and Capital risk (continued)

Movement in CET1 capital

	2024 £m
Opening balance as at 1 January	**47,304**
Profit for the period attributable to equity holders	6,307
Own credit relating to derivative liabilities	20
Ordinary share dividends paid and foreseen	(1,212)
Purchased and foreseeable share repurchase	(1,750)
Other equity coupons paid and foreseen	(983)
Increase in retained regulatory capital generated from earnings	**2,382**
Net impact of share schemes	235
Fair value through other comprehensive income reserve	(507)
Currency translation reserve	(46)
Other reserves	(108)
Decrease in other qualifying reserves	**(426)**
Pension remeasurements within reserves	(303)
Defined benefit pension fund asset deduction	287
Net impact of pensions	**(16)**
Additional value adjustments (PVA)	(150)
Goodwill and intangible assets	(482)
Deferred tax assets that rely on future profitability excluding those arising from temporary differences	179
Excess of expected loss over impairment	(107)
Direct and indirect holdings by an institution of own CET1 instruments	19
Adjustment under IFRS 9 transitional arrangements	(150)
Other regulatory adjustments	5
Decrease in regulatory capital due to adjustments and deductions	**(686)**
Closing balance as at 31 December	**48,558**

CET1 capital increased by £1.3bn to £48.6bn (December 2023: £47.3bn). Significant movements in the period were:

- £6.3bn of capital generated from profit partially offset by distributions of £3.9bn comprising:
  - £1.8bn of completed share buybacks announced with FY23 and H124 results
  - £1.2bn of ordinary share dividend paid and foreseen reflecting £0.4bn interim dividend paid and a £0.8bn accrual towards the FY24 dividend
  - £1.0bn of equity coupons paid and foreseen
- £0.4bn decrease in other qualifying reserves including a £0.5bn reduction in the fair value through other comprehensive income reserve primarily due to a decrease in EUR asset swap spreads
- £0.5bn increase in the goodwill and intangible assets deduction related to business acquisitions during the period, including Tesco Bank's retail business

Risk performance - Treasury and Capital risk (continued)

Risk weighted assets

Risk weighted assets (RWAs) by risk type and business

	Credit risk		Counterparty credit risk				Market risk		Operational risk	Total RWAs
	Std	IRB	Std	IRB	Settlement risk	CVA	Std	IMA		
As at 31 December 2024	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Barclays UK	**15,516**	**55,301**	**146**	**11**	**—**	**74**	**228**	**—**	**13,181**	**84,457**
Barclays UK Corporate Bank	**3,932**	**15,680**	**106**	**336**	**—**	**12**	**16**	**548**	**3,282**	**23,912**
Barclays Private Bank & Wealth Management	**5,058**	**434**	**118**	**31**	**—**	**16**	**44**	**330**	**1,859**	**7,890**
Barclays Investment Bank	**40,957**	**49,231**	**21,889**	**24,094**	**70**	**2,913**	**12,442**	**23,023**	**24,164**	**198,783**
Barclays US Consumer Bank	**21,019**	**966**	**—**	**—**	**—**	**—**	**—**	**—**	**4,864**	**26,849**
Head Office	**6,580**	**8,162**	**1**	**20**	**—**	**4**	**—**	**212**	**1,257**	**16,236**
Barclays Group	**93,062**	**129,774**	**22,260**	**24,492**	**70**	**3,019**	**12,730**	**24,113**	**48,607**	**358,127**
As at 31 December 2023										
Barclays UK	10,472	50,761	178	—	—	94	274	—	11,715	73,494
Barclays UK Corporate Bank	3,458	13,415	262	167	—	14	2	541	3,024	20,883
Barclays Private Bank & Wealth Management	4,611	455	182	27	—	30	1	322	1,546	7,174
Barclays Investment Bank	37,749	52,190	18,512	21,873	159	3,248	14,623	24,749	24,179	197,282
Barclays US Consumer Bank	19,824	966	—	—	—	—	—	—	4,051	24,841
Head Office	6,772	10,951	1	21	—	6	1	248	1,043	19,043
Barclays Group	82,886	128,738	19,135	22,088	159	3,392	14,901	25,860	45,558	342,717

Movement analysis of risk weighted assets

	Credit risk	Counterparty credit risk	Market risk	Operational risk	Total RWAs
Risk weighted assets	£m	£m	£m	£m	£m
As at 31 December 2023	**211,624**	**44,774**	**40,761**	**45,558**	**342,717**
Book size	**2,786**	**4,623**	**(3,814)**	**2,328**	**5,923**
Acquisitions and disposals	**5,353**	**—**	**—**	**721**	**6,074**
Book quality	**(797)**	**(304)**	**—**	**—**	**(1,101)**
Model updates	**196**	**680**	**—**	**—**	**876**
Methodology and policy	**3,607**	**550**	**—**	**—**	**4,157**
Foreign exchange movement[1]	**67**	**(482)**	**(104)**	**—**	**(519)**
Total RWA movements	**11,212**	**5,067**	**(3,918)**	**3,049**	**15,410**
As at 31 December 2024	**222,836**	**49,841**	**36,843**	**48,607**	**358,127**

Note:
1 Foreign exchange movements does not include impact of foreign exchange for modelled market risk or operational risk.

Overall RWAs increased £15.4bn to £358.1bn (December 2023: £342.7bn).

Credit risk RWAs increased £11.2bn:

- A £2.8bn increase in book size primarily driven by strategic growth in lending within UKCB and Barclays UK
- A £5.4bn increase in acquisitions and disposals primarily driven by the acquisition of Tesco Bank's retail banking business, partially offset by the sale of the Italian mortgage portfolio
- A £3.6bn increase in methodology and policy within Barclays UK and IB

Counterparty Credit risk RWAs increased £5.1bn:

- A £4.6bn increase in book size primarily driven by increased client derivative activity within Global Markets

Market risk RWAs decreased £3.9bn:

- A £3.8bn decrease in book size RWAs due to trading activity within Global Markets

Operational risk RWAs increased £3.0bn:

- A £2.3bn increase in book size primarily driven by the inclusion of higher 2024 income compared to 2021

Risk performance - Treasury and Capital risk (continued)

Leverage ratios and exposures

Leverage ratios[1,2]

As at 31 December	2024 £m	2023 £m
UK leverage ratio[3]	**5.0%**	5.2%
T1 capital	**60,634**	60,507
UK leverage exposure	**1,206,502**	1,168,275
Average UK leverage ratio	**4.6%**	4.8%
Average T1 capital	**60,291**	60,343
Average UK leverage exposure	**1,308,335**	1,266,880

Notes:

1 Capital and leverage measures are calculated applying the transitional arrangements in accordance with UK CRR . This includes IFRS 9 transitional arrangements and the grandfathering of certain capital instruments until 28 June 2025. Effective from 1 January 2025, the IFRS9 transitional arrangements no longer applied.

2 Fully loaded UK leverage ratio was 5.0%, with £60.5n of T1 capital and £1,206.4bn of leverage exposure. Fully loaded average UK leverage ratio was 4.6% with £60.2bn of T1 capital and £1,308.2bn of leverage exposure. Fully loaded UK leverage ratios are calculated without applying the transitional arrangements in accordance with UK CRR.

3 Although the leverage ratio is expressed in terms of T1 capital, the leverage ratio buffers and 75% of the minimum requirement must be covered solely with CET1 capital. The CET1 capital held against the 0.53% G-SII ALRB was £6.3bn and against the 0.3% CCLB was £3.6bn.

The UK leverage ratio decreased to 5.0% (December 2023: 5.2%) due to an increase in exposure of £38.2bn to £1,206.5bn (December 2023: £1,168.3bn). The increase in exposure was largely driven by an increase in derivatives in Global Markets, increased investment in debt securities and the acquisition of Tesco Bank.

Risk performance - Treasury and Capital risk (continued)

Foreign exchange risk (audited)

The Group is exposed to two sources of foreign exchange risk.

a) Transactional foreign currency exposure

Transactional foreign currency exposures represent exposure on banking assets and liabilities, denominated in currencies other than the functional currency of the transacting entity.

The Group's risk management policies are designed to prevent the holding of significant open positions in foreign currencies outside the trading portfolio managed by Barclays Investment bank which is monitored through VaR.

Banking book transactional foreign exchange risk outside of Barclays Investment bank is monitored on a daily basis by the market risk function and minimised by the businesses.

b) Translational foreign exchange exposure

The 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 CET1 capital.

The Group's strategy is to minimise the volatility of the capital ratios caused by foreign exchange movements, by matching the CET1 capital movements to the revaluation of the Group's foreign currency RWA exposures.

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	Other equity Instruments	Remaining structural currency exposures
	£m	£m	£m	£m	£m	£m
31 December 2024						
USD	**28,012**	**(6,243)**	**(2,230)**	**19,539**	**(5,846)**	**13,693**
EUR	**9,549**	**(5,655)**	**—**	**3,894**	**(264)**	**3,630**
INR	**1,403**	**—**	**(992)**	**411**	**—**	**411**
JPY	**628**	**(215)**	**—**	**413**	**—**	**413**
Other currencies	**2,037**	**(76)**	**(792)**	**1,169**	**(849)**	**320**
Total	**41,629**	**(12,189)**	**(4,014)**	**25,426**	**(6,959)**	**18,467**
31 December 2023						
USD	26,524	(7,308)	(2,179)	17,037	(7,326)	9,711
EUR	9,868	(5,603)	—	4,265	(276)	3,989
INR	1,287	0	(891)	396	0	396
JPY	646	(174)	—	472	—	472
Other currencies	2,042	(72)	(674)	1,296	(505)	791
Total	40,367	(13,157)	(3,744)	23,466	(8,107)	15,359

Other equity instruments relate to exposures arising on foreign currency denominated preference share and AT1 instruments. These 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 2024, total structural currency exposure net of hedging instruments increased by £3.1bn to £18.5bn (2023: £15.4bn). Foreign currency net investments increased by £1.2bn to £41.6bn (2023: £40.4bn) driven predominantly by a £1.4bn increase in USD & increase in INR by £0.1bn, offset by £0.3bn decrease in EUR. The hedges (excluding economic hedges) associated with these investments decreased by £0.7bn to £16.2bn (2023: £16.9bn).

Pension risk review

The UK Retirement Fund (UKRF) represents approximately 96% (2023: 96%) of the 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.
Refer to the Management of pension risk section in the Barclays PLC Pillar 3 Report 2024 (unaudited) for more information on how pension risk is managed.

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 32 to the financial statements. The fair value of the UKRF assets was £21.9bn as at 31 December 2024 (2023: £24.2bn).

Risk performance - Treasury and Capital risk (continued)

Liabilities

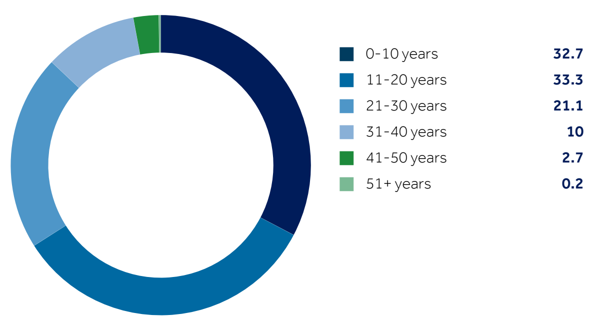
The UKRF retirement benefit obligations are a series of future cash flows with relatively long duration. On an IAS 19 basis these cash flows are sensitive to changes in the expected long-term price inflation rate (RPI) and the discount rate (GBP AA corporate bond yield):

- 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.

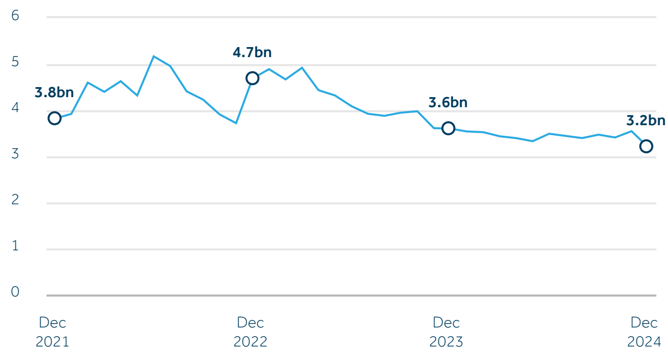
Pension risk is generated through the Group's defined benefit schemes and this risk is set to reduce over time as the main defined benefit scheme is closed to new entrants. The chart below outlines the shape of the UKRF's liability cash flow profile as at 31 December 2024 that takes account of the future inflation indexing of payments to beneficiaries. The majority of the cash flows (approximately 97%) 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 assumptions, see Note 32 to the financial statements.

Proportion of liability cash flows
(%)



Net IAS 19 position
(£bn)



The graph above shows the evolution of the UKRF's net IAS 19 position over the last four years. During 2024 the decrease in the UKRF surplus was driven by changes in market conditions, primarily due to the high rates environment.

Refer to Note 32 to the financial statements for the sensitivity of the UKRF to changes in key assumptions.

Risk measurement

In line with Barclays' 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 quarterly 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 32 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 32 to the financial statements). To mitigate part of this risk the UKRF has entered into longevity reinsurance contracts approximately 70% of current pensioner liabilities.

In addition, the impact of pension risk to the Group is taken into account as part of the stress testing process. Stress testing is performed internally on at least an annual basis. The UKRF exposure is also included as part of regulatory stress tests.

Barclays defined benefit pension schemes affects capital in two ways:

- An IAS 19 deficit is treated as a liability on the Group's balance sheet. Movement in a deficit due to remeasurements, including actuarial losses, are recognised immediately through Other Comprehensive Income and as such reduces 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 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 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 the Group.

Risk performance - Treasury and Capital risk (continued)

Interest rate risk in the banking book

All disclosures in this section 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 amortised cost accounted and fair value through other comprehensive income (FVOCI) instruments. The potential volatility of net interest income is measured by an Annual Earnings at Risk (AEaR) metric which is monitored regularly and reported to senior management and the Barclays PLC Board Risk Committee as part of the limit monitoring framework.

For further detail on the interest rate risk in the banking book governance and framework refer to page 178 of the Barclays PLC Pillar 3 Report 2024 (unaudited).

Key metrics

AEaR
-£44m

AEaR across the Group from a -25bps Shock to forward interest rate curves.

Summary of performance in the period

Net Interest Income (NII) sensitivity to interest rate shocks has decreased year on year due to changes in the customer banking book's composition as well as changes in currency composition. NII sensitivity asymmetry is due to the timing impact of customer rate changes following a rate shock and is also impacted by changes in balance sheet composition.

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 NII metric as described on page 178 of the Barclays PLC Pillar 3 Report 2024 (unaudited), which includes documentation of the main model assumptions.

Net interest income sensitivity (AEaR) by currency (audited)

	2024		2023	
	+25 basis points	-25 basis points	+25 basis points	-25 basis points
As at 31 December	£m	£m	£m	£m
GBP	**56**	**(76)**	(1)	(33)
USD	**(30)**	**30**	17	(18)
EUR	**(5)**	**5**	20	(21)
Other currencies	**3**	**(3)**	(15)	15
Total	**24**	**(44)**	21	(57)

Risk performance - Treasury and Capital risk (continued)

Analysis of equity sensitivity

Equity sensitivity 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)

	2024		2023	
	+25 basis points	-25 basis points	+25 basis points	-25 basis points
As at 31 December	£m	£m	£m	£m
Net interest income	**24**	**(44)**	21	(57)
Taxation effects on the above	**(6)**	**11**	(5)	13
Effect on profit for the year	**18**	**(33)**	16	(44)
As percentage of net profit after tax	**0.3%**	**(0.5%)**	0.3%	(0.8%)
Effect on profit for the year (per above)	**18**	**(33)**	16	(44)
Fair value through other comprehensive income reserve	**(189)**	**196**	(246)	254
Cash flow hedge reserve	**(907)**	**907**	(744)	744
Taxation effects on the above[1]	**307**	**(309)**	228	(230)
Effect on equity	**(771)**	**761**	(746)	724
As percentage of equity	**(1.1%)**	**1.0%**	(1.0%)	1.0%

Note:
The 2024 methodology has been updated to reflect the expected tax rates of each component impacting equity.

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 of 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

	2024			2023		
	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%)	**61**	**70**	**50**	76	90	61

Daily Value at Risk has been lower on an average in 2024 relative to 2023 driven by a combination of position changes and market volatility reduction.

Risk performance - Operational risk

Operational risk

All disclosures in this section are unaudited unless otherwise stated.

Overview

Operational risks are inherent in the 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 Group's approved risk appetite

The Operational Risk principal risk comprises the following risks: Change Delivery Management Risk, Data and Records 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: Data, Resilience, Third Party Service Provider and Model Connected Risk. These Connected Risks represent threats to the Group that extend across multiple risk types, and therefore require an integrated risk approach to reporting and monitoring the risk exposure.

For definitions of these risks refer to pages 180 to 185 of the Barclays PLC Pillar 3 Report 2024. To provide complete coverage of the potential adverse impacts on the 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 Group's operational risk profile, including events above the Group's reportable threshold, which have had a financial impact in 2024. The 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.

Key metrics

86%

of the Group's net reportable operational risk events had a loss value of £50,000 or less

84%

of events by number are due to External Fraud

44%

of losses are from events aligned to External Fraud

35%

of losses are from events aligned to Execution, Delivery and Process Management

Summary of performance in the period

During 2024, total operational risk losses[1] reduced to £124m (2023: £141m) while the number of recorded events for 2024 (2395) decreased from the level for 2023 (2,925). 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.

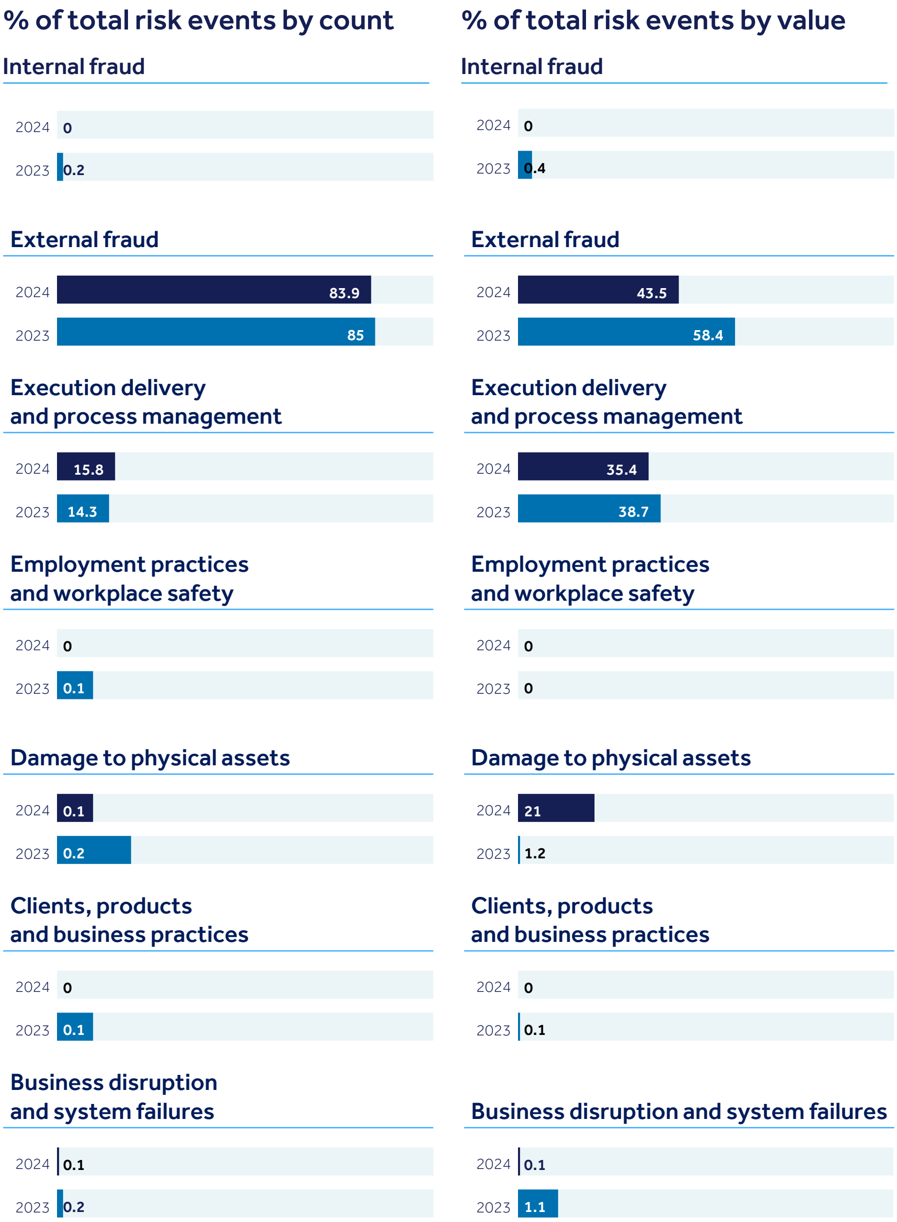
Operational risk profile

Within operational risk, there are a large number of smaller value risk events. In 2024,86% (2023: 83%) of the 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 31% (2023: 34%) of the Group's total net operational risk losses. A small proportion of operational risk events have a material impact on the financial results of the Group.

Risk performance - Operational risk (continued)

The analysis below presents the Group's operational risk events by Basel event category:

Operational risk events by BASEL event category[1]



Note

1 The data disclosed includes operational risk losses for reportable events impacting the Barclays Group business areas, having impact of > £10,000 and excludes 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, prior year losses are updated.

- External Fraud remains the category with the highest frequency of events at 84% of total events in 2024 (2023: 85%). Impacts from events arising from External Fraud decreased in 2024 to £54m (2023: £82m) and accounted for 44% of total 2024 losses (2023: 58%). 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 £171m (2023: £189m).
- Execution, Delivery and Process Management impacts decreased to £44m (2023: £55m) and accounted for 35% (2023: 39%) of total operational risk losses. 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 remained stable at 16% of total events by volume (2023: 14%).
- Damage to physical assets increased to 21% of losses by value in 2024 (2023 1%) primarily as a result of Barclays branches being targeted by protesters.

Investment continues to be made in improving the control environment across the 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 Group continues to work closely with external partners on various prevention initiatives.

Fraudsters use various techniques to target customers and colleagues directly (i.e., Third Party Fraud), or the Bank directly (i.e., First Party Fraud). In the UK and Europe, Authorised Push Payment (APP) Scams is a growing fraud type where customers are deceived to transfer funds from their account to a bad actor. Fraud can also be committed by one or more employees and workers of any entity (i.e., Internal Fraud) or any unauthorised trading fraud. Additionally, the 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 Group, having been reinforced in recent years due to potential operational disruption from the COVID-19 pandemic. The 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 Group. The sophistication of threat actors continues to grow as noted by multiple external risk events observed throughout the year. Cybersecurity incidents across the global Barclays supplier base and financial market intermediaries were observed, and we worked closely with the affected parties to manage potential impacts to the Group and its clients and customers. The Group's cybersecurity incidents did not materially impact the Group's business strategy, results of operations, or financial condition.

For further information, refer to the **Operational Risk Management section**.

Risk performance - Model risk, Compliance risk, Reputation risk and Legal risk

Model risk, Compliance risk, Reputation risk and Legal risk

All disclosures in this section are unaudited unless otherwise stated.

Model risk

Barclays is committed to continuously improving model risk management and made a number of enhancements in 2024, including:

- Continued focus on improving model risk control framework.
- Established a programme to meet PRA's Supervisory Statement 1/23 Model risk management principles for banks.
- Development of a governance framework for approaches which rely on subject matter expert judgement and establishing initial inventory.
- Enhanced quantitative model risk assessment to cover most significant model suites.
- Introduced Artificial Intelligence(AI) Policy, Development of approach to AI validation, and design of associated governance framework.
- Expanded model risk framework to provide transparency around risk themes (Data and Technology) outside the Model Risk Framework that may impact model outputs.

Compliance risk

Barclays is committed to continuing to drive the right culture throughout all levels of the organisation. The 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 Trading Entity Conduct Risk Dashboard is a key component of this.

The 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 2024, the Group maintained focus on new and heightened inherent Compliance Risks, including those relating to 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 ongoing embedment of the FCA's Consumer Duty. Rules for closed products and services took effect at the end July 2024.

Businesses have continued to assess the potential customer, client and market impacts of strategic change. As part of the 2024 medium-term planning process, material Compliance Risks associated with strategic and financial plans were assessed.

Throughout 2024, Compliance Risks were raised by each business area for consideration by relevant Board level committees. These committees reviewed the risks raised and whether management's proposed actions were appropriate to mitigate the risks effectively.

During 2024, laws, rules and regulation risk (LRR risk) was embedded as a risk under the Compliance Principal Risk. LRR 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 continues to implement processes to support the management and oversight of LRR Risk.

The Group continued to incur costs in relation to litigation and conduct matters, refer to Note 25 Legal, competition and regulatory matters and Note 23 Provisions for further details. Costs include customer redress and remediation, as well as fines and settlements. Resolution of these matters remains a necessary and important part of delivering the Group's strategy and an ongoing commitment to improve oversight of culture and conduct.

Trading Entity Compliance Risk Dashboards, setting out key indicators in relation to conduct and financial crime risk, are provided to the respective Board Risk Committees and senior management. 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 Group operates within Risk Appetite. The tolerance adherence is assessed by the business areas through key indicators and reported to the relevant Trading Entity Board Committees as part of the Compliance Risk Dashboard governance process.

The Group remains focused on the continuous improvements being made to manage risk effectively with an emphasis on enhancing governance and management information to identify risk at earlier stages.

Risk performance - Model risk, Compliance risk, Reputation risk and Legal risk (continued)

Reputation risk

Barclays is committed to identifying reputation risks and issues as early as possible and managing them appropriately. At a Group level throughout 2024, reputation risks and issues were overseen by the Board which reviews the processes and policies which Barclays identifies and manages reputation risk. Within the Barclays Bank UK Group and the Barclays Bank Group reputation risks and issues were overseen by the respective risk and Board risk committees. The top live and emerging reputation risks and issues within the Barclays Bank UK Group and the Barclays Bank Group are included within an over-arching twice-yearly report at the respective Board level.

The Board reviewed risks escalated by the businesses and considered whether management's proposed actions, for example attaching conditions to proposed client transactions or increased engagement with impacted stakeholders, were appropriate to mitigate the risks effectively. The Board also received regular updates with regard to key reputation risks and issues, including: Barclays' response to global conflicts; Barclays' association with sensitive sectors; access to banking; lending practices and the resilience of key Barclays systems and processes.

The Group continued to incur costs in relation to litigation and conduct matters, refer to Note 25 Legal, competition and regulatory matters and Note 23 Provisions for further details. Costs include customer redress and remediation, as well as fines and settlements. Resolution of these matters remains an ongoing commitment to improve oversight of culture and conduct and management of reputation risks.

As part of Barclays 2024 Medium Term Planning process, material reputation risks associated with strategic and financial plans were also assessed.

Legal risk

The Group remains committed to continuous improvements in managing legal risk effectively. During 2024, the Group wide LRMF was updated to complement and accommodate the introduction of changes to the CRMF, which includes the responsibility of the Legal Function to proactively identify, communicate and provide legal advice on applicable laws, rules and regulations.

Other improvements during 2024 included a review and update of the supporting legal risk policies, standards and mandatory training, reinforced by ongoing engagement with and education of the 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 CRMF referred to above (and described in more detail on page 381) also mitigate legal risk.

Supervision and regulation

Supervision of the Group

The 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 other financial services business in each of the jurisdictions in which the 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 Group globally. We focus particularly on UK, US and EU regulation in this Report due to the location of the Group's principal areas of business. Regulations elsewhere may also have a significant impact on the 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 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 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 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 and Barclays Bank UK PLC are both authorised with permission to accept deposits, amongst other things, and are subject to prudential supervision by the PRA and to conduct regulation and supervision by the FCA. The Barclays Bank Group is subject to prudential supervision on a solo-consolidated basis and the Barclays Bank UK Group is subject to prudential supervision on a group sub-consolidated basis and on an individual basis.

The 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 is subject to conduct regulation and supervision by the FCA.

The Group also has appointed representative arrangements in place: (i) Barclays Execution Services Limited is an appointed representative of Barclays Bank PLC and Barclays Bank UK PLC; (ii) Barclays Global Service Centre Private Limited is an appointed representative of Barclays Bank PLC, Barclays Bank UK PLC and Clydesdale Financial Services Limited;, and (iii) Tesco Stores Limited is an introducer appointed representative of Barclays Bank UK PLC. These are arrangements under which the appointed representative is permitted to carry on certain regulated activities in the UK which its principal takes responsibility for and oversees. Appointed representative arrangements must comply with certain statutory and FCA rules, including on prescribed contractual terms and ongoing monitoring and supervision of the appointed representative by the principal.

The PRA's supervision of the 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 and regular continuous assessment meetings with the Group's management and relevant stakeholders to discuss matters 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 Group relating to resolution preparedness.

The FCA's supervision of the UK firms in the Group is carried out through a combination of proactive engagement meetings, regular supervisory visits, information gathering and regular meetings with the Group's management and relevant stakeholders to discuss matters 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 strategic transformation, financial crime controls, conduct risk and customer/client outcomes under the Consumer Duty (which now applies to both open and closed products), firm culture and non-financial misconduct, fraud controls and reimbursement, access to cash, the fair treatment of vulnerable customers and payment account access and closures.

PRA supervision has focused on strategic transformation, financial and operational resilience (including cyber risk), governance, credit risk management, model risk management, data 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, repealing and, where relevant, replacing the EU legislation that was onshored into English law following the UK's departure from the EU (assimilated law). The Financial Services and Markets Act 2023 (FSMA 2023) established a framework for the revocation of assimilated law relating to financial services, with HM Treasury now repealing certain requirements set out in assimilated law. However, the Government is not expected to revoke assimilated 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.

HM Treasury may specify parts of assimilated law where the regulators are exempt from requirements to consult on new replacement rules, for example where they are restating assimilated law revoked through FSMA 2023 in their rulebooks without material changes or where they are replacing revoked assimilated law with material changes but the only material effect is to reduce a regulatory burden.

Supervision and regulation (continued)

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. There is a significant volume of assimilated law for the UK Government to repeal and replace, so this process remains ongoing and 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, although areas of divergence from assimilated law have been limited to date.

FSMA 2023 also introduced the framework for the 'designated activities regime' (DAR). The DAR framework allows HM Treasury to designate certain activities which do not require regulatory authorisation to carry them out, but which are currently subject to FCA and PRA supervision under assimilated law. The DAR will provide a mechanism for the UK regulators to make rules, supervise these activities and exercise enforcement powers in these areas as the relevant provisions in assimilated law are repealed and replaced. The DAR will apply to both authorised and unauthorised persons carrying on designated activities. Implementation costs may be incurred to adapt existing processes as the DAR develops. In January 2025, the Financial Services and Markets Act 2000 (Designated Activities) (Supervision and Enforcement) Regulations 2025 came into effect. These Regulations give the FCA supervisory and enforcement powers in respect of short selling and consumer composite investment activities.

Supervision in the EU

The Group's operations in the European Union are authorised and regulated by a combination of its home regulators and host regulators in the EU countries where the Group operates.

Barclays Bank Ireland PLC is licensed as a credit institution by the Central Bank of Ireland (CBI) and is therefore subject to supervision by the CBI as home state or competent authority under various EU financial services directives and regulations. It is further 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 its resolution authority. 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 Group provides the majority of its cross-border banking and investment services to EEA clients via Barclays Bank Ireland 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. The newly adopted Directive (EU) 2024/1619 (CRD VI) contains a prohibition on providing core banking services, such as lending and deposit-taking into the EU from a third country entity, subject to certain exemptions. Subject to additional guidance from the EU, and pending Member State implementation, Barclays Bank PLC and BCSL may be limited in their ability to provide certain core banking services into the EU. 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 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 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 Group's ultimate US holding company that holds substantially all of the 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 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.

Supervision and regulation (continued)

The 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 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 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 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 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 Group's operations in Asia Pacific are supervised and regulated by a broad range of national banking and financial services regulators.

Prudential regulation

Prudential regulation in the UK

Certain Basel III standards were originally implemented in EU and UK 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. Under the assimilated law version of the CRR (the UK CRR), the Group is subject to a binding Pillar 1 minimum capital requirement to satisfy a Common Equity Tier 1 (CET1) ratio of 4.5% of risk-weighted assets (RWAs). However, in practice the Group is required to and does hold capital significantly in excess of this requirement. Additional capital requirements apply to the Group including Pillar 2A minimum requirements and capital buffers, including the capital conservation buffer, the countercyclical capital buffer, the O-SII buffer and the G-SIB buffer, as well as PRA buffer requirements (the Pillar 2B), as explained further below.

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 RWAs. The G-SIB buffer must be met with CET1 capital. In November 2024, the FSB published an update to its list of G-SIBs, maintaining the 1.5% G-SIB buffer that applies to the Group.

The 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 Group maintains exposures. In the UK, the CCyB rate is set by the FPC and is currently 2%. Like the capital conservation buffer, the CCyB must be met entirely with CET1 capital.

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, no more than 43.75% additional Tier 1 (AT1) 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. In September 2024, the BoE and PRA issued a consultation paper (CP9/24) on changes to the Pillar 2A capital framework, including retiring the refined methodology for calculating Pillar 2A requirements in light of incoming proposals to implement Basel III standards (discussed further below) and streamlining firm-specific capital communications.

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.

As part of its approach to ring fencing, the FPC established a framework to apply a firm-specific systemic risk buffer (SRB) designed to increase the capacity of ring-fenced bodies, such as Barclays Bank UK PLC, to absorb stress. The Other Systemically Important Institutions Buffer (O-SII buffer) has since replaced the SRB. The O-SII buffer can be set between 0% and 3% and has to be met solely with CET1 capital. The O-SII buffer rate applicable to Barclays Bank UK PLC is currently set by the PRA at 1% of RWAs.

Previously, total assets were used as the metric to determine O-SII buffer rates but the FPC announced in 2022 that this would change to the UK leverage exposure measure and that it would recalibrate the thresholds used to determine O-SII buffer rates to prevent an overall tightening or loosening of the framework relative to its pre-Covid level. The PRA's 2023 review of the O-SII buffer was based on end-2022 leverage exposure measures and maintained the O-SII buffer rate applicable to Barclays Bank UK PLC at 1% (applicable from January 2025). For future reviews, the average of firms' quarter-end leverage exposure measure over the year will be used to determine O-SII buffer rates, rather than the year-end value.

Supervision and regulation (continued)

In December 2023, the PRA published its first collection of near-final policy proposals for implementing certain remaining Basel III standards (Basel 3.1), including revised frameworks for market risk, operational risk and Credit Valuation Adjustment (CVA) risk. A second policy statement was published by the PRA in September 2024, including near-final rules on credit risk and credit risk mitigation, 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), and disclosure and reporting. The implementation date for these standards has been extended to 1 January 2027, with a transitional period to ensure full implementation by 1 January 2030.

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.

The PRA is consulting on proposed amendments (CP14/24) to the large exposures (LE) framework to implement the remaining Basel large exposure standards (removing the option for firms to use internal models to calculate exposure values to securities financing transactions and introducing a mandatory substitution approach to calculate the effect of the use of credit risk mitigation techniques), as well as other amendments including in respect of the LE limits to intragroup entities and removing the option for firms to exceed LE limits for trading book exposures to third parties.

Additional minimum prudential requirements that apply to the Group to ensure that sufficient resources are maintained to provide loss absorption in a resolution context are discussed in the sub-section titled 'TLAC and MREL' below.

Prudential regulation in the EU

In the EU, Barclays Bank Ireland PLC is subject to CRR and CRD, each as amended, which implement the Basel III framework. Under this framework, Barclays Bank Ireland PLC is identified as an O-SII by the CBI, which has imposed an O-SII buffer on Barclays Bank Ireland PLC of 1%.

The implementation of the final part of Basel III (Basel 3.1) is effected through CRR III which has applied since January 2025, save for those provisions relating to the Fundamental Review of the Trading Book (or FRTB), which have been deferred until January 2026 by the European Commission through Delegated Regulation. The European Banking Authority (EBA) has also issued a no-action letter recommending that competent authorities not prioritise enforcement of the new boundaries of the trading book. Given the most recent revision to the timetable for the implementation of Basel 3.1 in the UK to January 2027 (which was triggered by uncertainties in relation to the US implementation), a further delay in the EU cannot be ruled out. The EU implementation otherwise largely follows Basel 3.1 and has significant overlap with the UK rules, save for important divergences, for example on certain exposure classes, risk weights and application of models.

Prudential regulation in the US

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 the net stable funding ratio (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 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. To date, Barclays Bank PLC has not relied on home country certification.

In 2023, the FRB and other US regulatory agencies proposed changes to the regulatory capital rules applicable to certain US banks, BHCs and IHCs that were intended to be broadly consistent with revisions to Basel III finalised by the Basel Committee on Banking Supervision in 2017. The FRB has also suggested in public statements that the FRB is considering changes to liquidity regulations after the banking stress of 2023 but has not yet issued a proposal. The future of these proposals, if any, is highly uncertain.

Stress testing

The Group and certain of its members 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.

Supervision and regulation (continued)

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 Group is a bail-in strategy with a single point of entry at Barclays PLC. Under such a strategy, Barclays PLC's subsidiaries 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 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 the BoE's assessment on the report was published in August 2024. The BoE's 2024 assessment was more detailed than in previous years. The BoE identified that there are no shortcomings, deficiencies or substantive impediments in the Group's capabilities that could impede Barclays' ability to execute the preferred resolution strategy. The BoE did note that there were three areas for further enhancement relating to the provision of timely valuations, in respect of operational continuity in resolution relating to the inclusion of resolution-resilient language in service contracts, and restructuring planning. The Barclays Group continues to develop its capabilities in these areas and is engaging with the BoE on these areas identified for enhancements. In future, the PRA/BoE could exercise its various powers to direct the Group to address any relevant issues. In January 2025, amendments to the PRA rules were introduced which now require firms to make submissions under the relevant resolution rules on a 'periodic' basis rather than the previous fixed two-year cycles (PS1/25). The BoE and PRA will require firms to submit their next resolution reports in 2026, with a public disclosure to be made in 2027.

While regulators in many jurisdictions have indicated a preference for single point of entry resolution for the Group, additional resolution or bankruptcy provisions may apply to certain non-UK Group entities or branches.

In the EU, 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). 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 Group resolution authority. Barclays Bank Ireland PLC meets the SRB's requirements for resolution as set out in the SRB's 'Expectations for Banks'.

In April 2023, the EU Commission also 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 and the future of this proposal is not yet clear in the new legislative cycle 2024-2029. The EU is also reviewing its approach to securitisation from a prudential perspective with a view to stimulating the market in securitised products.

In the US, Title I of the Dodd-Frank Act (DFA), as amended, and the implementing regulations issued by the FRB and the FDIC require each foreign-based bank holding company with assets of $250bn or more, including those within the Group, to prepare and submit a plan for the orderly resolution of subsidiaries and operations that are domiciled in the US or conducted in whole or material part in the US in the event of future material financial distress or failure.

Supervision and regulation (continued)

The Group submitted a "targeted plan" in December 2021. The agencies did not identify any shortcomings or deficiencies with the Group's 2021 US Resolution Plan. In August 2024, the FRB and FDIC finalised new guidance for foreign triennial full filers (such as the Group) that would affect the content required to be included in the US Resolution Plan. The final guidance generally represents an expansion of the current 165(d) resolution planning guidance applicable to the Group. The Group's next submission of the US Resolution Plan in respect of its US operations will be a "full plan" due by 1 October 2025.

BUSL may also be resolved under the Orderly Liquidation Authority established by Title II of the 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 license.

TLAC and MREL

The 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. The Barclays Group is also required to meet binding external MRELs in 2024 on the basis of a bail-in resolution strategy comprising a binding minimum capital requirement of 12.6% of RWAs, MREL of 25.2% of RWAs, and a loss-absorbing capacity (MREL plus buffers) of 30.0% of RWAs. Internal MREL for material 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. In October 2024, the BoE launched a consultation on proposals to amend its statement of policy on its approach to setting MREL (the MREL SoP). This forms part of the repeal and restatement (with modifications) process of assimilated law and the BoE does not consider that its proposals would result in fundamental changes to the overall impact of its MREL policy.

Barclays Bank Ireland PLC is subject to the SRB's MREL policy, as issued in May 2024, in respect of the internal MREL that it will be required to issue to the 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 and a market confidence charge can be applied by the SRB to MREL requirements. Since 1 January 2024, a revised deduction regime applies 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 Group's overall resolution plan treats BUSL as a non-resolution entity, from issuing TLAC to entities other than those within the 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 SME deposit-taking activities of UK banks from wholesale and investment banking operations into a legally distinct, operationally separate and economically independent entity (i.e., a 'ring-fenced bank'), which is not permitted to undertake a range of activities. Under FSMA, the PRA is required to review its ring-fencing rules every five years following the rules coming into force, with the first report having been published in January 2024. The PRA intends to consult in due course 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. Separately, HM Treasury has introduced legislative amendments to implement near-term reforms to the ring-fencing regime which took effect in February 2025. These reforms have, amongst other measures, increased the core deposit threshold (which determines whether a UK bank is subject to the ring-fencing regime) from £25bn to £35bn, exempted predominantly retail-focused banks from the ring-fencing regime by introducing a secondary threshold (referred to as the trading assets exemption), permitted ring-fenced banks to establish branches and subsidiaries outside of the UK or the EEA (subject to PRA rules) and introduced a new four-year transition period for UK non-ring-fenced banks to comply with the ring-fencing regime following mergers or acquisitions.

In the EU, structural reform is taking the form of further integration of the banking union and on the financial markets side the proposed Savings and Investment Union and the Retail Investment Strategy. This will entail further consolidation of the market in the EU and an increasing focus on legislation by way of directly applicable regulations. Structural reform might, over time, also come through further strengthening the powers of the European Supervisory Authorities (ESAs).

Supervision and regulation (continued)

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 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 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.

The wholesale financial markets in the EU are facing reform to apply the lessons learned from the introduction of, the Markets in Financial Instruments Directive and Markets in Financial Instruments Regulation (collectively referred to as MiFID II) and various other pieces of legislation, which will affect how the Group transacts with counterparties and customers in the EU and how it packages its investment services. Various aspects of MiFID II and related legislation have been subject to change as a result of the EU's ongoing focus on the development of a stronger Savings and Investment 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, for example on trade transparency requirements have been progressed by way of amendments to regulatory rules and guidance and an FCA review of the UK transaction reporting regime is underway.

Regulation of benchmarks

As a regulatory response to the LIBOR scandal, the EU and UK Benchmarks Regulations 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 will apply in respect of third country benchmark administrators from the end of 2025 (EU) and 2030 (UK). The European Commission has published a proposal to amend the EU Benchmark Regulation to reduce the scope of benchmark administrators subject to its requirements. This proposal needs to go through the European legislative process, with potential new rules applying from the beginning of 2026. The phase out of LIBOR has now been completed, with the remaining synthetic LIBOR settings for holders of legacy contracts published for the last time on 30 September 2024. Other global benchmarks are now being phased out through 2025. Global regulators in conjunction with the industry have developed 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) imposes requirements in the EU and the UK which are 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 on the Group, as well as a requirement to centrally clear certain OTC derivatives contracts with certain market participants. Following the UK's departure from the EU, EMIR rules were onshored into English law and now form part of UK assimilated law (UK EMIR). Access to the clearing services of certain Central Counterparties (CCPs) used by Group entities is currently permitted under temporary equivalence and recognition regimes in the UK and the EU.

In the UK, the temporary recognition regime for non-UK CCPs has now been extended until the end of December 2026. Targeted amendments to the UK EMIR reporting framework were implemented in September 2024, which aimed to align the regime with international guidance (where appropriate).

In the EU, access to the clearing services of certain non-EU CCPs used by Group entities is permitted through recognised third country CCPs. For UK CCPs, this recognition is currently envisaged to end on 30 June 2025. In April 2024, amendments to the EU EMIR reporting requirements (relating to the details and formats of reports, for example) introduced by regulatory and implementing technical standards under the EMIR REFIT Regulation took effect. Further proposals to amend the EU EMIR framework (Regulation (EU) 2024/2987 and Directive (EU) 2024/2994, referred to collectively as EMIR 3) came into force on 24 December 2024. The changes introduced by EMIR 3 seek to reduce the reliance and exposure to third-country CCPs and enhance the competitiveness of CCPs in the EU. EMIR 3 will require EU entities to clear a representative amount of their trades through EU authorised CCPs, as part of the new "active account" regime which requires certain financial and non-financial counterparties exceeding the clearing threshold in defined categories of derivative contracts to hold at least one clearing account at CCPs authorised in the EU. These changes aim to reduce the concentration of exposures to systemically important UK CCPs in particular, but other EMIR 3 changes will also apply. For example, EMIR 3 will amend the intragroup transactions definition, removing the need for equivalence decisions to have been issued, which may make it easier to rely on the relevant intragroup exemptions in respect of clearing and margin requirements.

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.

Supervision and regulation (continued)

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 August 2024, 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 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 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. Whether and the extent to which such CFTC requirements apply to any particular swap transaction may depend on whether the counterparty to such swap transaction is a US person or guaranteed by or affiliated with a US person. 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. Whether and the extent to which such SEC requirements apply to any particular security-based swap transaction may depend on whether the counterparty to any security-based swap transaction is a US person or guaranteed by a US person, or whether the transaction is arranged, negotiated, or executed by US-based Barclays 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 2024, the CFTC adopted amendments to its capital and financial reporting requirements for swap dealers. The new rules codify certain no-action relief and add specificity as to existing reporting requirements.

Other significant 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. This reduced settlement cycle will have knock-on effects for both the UK and EU markets as they seek to introduce similarly shortened settlement cycles.

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. Although the rule has been challenged in court, there has been no stay of the rule's implementation. The FINRA rules associated with the rulemaking are required to be effective in January 2025, and the reporting requirements to FINRA begin in January 2026.

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. Although the rule has been challenged in court, there has been no stay of the requirement to begin filing Form SHO reports, and that requirement begins in January 2025.

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. Although there is some discussion as to whether deadlines for implementation might be extended, the amended rule's compliance date remains 31 December 2025.

On 18 September 2024, the SEC unanimously amended certain rules under Regulation NMS (National Market System) to adopt variable minimum pricing increments, reduce access fee caps for protected quotations, and require that the amount of exchange fees and rebates be determinable at the time of execution, among other changes. The compliance date for the amended rule has been set as the first business day in November 2025. The rule is currently under challenge and the SEC has ordered a partial stay of the rule's effectiveness pending the outcome of that petition for review.

Other regulation

Consumer protection, digital access, culture, and diversity and inclusion

The FCA's Consumer Duty is now in force for new and existing products or services that are open to sale or renewal, as well as closed products and services. 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 Barclays' relationships with partners, suppliers and third parties.

Supervision and regulation (continued)

This has resulted in significant implementation costs and there are also continued higher ongoing costs for the industry as a result of extensive monitoring and evidential requirements. In setting out its strategy for supervision of the retail banking industry in 2025, the FCA has reiterated the importance of the Consumer Duty as a continued priority for the FCA and its expectations for firms to embed the Consumer Duty into their culture and purpose.

Other areas of strategic priority for the FCA's supervision include the fair treatment of customers in financial difficulty, access for customers to payment accounts and banking services (discussed further below), compliance with operational resilience rules, the continued management of financial crime and fraud risks, and the role of banks in developing sustainable finance offerings and the importance of ensuring that sustainability-related claims associated with products are clear, fair and not misleading.

In the UK, the wider financial industry may be impacted by the October 2024 Court of Appeal judgments on commission arrangements in the motor finance industry, subject to the result of the appeals of those judgments to the Supreme Court, and to the FCA's ongoing review of the motor finance market. In December 2024, the FCA announced an extension to the time motor finance firms have to handle complaints on lender commissions until after 4 December 2025, following on from the Court of Appeal's judgments in *Johnson v FirstRand Bank, Wrench v FirstRand Bank and Hopcroft v Close Brothers Ltd [2024] EWCA Civ 1282*. The decisions in these cases could, subject to these appeals, impact the availability or terms of financing, risk of future claims, and the likelihood of a FCA consumer redress scheme. There could also be wider market and industry implications of the judgments and/or the appeals, which could adversely affect the Group's business, results of operations, financial condition and prospects.

Barclays' 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 FCA has stated that it expects to publish a policy statement on non-financial misconduct early in 2025, with the FCA and PRA intending to publish policy statements on the remaining diversity and inclusion proposals in Q2 2025.The UK Government is expected to consult on abolishing the Certification Regime that applies under the SMCR and replace this with a more proportionate approach, although details of these proposals are yet to be published.

FSMA 2023 introduced new provisions under which HM Treasury may designate current account providers that have a significant role in the provision of UK cash access and empowered the FCA to make rules to ensure the reasonable provision of cash access services. In September 2024, the FCA introduced new rules which require designated firms to consider the impact of a planned closure of a branch or conversion of free-to-use ATMs (cash machines or cashpoints) on their customers' everyday banking needs and the availability and provision of alternatives. Barclays Bank UK PLC has been designated as a relevant current account provider and is therefore subject to the rules.

Following increasing regulatory focus in 2023, the FCA published its findings on the reasons for payment account closures, in light of concerns that customer accounts were being closed on the basis of customers' political views. In September 2024, the FCA published a follow-up report outlining further findings and expectations for firms, particularly in respect of the Consumer Duty. HM Treasury previously announced plans to require banks to provide clear and tailored reasons for the closure of payment accounts as well as extending the notice period of such closure to 90 days, although these reforms have not yet been implemented.

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 new reimbursement requirement took effect in October 2024. It has imposed a maximum reimbursement limit of £85,000 with costs split 50:50 between the sending and receiving firms. Similar but less stringent rules will apply in the EU with the expected adoption in 2025 of the proposed amendment to the Payment Services Directive and the new Payment Services Regulation (together known as PSD).

In the EU, new initiatives such as the proposed Regulation on Financial Data Access (FIDA) establish a framework on data sharing between financial institutions at the initiative of customers, allowing financial institutions to better tailor products and services.

Data protection

Most jurisdictions where the 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 respectively 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 (Use and Access) Bill was introduced to the UK Parliament in October 2024, which if enacted will bring some divergence between the EU GDPR and UK GDPR.

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 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, in preparation for the implementation of the Digital Personal Data Protection Act, which passed in 2023, the Government has yet to issue finalised implementation rules for a robust mechanism of privacy protection and rights.

Supervision and regulation (continued)

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 Gramm-Leach-Bliley Act (GLBA) and the California Consumer Privacy Act of 2018, as amended by the California Privacy Rights Act of 2020 (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 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 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 from time to time, 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.

In May 2024, the SEC adopted amendments to expand the scope of and introduce new requirements under Regulation S-P, a set of privacy rules adopted pursuant to the GLBA and the Fair and Accurate Credit Transactions Act of 2003 that govern the treatment of non-public personal information about consumers by certain financial institutions, including BCI. In addition to expanding the scope of customer information protected under Regulation S-P's safeguards and disposal rules, the amendments will require covered financial institutions to (i) develop, implement and maintain written policies and procedures for an incident response programme reasonably designed to detect, respond to and recover from unauthorised access to or use of customer information, (ii) notify individuals whose sensitive customer information was, or is reasonably likely to have been, accessed or used without authorisation as soon as practicable, but not later than 30 days, after becoming aware that an incident has or is reasonably likely to have occurred and (iii) establish, maintain and enforce written policies and procedures reasonably designed to require oversight and monitoring of service providers, including by requiring relevant service providers to provide notification to the covered institution as soon as possible, but no later than 72 hours, after becoming aware of a breach in security has occurred resulting in unauthorised access to a customer information system maintained by the service provider.

In October 2024, the CFPB released its final rule titled "Required Rulemaking on Personal Financial Data Rights" as required to implement Section 1033 of the Consumer Financial Protection Act of 2010. The final rule requires banks, credit unions and other financial service providers that meet the definition of covered data providers to make covered data regarding covered products and services available in an electronic form to consumers and authorised third parties, subject to a number of requirements. The final rule also sets out criteria a third party must satisfy in order to be an authorised third party and therefore access consumers' data, including certifying to the relevant consumer it will satisfy certain obligations regarding the collection, use and retention of covered data and obtaining express and informed consumer consent.

Compliance with this rule will be phased in over several years, with the first set of requirements taking effect from 1 April 2026, and with Barclays Bank Delaware becoming subject to the rule on 1 April 2027.

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. The UK operational resilience 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 cyberattack, by no later than 31 March 2025. In December 2024, the FCA and the PRA each published a consultation paper (CP24/28 and CP17/24 respectively) on proposals for firms to report operational incidents and their material third party arrangements to enhance the operational resilience framework. The FCA has stated that it expects to publish finalised rules in a policy statement in the second half of 2025, whilst the PRA has stated that the proposed implementation date for its proposals is no earlier than the second half of 2026.

FSMA 2023 introduced a new regime for designated critical third party providers (CTPs). In November 2024, the FCA, PRA, and BoE jointly released the final rules and expectations for designated CTPs with the final rules having taken effect from 1 January 2025. Whilst the new rules apply to designated CTPs themselves, there may be additional impact and costs for the Group incurred in connection with updating existing supplier arrangements to reflect the new CTP requirements where suppliers are designated as critical CTPs.

Supervision and regulation (continued)

The EU's Digital Operational Resilience Act (DORA) entered into force in January 2023 and has applied from 17 January 2025, 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. Firms which do not meet the regulations under DORA can face significant fines and other regulatory measures. The EU's Network and Information Security (NIS) Directive, which aimed to improve the resilience of network and information systems in the EU against cybersecurity risks, has been updated. The revised version, NIS2, applies from 18 October 2024 and imposes stricter security, governance and incident reporting requirements. Failure to comply can lead to significant fines and senior manager liability among other things. The extraterritorial effect of NIS2 means entities established outside the EU may fall within its ambit if providing certain services in the EU. In the UK, the original NIS Directive was transposed into UK law and still applies but a new Cyber Security and Resilience Bill is planned to be introduced to Parliament in 2025.

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 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 of these risks; 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.

In late 2023, NYDFS amended its cybersecurity regulation applying to the New York Branch of Barclays Bank PLC, with various implementation deadlines through November 2025. 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).

The existing and anticipated requirements specified in the UK, EU, and US for increased controls will serve to improve industry standardisation and resilience capabilities, enhancing Barclays' ability to deliver services during periods of potential disruption. Such measures are resulting in increased technology and compliance costs for the Group.

Artificial intelligence

A number of jurisdictions where the Barclays Group operates have adopted or are considering adopting laws regulating artificial intelligence (AI).

The EU's Artificial Intelligence Act (EU AI Act), which entered into force on 1 August 2024, provides rights and duties designed to ensure the safe and ethical deployment of AI. The EU AI Act requires organisations to ensure suitable levels of AI literacy within their workforce and categorises AI systems based on their level of risk. It has a phased approach to compliance, with the first set of requirements prohibiting certain uses of AI applying from 2 February 2025. It also establishes a rigorous compliance regime for high-risk AI applications (which provisions apply from 2 August 2027). The extraterritorial effect of the of EU AI Act means entities established outside the EU fall with the EU AI Act's ambit if they provide or deploy AI in the EU or the output of their AI is used in the EU.

Similarly, several U.S. states are considering enacting or have already enacted regulations concerning the use of AI technologies, including Colorado's An Act Concerning Consumer Protections In Interactions with AI Systems and the Utah AI Policy Act. Moreover, U.S. federal and state agencies and regulators are considering how existing laws and regulations may apply to the use of AI technologies. For example, in October of 2024, NYDFS issued guidance addressed to executives and information security personnel of regulated entities to assist them in understanding and assessing cybersecurity risks associated with the use of AI, and implementing appropriate controls to mitigate such risks using the cybersecurity regulation as a relevant framework (e.g., undertaking AI-specific risk assessments, accounting for AI-related risks in contracts with third party service providers, implementing access controls to combat deepfakes and other AI-enhanced social engineering attacks).

Regulatory initiatives on ESG

Regulatory initiatives on ESG in the UK

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. The new anti-greenwashing rule (and associated guidance) came into force on 31 May 2024 and the labelling regime was made available from 31 July 2024, whilst the disclosure regime continues to be implemented on a phased basis from late 2024 until the end of 2026. The FCA also published a consultation in April 2024 on extending the SDR and investment labels regime to portfolio management and expects to publish a Policy Statement and further information about implementation in Q2 2025.

The Digital Markets, Competition and Consumers Act 2024 (DMCCA) received Royal Assent in May 2024, introducing major updates to UK competition and consumer protection laws. These reforms included the expansion of the powers held by the Competition and Markets Authority (CMA), in relation to digital markets, merger control and antitrust rules, as well as consumer law.

Supervision and regulation (continued)

Expected to commence in spring 2025, the CMA will be able to directly impose significant fines of up to 10% of global turnover for breaches of consumer protection law. As one of the regulators entrusted with consumer protection in the UK, the CMA has already been actively focusing on misleading environmental claims, with recent investigations and regulatory action taken in relation to the UK fashion industry for example. The CMA has the ability to investigate potential breaches of consumer protection laws by financial services firms also, and the FCA will be able to make recommendations to the CMA to exercise its powers under the DMCCA. The DMCCA also simplifies and enhances the process by which the regulators may obtain enforcement orders and undertakings for breaches of consumer law. The Advertising Standards Authority is responsible for regulating the content of advertisements, sales promotions and direct marketing in the UK, and has also been focusing on greenwashing, including investigating and making rulings against advertisements from financial services firms due to greenwashing

In its election manifesto, the Government states that it would mandate UK regulated financial institutions and FTSE 100 companies to develop and implement credible transition plans that align with the 1.5°C goal of the Paris Agreement. Consequently, it intends to consult in H1 2025 on how best to take that commitment forward. The UK's Transition Plan Taskforce (TPT) concluded its work on a disclosure framework for transition plans in October 2024, with the International Financial Reporting Standards (IFRS) Foundation now assuming responsibility for the TPT's disclosure materials. It is widely expected that the work of the TPT will likely form the basis of transition plan disclosure requirements mandated by the Government and UK regulators.

In September 2024, the Government published information on its framework to create UK Sustainability Reporting Standards (UK SRS). Subject to an affirmative endorsement decision, and following a consultation process, the Government would create the first two UK Sustainability Reporting Standards, based on those of the International Sustainability Standards Board (ISSB) (IFRS S1 on general requirements for disclosure of sustainability related financial information and IFRS S2 on climate-related disclosures) and these standards will form part of a wider Sustainability Disclosure Reporting (SDR) framework led by HM Treasury. The Government aims to make its endorsement decisions on the first two UK Sustainability Reporting Standards (SRS) in Q1 2025. As there is some overlap between IFRS S2 and the TPT Disclosure Framework, the FCA plans, through its consultation on implementing UK-endorsed ISSB standards, to consult on strengthening its expectations for transition plan disclosures with reference to the TPT Disclosure Framework, as noted above. In addition, 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 UK Listing Rules).

The UK Government published a consultation in November 2024 seeking views on whether a UK Green Taxonomy would be a useful tool to support investment activities aligned with sustainability ambitions and as a mitigant to greenwashing activity.

Regulatory initiatives on ESG in the EU

The EU Regulation on Sustainable Finance Disclosures Regulation (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. The European Securities and Markets Authority has also published guidelines for funds in-scope of SFDR regarding the use of ESG- or sustainability-related terms in their names.

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 EU Corporate Sustainability Reporting Directive (CSRD) introduces significant sustainability related reporting obligations covering a wide range of topics beyond climate change 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 (i.e., the European Sustainability Reporting Standards, or the 'ESRS') have been published and are expected to require significant amounts of data collection. Disclosure requirements may apply to companies in respect of their global operations, and not just their operations within the EU. The breadth of the ESRS is significant for financial institutions, as companies to which finance has been provided are considered to be within scope of their value chain, and thus their reporting. The European Commission is currently developing sector-specific reporting standards which are expected to clarify its expectations for reporting by financial institutions, but these are not expected to be released before mid-2026. The CSRD has also introduced assurance requirements in respect of sustainability reporting, intended to put this reporting on a similar footing to financial reporting audit requirements. Assurance standards are currently being developed by the European Commission and expected in mid-2026, with Member States free to apply national standards for assurance in the meantime.

Supervision and regulation (continued)

The CRR II 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 included in the CRR III and CRD VI banking package will extend the scope of these disclosures and the emphasis on ESG, with a number of new ESG-related requirements, including the development of mandatory prudential transition plans and new supervisory powers for competent authorities specifically relating to ESG risk, including assessment of prudential transition plans and ESG risk governance and risk management processes now being part of the Supervisory Review and Evaluation Process. The ECB has made, and continues to regard, the supervision of the approach of institutions to ESG risk a priority.

In July 2024, the Directive on Corporate Sustainability Due Diligence (CSDDD) entered into force, and will require certain EU and non-EU entities to carry out due diligence in relation to their own operations and 'chain of activities', in order to identify and prevent, bring to an end or mitigate the actual and potential adverse impact of their own operations, the operations of their subsidiaries or of their business partners on human rights and the environment. For regulated financial undertakings, the Directive covers own operations and the upstream value chain but not the activities of their downstream business partners that receive their financial services and products. However, the Directive foresees that the EU Commission should submit a report to the EU Parliament and the Council on the necessity to lay down additional sustainability due diligence requirements tailored to regulated financial undertakings by July 2026. Moreover, entities in scope of the Directive will also be required to adopt and put into effect a climate change mitigation transition plan with specific requirements. The Commission will publish guidance on the transition plan requirements.

The CSDDD is a particularly significant measure, with failure to comply with obligations under the Directive potentially giving rise to the imposition of administrative fines based on net worldwide turnover and civil liability. These obligations will apply after transposition into national laws in each EU Member State on a phased basis from July 2027. The EU is currently considering proposals to review some parts of CSDDD and other sustainability related legislation, but any proposed amendments remain to be seen.

Regulatory initiatives on ESG in the US

Barclays may be impacted by various ESG regulatory and legislative developments in the US at both the federal and state level. In March 2024, the SEC adopted rules requiring U.S.-listed companies (including foreign private issuers such as Barclays PLC and Barclays Bank PLC) to disclose extensive climate-related information. In April 2024, the SEC issued an order voluntarily staying these new climate-related disclosure rules pending judicial review following a number of legal challenges to the new rules in U.S. courts. The outcome of these legal challenges remains uncertain, and the fate of these rules may be impacted by the change in presidential administrations. In addition, bills proposed or adopted by the legislatures of certain US states may impose different climate related-disclosure (such as the California climate disclosure laws) or other ESG-related requirements, including anti-ESG provisions, on businesses operating in such US states. Examples of recent climate related-disclosure legislation include the Climate Corporate Data Accountability Act (SB-253) and the Greenhouse Gases: Climate-Related Financial Risk bill (SB-261) adopted in California in 2023 (expected to apply commencing in 2026), and the Climate Corporate Data Accountability Act (S.B. 897) proposed in the state of New York in 2023. As an example of anti-ESG bills, in 2021, Texas adopted anti-boycott legislation prohibiting Texas state entities from entering into contracts with companies that boycott energy companies. 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, in force from 1 September 2025, of failing to prevent a person associated with the Group from committing fraud for the benefit of the Group. In addition, this legislation also extends the concept of corporate criminal liability. 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 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 Group to have reasonable procedures in place to prevent the criminal facilitation of tax evasion by persons acting for, or on behalf of, the 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).

Supervision and regulation (continued)

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's anti-money laundering regime has been implemented through a series of the Fourth to Sixth Anti-Money Laundering Directives, which Member States are then required to transpose into their local law – the Fourth and Fifth Money Laundering Directives (2015/849 and 2018/843) set out the current requirements for Member States to transpose in respect of AML. The EU has introduced a new Sixth Anti-Money Laundering Directive 2024/1640, which will repeal and replace the previous Directives and which Member States will be required to implement by 2027. In addition, the EU has passed the Anti-Money Laundering Regulation (EU) 2024/1624 which will have direct effect in Member States, with most provisions in force from 2027. Furthermore, the 2015/849 and the Fifth Anti-Money Laundering Agency Regulation (EU) 2024/1620 establishes the Authority for Anti-Money Laundering and Countering the Financing of Terrorism (AMLA) which will have direct supervisory powers over the 40 most systemic financial institutions in the EU and will indirectly impact other market parties. Further changes to Directive (EU) 2018/849 are being proposed through the Sixth Anti-Money Laundering Directive, and a package of further reforms are 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 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, and expanded authorities threatening the imposition of sanctions, 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 adherence to such laws could have serious legal, financial and reputational consequences for the institution.

Financial review

A review of the Group's performance, including the key performance indicators, and the contribution of each of our businesses to the overall performance of the Group.

Key performance indicators

In assessing the financial performance of the Group, management uses a range of KPIs which focus on the Group's financial strength, the delivery of sustainable returns and cost management. KPIs reflect the targets and ambitions followed during 2024.

Non-IFRS performance measures

The Group's management believes that the non-IFRS performance measures included in this document provide valuable information to the readers of the financial statements as they enable the reader to identify a more consistent basis for comparing the businesses' performance between financial periods, and provide more detail concerning the elements of performance which the managers of these businesses are most directly able to influence or are relevant for an assessment of the Group.

They also reflect an important aspect of the way in which operating targets are defined and performance is monitored by management. However, any non-IFRS performance measures in this document are not a substitute for IFRS measures and readers should consider the IFRS measures as well. Refer to the non-IFRS performance measures section for further information and calculations of non-IFRS performance measures included throughout this section and the most directly comparable IFRS measures.

Definition	Why is it important and how the Group performed	
Common Equity Tier 1 (CET1) ratio Capital requirements are part of the regulatory framework governing how banks and depository institutions are supervised. Capital ratios express a bank's capital as a percentage of its risk weighted assets (RWAs) as defined by the PRA. CET1 ratio is a measure of capital as defined within the Definition of Capital section of the PRA's Prudential and Resolution Policy - Banking Index.	The Group's capital management objective is to maximise shareholder value by prudently managing the level and mix of its capital to: ensure the Group and all of its subsidiaries are appropriately capitalised relative to their regulatory minimum and stressed capital requirements, support the Group's risk appetite, growth and strategic options, while seeking to maintain a robust credit proposition for the Group and its subsidiaries. The CET1 ratio of 13.6% (December 2023: 13.8%) was within our target range of 13-14%. The c.20bps decrease was due to RWAs increasing by £15.4bn to £358.1bn inclusive of Tesco Bank acquisition, strategic growth in lending and regulatory driven methodology changes. This was partially offset by an increase in CET1 capital of £1.3bn to £48.6bn. **Group target: a CET1 ratio in the range of 13-14%.**[2]	**CET1 ratio** 13.6% 2023: 13.8% 2022: 13.9%
Return on average tangible shareholders' equity (RoTE) RoTE is calculated as Group attributable profit, as a proportion of average tangible shareholders' equity.	This measure indicates the return generated by the management of the business based on ordinary shareholders' tangible equity. Achieving a target RoTE demonstrates the organisation's ability to execute its strategy and align management's interests with the shareholders'. RoTE lies at the heart of the Group's capital allocation and performance management process. The Group performed in line with both RoTE targets in 2024. Statutory Group RoTE was 10.5% (2023: 9.0%). Excluding the impact of inorganic activity[1], Group RoTE was 10.5%. **2024 Group target: RoTE of greater than 10.0% and c.10.5% excluding inorganic activity.** **2026: targeting Group RoTE of greater than 12%.**[2]	**Group RoTE** 10.5% 2023: 9.0% 2022: 10.4%

Notes:
1 Inorganic activity refers to certain inorganic transactions announced as part of the FY23 Investor Update designed to improve Group RoTE beyond 2024. In FY24 this included the £220m loss on sale of the performing Italian retail mortgage portfolio, the £9m loss on disposal from the German consumer finance business and the £26m loss on sale of the non-performing Italian retail mortgage portfolio. This was offset by the day 1 net profit before tax of £347m from the acquisition of Tesco Bank.
2 Our targets and guidance are based on management's current expectations as to the macroeconomic environment and the business and are subject to change.

Key performance indicators (continued)

Definition	Why is it important and how the Group performed	
Total operating expenses	Barclays views total operating expenses as a key strategic area for banks; those who actively manage costs and control them effectively will gain a strong competitive advantage. Group total operating expenses decreased to £16.7bn (2023: £16.9bn) including the £93m impact from the Bank of England levy scheme introduced in 2024. Group operating costs were 3% lower at £16.2bn, reflecting £0.8bn lower structural cost actions year-on-year partially offset by inflation, investment spend and business growth, enabled by £1.0bn of cost efficiency savings. 2024 total structural cost actions were £0.3bn (2023: £1.0bn) with Q424 structural cost actions of £0.1bn (Q423: £0.9bn).	**Total operating expenses** £16.7bn 2023: £16.9bn 2022: £16.7bn
Cost: income ratio Total operating expenses divided by total income.	This is a measure management uses to assess the productivity of the business operations. Managing the cost base is a key execution priority for management and includes a review of all categories of discretionary spending and an analysis of how we can run the business to ensure that costs increase at a slower rate than income. The Group cost: income ratio was 62% (2023: 67%), in line with our target of c.63%, as the Group delivered positive cost:income jaws of 7%. **2024 Group target: a cost: income ratio of c.63%.** **2026: targeting Group cost:income ratio of high 50s in percentage terms.**[1]	**Cost: income ratio** 62% 2023: 67% 2022: 67%

Note:
1 Our targets and guidance are based on management's current expectations as to the macroeconomic environment and the business and are subject to change.

Consolidated summary income statement

For the year ended 31 December	2024 £m	2023 £m	2022 £m	2021 £m	2020 £m
Interest income	**38,326**	35,075	19,096	11,240	11,892
Interest expense	**(25,390)**	(22,366)	(8,524)	(3,167)	(3,770)
Net interest income	**12,936**	12,709	10,572	8,073	8,122
Fee and commission income	**10,847**	10,121	9,637	9,880	8,641
Fee and commission expense	**(3,600)**	(3,592)	(3,038)	(2,206)	(2,070)
Net fee and commission income	**7,247**	6,529	6,599	7,674	6,571
Other income	**6,605**	6,140	7,785	6,193	7,073
Total income	**26,788**	25,378	24,956	21,940	21,766
Operating costs	**(16,195)**	(16,714)	(14,957)	(14,092)	(13,434)
UK regulatory levies	**(320)**	(180)	(176)	(170)	(299)
Litigation and conduct	**(220)**	(37)	(1,597)	(397)	(153)
Total operating expenses	**(16,735)**	(16,931)	(16,730)	(14,659)	(13,886)
Other net income/(expenses)	**37**	(9)	6	260	23
Profit before impairment	**10,090**	8,438	8,232	7,541	7,903
Credit impairment (charges)/releases	**(1,982)**	(1,881)	(1,220)	653	(4,838)
Profit before tax	**8,108**	6,557	7,012	8,194	3,065
Tax charge	**(1,752)**	(1,234)	(1,039)	(1,138)	(604)
Profit after tax	**6,356**	5,323	5,973	7,056	2,461
Non-controlling interests	**(49)**	(64)	(45)	(47)	(78)
Other equity instrument holders	**(991)**	(985)	(905)	(804)	(857)
Attributable profit	**5,316**	4,274	5,023	6,205	1,526
Selected financial statistics					
Basic earnings per share	**36.0p**	27.7p	30.8p	36.5p	8.8p
Diluted earnings per share	**34.8p**	26.9p	29.8p	35.6p	8.6p
Return on average tangible shareholders' equity	**10.5%**	9.0%	10.4%	13.1%	3.2%
Cost: income ratio	**62%**	67%	67%	67%	64%

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

Income statement commentary

2024 compared to 2023

- Barclays delivered a profit before tax of £8,108m (2023: £6,557m), RoTE of 10.5% (2023: 9.0%) and EPS of 36.0p (2023: 27.7p)
- The Group has a diverse income profile across businesses and geographies including a significant presence in the US. The appreciation of average GBP against USD negatively impacted income and positively impacted credit impairment charges and total operating expenses. The full-year impact of FX was broadly neutral to profits.
- Group statutory income increased 6% to £26,788m (2023: £25,378m), including the impact of inorganic activity[1]
  - Excluding the £327m impact of inorganic activity[1], Group income increased 4%, as higher structural hedge income, higher Investment Banking fees, increased income in Equities and balance growth in USCB were partially offset by mortgage margin compression and adverse product dynamics in deposits in Barclays UK, which have stabilised throughout 2024, as well as lower FICC income
- Group total operating expenses decreased to £16,735m (2023: £16,931m), including the £93m impact of the BoE levy scheme introduced in 2024
  - Group operating costs were 3% lower at £16,195m, reflecting £0.8bn lower structural cost actions year-on-year partially offset by inflation, investment spend and business growth, enabled by £1.0bn of cost efficiency savings
  - 2024 total structural cost actions were £273m (2023: £1,046m) with Q424 structural cost actions of £110m (Q423: £927m)
- Credit impairment charges increased to £1,982m (2023: £1,881m), driven by the £209m charge on the acquisition of Tesco Bank and the anticipated higher delinquencies in US cards, partially offset by the impact of credit risk management actions and methodology enhancements. Total coverage ratio reduced to 1.2% (December 2023: 1.4%) primarily driven by the reclassification of a co-branded cards portfolio in USCB to assets held for sale
- The effective tax rate (ETR) was 21.6% (2023: 18.8%). The 2024 ETR includes tax relief on payments made under Additional Tier 1 (AT1) instruments and on holdings of inflation-linked government bonds.
- Attributable profit was £5,316m (2023: £4,274m)

Notes:
1 Inorganic activity refers to certain inorganic transactions announced as part of the FY23 Investor Update designed to improve Group RoTE beyond 2024. In FY24 this included the £220m loss on sale of the performing Italian retail mortgage portfolio, the £9m loss on disposal from the German consumer finance business and the £26m loss on sale of the non-performing Italian retail mortgage portfolio. This was offset by the day 1 net profit before tax of £347m from the acquisition of Tesco Bank which completed 1 November 2024.

Consolidated summary balance sheet

As at 31 December	2024 £m	2023 £m	2022 £m	2021 £m	2020 £m
Assets					
Cash and balances at central banks	**210,184**	224,634	256,351	238,574	191,127
Cash collateral and settlement balances	**119,843**	108,889	112,597	92,542	101,367
Debt securities at amortised cost	**68,210**	56,749	45,487	31,831	23,805
Loans and advances at amortised cost to banks	**8,327**	9,459	10,015	9,698	8,900
Loans and advances at amortised cost to customers	**337,946**	333,288	343,277	319,922	309,927
Reverse repurchase agreements and other similar secured lending at amortised cost	**4,734**	2,594	776	3,227	9,031
Trading portfolio assets	**166,453**	174,605	133,813	147,035	127,950
Financial assets at fair value through the income statement	**193,734**	206,651	213,568	191,972	175,151
Derivative financial instruments	**293,530**	256,836	302,380	262,572	302,446
Financial assets at fair value through other comprehensive income	**78,059**	71,836	65,062	61,753	78,688
Other assets	**37,182**	31,946	30,373	25,159	21,122
Total assets	**1,518,202**	1,477,487	1,513,699	1,384,285	1,349,514
Liabilities					
Deposits at amortised cost from banks	**13,203**	14,472	19,979	17,819	17,343
Deposits at amortised cost from customers	**547,460**	524,317	525,803	501,614	463,693
Cash collateral and settlement balances	**106,229**	94,084	96,927	79,371	85,423
Repurchase agreements and other similar secured borrowings at amortised cost	**39,415**	41,601	27,052	28,352	14,174
Debt securities in issue	**92,402**	96,825	112,881	98,867	75,796
Subordinated liabilities	**11,921**	10,494	11,423	12,759	16,341
Trading portfolio liabilities	**56,908**	58,669	72,924	54,169	47,405
Financial liabilities designated at fair value	**282,224**	297,539	271,637	250,960	249,765
Derivative financial instruments	**279,415**	250,044	289,620	256,883	300,775
Other liabilities	**16,544**	17,578	16,193	13,450	11,917
Total liabilities	**1,445,721**	1,405,623	1,444,439	1,314,244	1,282,632
Equity					
Called up share capital and share premium	**4,186**	4,288	4,373	4,536	4,637
Other equity instruments	**12,075**	13,259	13,284	12,259	11,172
Other reserves	**(468)**	(77)	(2,192)	1,770	4,461
Retained earnings	**56,028**	53,734	52,827	50,487	45,527
Total equity excluding non-controlling interests	**71,821**	71,204	68,292	69,052	65,797
Non-controlling interests	**660**	660	968	989	1,085
Total equity	**72,481**	71,864	69,260	70,041	66,882
Total liabilities and equity	**1,518,202**	1,477,487	1,513,699	1,384,285	1,349,514
Net asset value per ordinary share	**414p**	382p	347p	339p	315p
Tangible net asset value per share	**357p**	331p	295p	291p	269p
Number of ordinary shares of Barclays PLC (in millions)	**14,420**	15,155	15,871	16,752	17,359
Year-end USD exchange rate	**1.25**	1.28	1.20	1.35	1.37
Year-end EUR exchange rate	**1.21**	1.15	1.13	1.19	1.11

Balance sheet commentary

2024 compared to 2023

Total assets

Total assets increased £40.7bn to £1,518.2bn.

Cash and balances at central banks decreased by £14.5bn to £210.2bn primarily driven by a change in the composition of the Group liquidity pool from cash and deposits at central banks to debt securities.

Debt securities at amortised cost increased by £11.5bn to £68.2bn and Financial assets at fair value through other comprehensive income increased £6.2bn to £78.1bn primarily driven by a change in the composition of the Group liquidity pool from cash and deposits at central banks to debt securities.

Loans and advances at amortised cost to banks and customers increased £3.5bn to £346.3bn driven by the acquisition of Tesco Bank and higher lending in Global Markets, partially offset by the reclassification of a co-branded card portfolio to assets held for sale.

Trading portfolio assets decreased £8.2bn to £166.5bn and Financial assets at fair value through the income statement decreased £12.9bn to £193.7bn as increases in client activity and underlying growth in financing balances were more than offset by balance sheet efficiencies and increased netting opportunities.

Derivative financial instrument assets increased £36.7bn to £293.5bn. In addition to increased client activity, increased mark-to-market on FX derivatives was driven by USD appreciation in Q424, partially offset by a reduction in interest rate derivatives due to an increase in the USD and GBP forward rate curves. Cash collateral and settlement balances increased by £11.0bn to £119.8bn.

Total liabilities

Total liabilities increased £40.1bn to £1,445.7bn.

Deposits at amortised cost to banks and customers increased £21.9bn to £560.7bn driven by deposit growth in International Corporate Bank and Private Bank and Wealth Management.

Derivative financial instrument liabilities increased £29.4bn to £279.4bn. In addition to increased client activity, increased mark-to-market on FX derivatives was driven by USD appreciation in Q424, partially offset by a reduction in interest rate derivatives due to an increase in the USD and GBP forward rate curves. Cash collateral and settlement balances increased by £12.1bn to £106.2bn.

Trading portfolio liabilities decreased £1.8bn to £56.9bn and Financial liabilities designated at fair value decreased £15.3bn to £282.2bn driven by balance sheet efficiencies and increased netting opportunities.

Total shareholders' equity

Total shareholders' equity increased £0.6bn to £72.5bn.

Retained earnings increased £2.3bn to £56bn, mainly due to profits of £5.3bn, offset by share repurchases of £1.8bn and dividends of £1.2bn.

Other equity instruments decreased £1.2bn to £12.1bn, due to two redemptions (£1.3bn and $2.0bn) partially offset by issuance of two AT1 instruments (£1.3bn and SGD 0.6bn). AT1 securities are perpetual subordinated contingent convertible securities structured to qualify as AT1 instruments under prevailing capital rules applicable as at the relevant issue date.

Other reserves decreased by £0.4bn, due to an increase in the cumulative loss in the own credit reserve of £0.8bn to a £1.1bn loss which principally reflects the tightening of credit spreads and an increase in the cumulative loss in fair value through other comprehensive income reserve of £0.5bn to a £1.9bn loss, driven by a decrease in EUR asset swap spreads, partially offset by a gain in the cash flow hedging reserve of £0.8bn to a £2.9bn accumulated loss driven by accumulated losses transferred to the income statement offset by a loss from fair value movements on interest rate swaps as major interest rate forward curves increased.

Tangible net asset value per share increased to 357p (December 2023: 331p) including EPS of 36.0p, a c.7p benefit from the reduction in share count as a result of the completion of the share buybacks announced at FY23 and H124 Results and a 5p benefit from the cash flow hedging reserve. These were partially offset by an 8p reduction from dividends paid during 2024 and net negative other reserve movements.

Analysis of results by business

Barclays UK

	2024	2023	2022
	£m	£m	£m
Income statement information			
Net interest income	**6,627**	6,431	5,893
Net fee, commission and other income	**1,647**	1,156	1,366
Total income	**8,274**	7,587	7,259
Operating costs	**(4,235)**	(4,393)	(4,260)
UK regulatory levies	**(78)**	(30)	(26)
Litigation and conduct	**(16)**	8	(41)
Total operating expenses	**(4,329)**	(4,415)	(4,327)
Other net income	**—**	—	—
Profit before impairment	**3,945**	3,172	2,932
Credit impairment charges	**(365)**	(304)	(286)
Profit before tax	**3,580**	2,868	2,646
Attributable profit	**2,465**	1,962	1,877
Performance measures			
Return on average allocated tangible equity	**23.1%**	19.2%	18.7%
Average allocated tangible equity	**£10.7bn**	£10.2bn	£10.0bn
Cost: income ratio	**52%**	58%	60%
Loan loss rate (bps)	**16**	14	13
Net interest margin	**3.29%**	3.13%	2.86%
Key facts			
UK mortgage balances	**£163.1bn**	£163.5bn	£162.2bn
Mortgage gross lending flow	**£23.9bn**	£22.7bn	£30.3bn
Average LTV of mortgage portfolio[1]	**53%**	54%	50%
Average LTV of new mortgage lending[1]	**66%**	63%	68%
Number of branches	**221**	306	481
Digitally active customers[2]	**13.4m**	12.7m	12.1m
30 day arrears rate - Barclaycard Consumer UK[3]	**0.7%**	0.9%	0.9%
Number of employees (full time equivalent)	**18,000**	6,800	6,200
Balance sheet information			
Loans and advances to customers at amortised cost	**£207.7bn**	£202.8bn	£205.1bn
Total assets	**£299.8bn**	£293.1bn	£313.2bn
Customer deposits at amortised cost	**£244.2bn**	£241.1bn	£258.0bn
Loan: deposit ratio	**92%**	92%	87%
Risk weighted assets	**£84.5bn**	£73.5bn	£73.1bn
Period end allocated tangible equity	**£11.6bn**	£10.2bn	£10.1bn

Notes:
1 Average loan to value (LTV) of mortgages is balance weighted and reflects both residential and buy-to-let (BTL) mortgage portfolios within the Home Loans portfolio.
2 Mobile active customers has been replaced by digitally active customers as a more complete reflection of digital adoption by Barclays UK customers.
3 Excluding the impact of Tesco Bank acquisition.

Analysis of results by business (continued)

Analysis of Barclays UK

	2024	2023	2022
	£m	£m	£m
Analysis of total income			
Personal Banking[1]	**5,333**	4,729	4,540
Barclaycard Consumer UK	**937**	964	1,093
Business Banking	**2,004**	1,894	1,626
Total income	**8,274**	7,587	7,259
Analysis of credit impairment (charges)/releases			
Personal Banking[1]	**(281)**	(170)	(167)
Barclaycard Consumer UK	**(113)**	(162)	30
Business Banking	**29**	28	(149)
Total credit impairment charges	**(365)**	(304)	(286)
Analysis of loans and advances to customers at amortised cost			
Personal Banking	**£177.0bn**	£170.1bn	£169.7bn
Barclaycard Consumer UK	**£11.0bn**	£9.7bn	£9.2bn
Business Banking	**£19.7bn**	£23.0bn	£26.2bn
Total loans and advances to customers at amortised cost	**£207.7bn**	£202.8bn	£205.1bn
Analysis of customer deposits at amortised cost			
Personal Banking	**£191.4bn**	£185.4bn	£195.6bn
Barclaycard Consumer UK	**—**	—	—
Business Banking	**£52.8bn**	£55.7bn	£62.4bn
Total customer deposits at amortised cost	**£244.2bn**	£241.1bn	£258.0bn

2024 compared to 2023

- Profit before tax increased 25% to £3,580m. Barclays UK delivered a RoTE of 23.1% (2023: 19.2%) supported by robust income, strong asset quality and disciplined cost management, with continued investment in delivering a simpler, better and more balanced retail bank
  - Excluding the net positive day 1 impact from the Tesco Bank acquisition of £347m, profit before tax increased 13% to £3,233m with a RoTE of 20.8%
- Total income increased 9% to £8,274m primarily driven by the £556m day 1 gain from the acquisition of Tesco Bank. Excluding the impact of the day 1 gain, income increased 2% to £7,718m. NII increased 3% to £6,627m, as continued structural hedge momentum and the Q424 Tesco Bank NII benefit were partially offset by adverse deposit dynamics, which have stabilised throughout 2024, and mortgage margin compression. Net fee, commission and other income increased 42% to £1,647m driven primarily by the £556m day 1 gain from the acquisition of Tesco Bank. Excluding the impact from the day 1 gain, net fee, commission and other income decreased 6% to £1,091m primarily driven by the transfer of WM&I to PBWM[2]
  - Personal Banking income increased 13% to £5,333m, driven primarily by the £556m day 1 gain from the acquisition of Tesco Bank. Excluding the impact from the day 1 gain, income was broadly stable at £4,777m, as continued structural hedge momentum and the Q424 Tesco Bank NII were partially offset by adverse deposit dynamics and mortgage margin compression
  - Barclaycard Consumer UK income decreased 3% to £937m due to lower interest earning lending balances, resulting from higher customer spend being more than offset by repayments
  - Business Banking income increased 6% to £2,004m driven by continued structural hedge momentum, partially offset by lower government scheme lending as repayments continue and lower deposit volumes
- Total operating expenses decreased 2% to £4,329m, driven by lower structural cost actions and by the transfer of WM&I to PBWM[1] partially offset by Q424 Tesco Bank costs and inflation. Ongoing efficiency savings continue to be reinvested, to drive sustainable improvement to the cost: income ratio
- Credit impairment charges were £365m (2023: £304m), driven by the £209m day 1 impact from the acquisition of Tesco Bank, partially offset by a resilient credit performance in UK cards and UK mortgages. UK cards 30 and 90 day arrears remained low at 0.7%[3] (Q423: 0.9%) and 0.2%[3] (Q423: 0.2%) respectively. The UK cards total coverage ratio reduced to 4.8% (December 2023: 6.8%) following the day 1 impact from the acquisition of Tesco Bank and release of the affordability linked adjustments
- Loans and advances to customers at amortised cost increased by £4.9bn to £207.7bn, primarily driven by a c.£8bn increase from the acquisition of Tesco Bank, growth in unsecured lending and mortgage lending, partially offset by securitisation of mortgage balances in Q424 and continued repayment of government scheme lending in Business Banking
- Customer deposits at amortised cost increased by £3.1bn to £244.2bn, driven by a c.£7bn increase from the acquisition of Tesco Bank, partially offset by reduction in Business Banking and retail current account balances, however these dynamics have stabilised throughout 2024. The loan: deposit ratio remained stable at 92% (December 2023: 92%)
- RWAs increased to £84.5bn (December 2023: £73.5bn), primarily driven by a c.£7bn increase from the acquisition of Tesco Bank, lending business growth and regulatory driven methodology changes

Notes:
1 Following the completion of the acquisition on 1 November 2024, Tesco Bank is reported in Personal Banking. In Q424 and FY24, total income includes the £556m day 1 gain, and total credit impairment charges include the £209m day 1 impact.
2 WM&I was transferred in May 2023.
3 Excluding the impact of Tesco Bank acquisition

Analysis of results by business (continued)

Barclays UK Corporate Bank

	2024	2023	2022
	£m	£m	£m
Income statement information			
Net interest income	**1,206**	1,160	1,132
Net fee, commission, trading and other income	**574**	610	525
Total income	**1,780**	1,770	1,657
Operating costs	**(935)**	(905)	(812)
UK regulatory levies	**(37)**	(8)	(7)
Litigation and conduct	**(1)**	1	—
Total operating expenses	**(973)**	(912)	(819)
Other net (expenses)/income	**—**	(3)	1
Profit before impairment	**807**	855	839
Credit impairment (charges)/releases	**(76)**	27	—
Profit before tax	**731**	882	839
Attributable profit	**490**	584	563
Performance measures			
Return on average allocated tangible equity	**16.0%**	20.5%	19.2%
Average allocated tangible equity (£bn)	**£3.1bn**	£2.9bn	£2.9bn
Cost: income ratio	**55%**	52%	49%
Loan loss rate (bps)	**29**	(10)	—
Key facts			
Number of employees (full time equivalent)	**1,900**	1,800	1,700
Balance sheet information			
Loans and advances to customers at amortised cost	**£25.4bn**	£26.4bn	£26.9bn
Deposits at amortised cost	**£83.1bn**	£84.9bn	£84.4bn
Risk weighted assets	**£23.9bn**	£20.9bn	£21.1bn
Period end allocated tangible equity	**£3.3bn**	£3.0bn	£3.0bn
Analysis of total income	£m	£m	£m
Corporate lending	**267**	262	247
Transaction banking	**1,513**	1,508	1,410
Total income	**1,780**	1,770	1,657

2024 compared to 2023

- Profit before tax decreased 17% to £731m (2023: £882m). UKCB delivered a RoTE of 16.0% (2023: 20.5%), as income from increased average deposit balances was offset by lower liquidity pool income, and the continuing investment to support future growth ambitions
- Total income was broadly stable at £1,780m as increased deposit income from higher average balances was largely offset by lower liquidity pool income
- Total operating expenses increased 7% to £973m, reflecting higher ongoing spend to support growth ambitions and the BoE levy scheme
- Credit impairment charges were £76m (2023: £27m release), driven by stable underlying credit performance and limited single name charges. The release in the prior period was driven by the improved macroeconomic outlook
- Loans and advances to customers at amortised cost decreased to £25.4bn (December 2023: £26.4bn) as strategic growth in balances was more than offset by a c.£2bn reduction from refinements to the perimeter with the International Corporate Bank within IB
- Customer deposits at amortised cost decreased to £83.1bn (December 2023: £84.9bn) primarily driven by a c.£2bn reduction from refinements to the perimeter with the International Corporate Bank within IB
- RWAs increased to £23.9bn (December 2023: £20.9bn), reflecting higher client lending limits and strategic growth in lending balances

Analysis of results by business (continued)

Barclays Private Bank and Wealth Management

	2024 £m	2023 £m	2022 £m
Income statement information			
Net interest income	**767**	768	715
Net fee, commission and other income	**542**	440	299
Total income	**1,309**	1,208	1,014
Operating costs	**(911)**	(795)	(545)
UK regulatory levies	**(9)**	(4)	(4)
Litigation and conduct	**—**	2	—
Total operating expenses	**(920)**	(797)	(549)
Other net income	**—**	—	—
Profit before impairment	**389**	411	465
Credit impairment charges	**(6)**	(4)	(5)
Profit before tax	**383**	407	460
Attributable profit	**288**	330	370
Performance measures			
Return on average allocated tangible equity	**28.1%**	32.7%	36.3%
Average allocated tangible equity (£bn)	**£1.0bn**	£1.0bn	£1.0bn
Cost: income ratio	**70%**	66%	54%
Loan loss rate (bps)	**4**	3	4
Key facts			
Invested assets[1]	**124.6**	108.8	61.9
Client assets and liabilities[2]	**208.9**	182.9	139.4
Number of employees (full time equivalent)	**1,900**	2,100	1,100
Balance sheet information			
Loans and advances to customers at amortised cost	**£14.5bn**	£13.6bn	£14.4bn
Deposits at amortised cost	**£69.5bn**	£60.3bn	£62.3bn
Risk weighted assets	**£7.9bn**	£7.2bn	£7.8bn
Period end allocated tangible equity	**£1.1bn**	£1.0bn	£1.1bn

2024 compared to 2023

- Profit before tax decreased 6% to £383m with a RoTE of 28.1% (2023: 32.7%), as the business continues to see an inflow of new client balances across deposits, lending and investments which reflects the strong product offering and client engagement. Together with the impact from market movement, this has resulted in continued income growth of 8%. Costs are higher by 15% which is due to the continued investment in people, product and the platform to deliver our three year plan
- Total income increased 8% to £1,309m driven by client assets and liabilities balances growth and the transfer of WM&I from Barclays UK[3]. Net interest income was broadly flat, as the impact from higher deposits balances was offset by lower liquidity pool income. Net fee, commission and other income increased 23%, driven by higher investment balances and transactional activity
- Total operating expenses increased 15% to £920m, reflecting the transfer of WM&I from Barclays UK and higher investment spend, to support business growth ambitions
- Client assets and liabilities increased £26.0bn to £208.9bn, driven by £15.8bn increase in invested assets as a result of market movements and underlying balance growth, as well as £9.2bn increase in deposits and £0.9bn increase in gross loans to clients
- RWAs increased to £7.9bn (December 2023: £7.2bn)

Notes:
1 Invested assets represent assets under management and supervision.
2 Client assets and liabilities refers to customer deposits, lending and invested assets.
3 WM&I was transferred in May 2023.

Analysis of results by business (continued)

Barclays Investment Bank

	2024	2023	2022
	£m	£m	£m
Income statement information			
Net interest income	**1,031**	1,393	836
Net trading income	**6,241**	6,040	7,724
Net fee, commission and other income	**4,533**	3,602	3,363
Total income	**11,805**	11,035	11,923
Operating costs	**(7,666)**	(7,619)	(6,955)
UK regulatory levies	**(187)**	(123)	(119)
Litigation and conduct	**(55)**	5	(1,189)
Total operating expenses	**(7,908)**	(7,737)	(8,263)
Other net income	**—**	—	1
Profit before impairment	**3,897**	3,298	3,661
Credit impairment charges	**(123)**	(102)	(181)
Profit before tax	**3,774**	3,196	3,480
Attributable profit	**2,513**	2,041	2,806
Performance measures			
Return on average allocated tangible equity	**8.5%**	7.0%	9.3%
Average allocated tangible equity (£bn)	**£29.7bn**	£29.0bn	£30.0bn
Cost: income ratio	**67%**	70%	69%
Loan loss rate (bps)	**10**	9	18
Key facts			
Number of employees (full time equivalent)	**7,100**	7,100	6,700
Balance sheet information			
Loans and advances to customers at amortised cost	**£69.7bn**	£62.7bn	£64.6bn
Loans and advances to banks at amortised cost	**£6.8bn**	£7.3bn	£8.1bn
Debt securities at amortised cost	**£47.9bn**	£38.9bn	£27.2bn
Loans and advances at amortised cost	**£124.4bn**	£108.9bn	£99.9bn
Trading portfolio assets	**£166.1bn**	£174.5bn	£133.7bn
Derivative financial instrument assets	**£291.6bn**	£255.1bn	£301.6bn
Financial assets at fair value through the income statement	**£190.4bn**	£202.5bn	£209.4bn
Cash collateral and settlement balances	**£111.1bn**	£102.3bn	£106.2bn
Deposits at amortised cost	**£140.5bn**	£132.7bn	£121.5bn
Derivative financial instrument liabilities	**£279.0bn**	£249.7bn	£288.9bn
Risk weighted assets	**£198.8bn**	£197.3bn	£195.9bn
Period end allocated tangible equity	**£29.3bn**	£29.0bn	£28.6bn
Analysis of total income	£m	£m	£m
FICC	**4,667**	4,845	5,695
Equities	**2,875**	2,373	3,149
Global Markets	**7,542**	7,218	8,844
Advisory	**661**	593	768
Equity capital markets	**351**	219	166
Debt capital markets	**1,492**	1,148	1,281
Banking fees and underwriting	**2,504**	1,960	2,215
Corporate lending	**153**	213	(479)
Transaction banking	**1,606**	1,644	1,343
International Corporate Bank	**1,759**	1,857	864
Investment Banking	**4,263**	3,817	3,079
Total income	**11,805**	11,035	11,923

Analysis of results by business (continued)

2024 compared to 2023

- IB has a diverse income profile across businesses and geographies including a significant presence in the US. The appreciation of average GBP against USD adversely impacted income and profits, and positively impacted total operating expenses
- Profit before tax increased to £3,774m (2023: £3,196m). IB delivered a RoTE of 8.5% (2023: 7.0%) which reflects the deep client relationships, synergies across the Investment Bank, prudent capital deployment and risk management. The performance is supported by growth in our diversified income streams including improved performance in Financing[1] and Equities within Global Markets, Equity and Debt Capital markets in Investment Banking. Costs have grown by 2% reflecting the commitment to grow costs modestly
- Total income increased 7% to £11,805m

– Global Markets income increased 4% to £7,542m driven by increased income in Equities, partially offset by lower income in FICC
  – Equities income increased 21% to £2,875m, reflecting increased client activity in Derivatives and Cash products and growth in Prime financing balances, additionally supported by a £125m fair value gain on Visa B shares in Q124
  – FICC income decreased 4% to £4,667m, reflecting lower client activity in Macro and the non-repeat of the inflation benefit from prior year, partially offset by strong performance in Securitised products

– Investment Banking income increased 12% to £4,263m
  – Banking fees and underwriting income increased 28% to £2,504m reflecting an increase in the fee pool and an increased market share[2]. Debt capital markets fee increased 30% to £1,492m driven by increased activity in leverage finance and investment grade issuance. Equity capital markets fees increased 60% to £351m driven by increased deal activity including fees booked on a large UK rights issue completed in Q224. Advisory fee income increased 11% to £661m
  – International Corporate Bank income decreased 5% to £1,759m driven by lower liquidity pool income, as higher income from growth in deposit balances was offset by margin compression in deposit products including the impact of customers migrating to higher interest returning products. Corporate lending income was broadly stable

- Total operating expenses increased 2% to £7,908m driven by UK regulatory levies and litigation and conduct costs. Operating expenses excluding UK regulatory levies and litigation and conduct, remained broadly stable as the impact of inflation, and higher performance costs was offset by efficiency savings
- Credit impairment charges were £123m (2023: £102m), driven by single name charges, partially offset by the benefit of credit protection
- Loans and advances at amortised costs increased to £124.4bn (December 2023: £108.9bn) driven by increased investment in debt securities and higher lending in Global Markets
- Trading portfolio assets decreased to £166.1bn (December 2023: £174.5bn) and Financial assets at fair value through the income statement decreased to £190.4bn (December 2023: £202.5bn). Increases in client activity and underlying growth in financing balances were more than offset by balance sheet efficiencies and increased netting opportunities
- Derivative assets and liabilities increased to £291.6bn (December 2023: £255.1bn) and £279.0bn (December 2023: £249.7bn) respectively. In addition to increased client activity, increased mark-to-market on FX derivatives was driven by USD appreciation in Q424, partially offset by a reduction in interest rate derivatives due to an increase in the USD and GBP forward rate curves.
- Deposits at amortised cost increased to £140.5bn (December 2023: £132.7bn driven by deposit growth in International Corporate Bank
- RWAs remained broadly stable at £198.8bn (December 2023: £197.3bn) reflecting the commitment to improve productivity whilst not increasing RWAs materially

Notes:

1 Markets Financing includes income related to client financing in both FICC and Equities. In FICC this includes fixed income securities repurchase agreements, structured credit, warehouse and asset backed lending. In Equities this includes prime brokerage margin lending, securities lending, quantitative prime services, futures clearing and settlement, synthetic financing, and equity structured financing. All other items are considered intermediation.

2 Data source: Dealogic for the period covering 1 January to 31 December 2024.

Analysis of results by business (continued)

Barclays US Consumer Bank

	2024	2023	2022
	£m	£m	£m
Income statement information			
Net interest income	**2,659**	2,604	1,972
Net fee, commission and other income	**667**	664	667
Total income	**3,326**	3,268	2,639
Operating costs	**(1,612)**	(1,650)	(1,525)
UK regulatory levies	**—**	—	—
Litigation and conduct	**(14)**	(6)	(3)
Total operating expenses	**(1,626)**	(1,656)	(1,528)
Other net income	**—**	—	—
Profit before impairment	**1,700**	1,612	1,111
Credit impairment charges	**(1,293)**	(1,438)	(624)
Profit before tax	**407**	174	487
Attributable profit	**302**	131	356
Performance measures			
Return on average allocated tangible equity	**9.1%**	4.1%	12.7%
Average allocated tangible equity (£bn)	**£3.3bn**	£3.2bn	£2.8bn
Cost: income ratio	**49%**	51%	58%
Loan loss rate (bps)	**431**	514	237
Net interest margin	**10.65%**	10.85%	9.69%
Key facts			
US cards 30 day arrears rate	**3.0 %**	2.9 %	2.2 %
US cards customer FICO score distribution			
<660	**12%**	12%	11%
>660	**88%**	88%	89%
End net receivables ($bn)	**33.1**	32.2	29.0
Number of employees (full time equivalent)	**2,300**	**600**	**600**
Balance sheet information			
Loans and advances to customers at amortised cost	**£20.0bn**	£24.2bn	£23.6bn
Deposits at amortised cost	**£23.3bn**	£19.7bn	£18.3bn
Risk weighted assets	**£26.8bn**	£24.8bn	£23.9bn
Period end allocated tangible equity	**£3.7bn**	£3.4bn	£3.3bn

2024 compared to 2023

- The appreciation of average GBP against USD adversely impacted income and profits, and positively impacted credit impairment charges and total operating expenses
- Profit before tax was £407m (2023: £174m). RoTE of 9.1% (2023: 4.1%) driven by a reduced impairment charge from lower reserve build, and growth in cards balances driving higher income, partially offset by the strengthening of GBP against USD. c.£0.9bn ($1.1bn) of the outstanding credit card receivables were sold to Blackstone in Q124, providing a benefit from reduced RWAs
- Total income increased 2% to £3,326m. NII increased 2% to £2,659m reflecting underlying growth in cards balances. Net fee, commission and other income remained stable driven by higher purchases and account growth[1]
- Total operating expenses decreased 2% to £1,626m, driven by efficiency savings
- Credit impairment charges were £1,293m (2023: £1,438m), informed by the anticipated higher delinquencies in US cards partially offset by the impact of credit risk management actions and methodology enhancements. US cards 30 and 90 day arrears were 3.0%[2] (Q423: 2.9%) and 1.6%[2] (Q423: 1.5%) respectively. The USCB total coverage ratio increased to 11.4% (December 2023: 10.1%), primarily driven by the reclassification of a co-branded cards portfolio to assets held for sale, excluding which the coverage ratio was 9.8%
- Loans and advances to customers at amortised cost decreased to £20.0bn (December 2023: £24.2bn) driven by the a reclassification of balances to assets held for sale. Adjusting for this reclassification, loans and advances to customers at amortised cost grew to £26.0bn driven by growth in cards balances
- Customer deposits at amortised cost grew to £23.3bn (December 2023: £19.7bn), with underlying deposit growth, in line with USCB's ambition to grow core deposits
- RWAs increased to £26.8bn (December 2023: £24.8bn), driven by increased receivables

Notes:
1 Includes Barclays accounts and those serviced for third parties.
2 Including a co-branded card portfolio classified as assets held for sale.

Analysis of results by business (continued)

Head Office

	2024 £m	2023 £m	2022 £m
Income statement information			
Net interest income	**646**	353	24
Net fee, commission and other income	**(352)**	157	440
Total income	**294**	510	464
Operating costs	**(836)**	(1,352)	(860)
UK regulatory levies	**(9)**	(14)	(20)
Litigation and conduct	**(134)**	(48)	(364)
Total operating expenses	**(979)**	(1,414)	(1,244)
Other net (expenses)/income	**37**	(6)	4
Loss before impairment	**(648)**	(910)	(776)
Credit impairment charges	**(119)**	(60)	(124)
Loss before tax	**(767)**	(970)	(900)
Attributable loss	**(742)**	(774)	(949)
Performance measures			
Average allocated tangible equity	**£2.9bn**	£1.1bn	£1.6bn
Key facts			
Number of employees (full time equivalent)[1]	**61,800**	74,000	71,100
Balance sheet information			
Risk weighted assets	**£16.2bn**	£19.0bn	£14.7bn
Period end allocated tangible equity	**£2.4bn**	£3.6bn	£0.7bn

2024 compared to 2023

- Loss before tax was £767m (2023: £970m)
- Total income decreased to £294m (2023: £510m) mainly driven by the £220m loss on sale of the performing Italian retail mortgage portfolio and the £9m negative impact from the disposal of the German consumer finance business
- Total operating expenses decreased to £979m (2023: £1,414m) mainly due to the non-repeat of prior year structural cost actions. Q424 included a £90m provision in relation to historical motor finance commission arrangements[1]
- Credit impairment charges were £119m (2023: £60m), including a £26m loss on sale on the non-performing Italian mortgage portfolio. The lower charge in the prior period was influenced by easing inflationary pressure in the modelled German consumer finance business
- RWAs decreased to £16.2bn (December 2023: £19.0bn) mainly from the sale of the Italian retail mortgage portfolios and a decrease in relation to merchant acquiring cash in transit settlement balances

Note:
1 See Note 25 Legal, competition and regulatory matters for more information on the basis of preparation.

Non-IFRS performance measures

The Group's management believes that the non-IFRS performance measures included in this document provide valuable information to the readers of the financial statements as they enable the reader to identify a more consistent basis for comparing the businesses' performance between financial periods, and provide more detail concerning the elements of performance which the managers of these businesses are most directly able to influence or are relevant for an assessment of the Group.

They also reflect an important aspect of the way in which operating targets are defined and performance is monitored by management.

However, any non-IFRS performance measures in this document are not a substitute for IFRS measures and readers should consider the IFRS measures as well.

Non-IFRS performance measures glossary

Measure	Definition
Loan: deposit ratio	Total loans and advances at amortised cost divided by total deposits at amortised cost. The components of the calculation have been included on page 363.
Attributable profit	Profit after tax attributable to ordinary shareholders of the parent.
Period end tangible equity refers to:	
Period end tangible shareholders' equity (for Barclays Group)	Shareholders' equity attributable to ordinary shareholders of the parent, adjusted for the deduction of intangible assets and goodwill.
Period end allocated tangible equity (for businesses)	Allocated tangible equity is calculated as 13.5% (2023: 13.5%, 2022: 13.5%) of RWAs for each business, adjusted for capital deductions, excluding goodwill and intangible assets, reflecting the assumptions the Barclays Group uses for capital planning purposes. Head Office allocated tangible equity represents the difference between the Barclays Group's tangible shareholders' equity and the amounts allocated to businesses.
Average tangible equity refers to:	
Average tangible shareholders' equity (for Barclays Group)	Calculated as the average of the previous month's period end tangible shareholders' equity and the current month's period end tangible shareholders' equity. The average tangible shareholders' equity for the period is the average of the monthly averages within that period.
Average allocated tangible equity (for businesses)	Calculated as the average of the previous month's period end allocated tangible equity and the current month's period end allocated tangible equity. The average allocated tangible equity for the period is the average of the monthly averages within that period.
Return on tangible equity (RoTE) refers to:	
Return on average tangible shareholders' equity (for Barclays Group)	Group attributable profit, as a proportion of average tangible shareholders' equity. The components of the calculation have been included on pages 415.
Return on average allocated tangible equity (for businesses)	Business attributable profit, as a proportion of that business's average allocated tangible equity. The components of the calculation have been included on page 415.
Operating expenses excluding litigation and conduct	A measure of total operating expenses excluding litigation and conduct charges.
Operating costs	A measure of total operating expenses excluding litigation and conduct charges and UK bank levy.
Cost: income ratio	Total operating expenses divided by total income.
Loan loss rate	Quoted in basis points and represents total impairment charges divided by total gross loans and advances held at amortised cost (including portfolios reclassified to assets held for sale) at the balance sheet date.
Net interest margin	Net interest income divided by the sum of average customer assets. The components of the calculation have been included on page 414.
Tangible net asset value per share	Calculated by dividing shareholders' equity, excluding non-controlling interests and other equity instruments, less goodwill and intangible assets, by the number of issued ordinary shares. The components of the calculation have been included on page 421
Profit before impairment	Calculated by excluding credit impairment charges or releases from profit before tax.
Structural cost actions	Cost actions taken to improve future financial performance.
Performance measures excluding the impact of Q423 structural cost actions	Calculated by excluding the impact of Q423 structural cost actions from performance measures. The components of the calculations for Barclays Group and businesses have been included on page 420.
Group net interest income excluding Barclays Investment Bank and Head Office	A measure of Barclays Group net interest income, excluding the net interest income reported in Barclays Investment Bank and Head Office.
Inorganic activity	Inorganic activity refers to certain inorganic transactions announced as part of the FY23 Investor Update designed to improve Group RoTE beyond 2024. In FY24 this included the £220m loss on sale of the performing Italian retail mortgage portfolio, the £9m loss on disposal from the German consumer finance business and the £26m loss on sale of the non-performing Italian retail mortgage portfolio. This was offset by the day 1 net profit before tax of £347m from the acquisition of Tesco Bank.

Non-IFRS performance measures (continued)

Measure	Definition
Performance measures excluding the impact of inorganic activity	Calculated by excluding the impact of inorganic activity from performance measures. The components of the calculations for Barclays Group and businesses have been included on pages 416 and 417.
Performance measures excluding the day 1 impact of the Tesco Bank acquisition	Calculated by excluding the day 1 impact of the Tesco Bank acquisition, comprising an income gain of £556m as a result of consideration payable for the net assets being lower than fair value, partially offset by the post-acquisition £209m impairment charge from IFRS 9 recognition. See page 418 for the reconciliation of performance measures excluding the day 1 impact of the Tesco Bank acquisition
Performance measures excluding the impact of the Over-issuance of Securities	Calculated by excluding the impact of the Over-issuance of Securities from performance measures.

Non-IFRS performance measures (continued)

Margins analysis

	2024			2023			2022		
	Net interest income	Average customer assets	Net interest margin	Net interest income	Average customer assets	Net interest margin	Net interest income	Average customer assets	Net interest margin
For the year ended 31 December	£m	£m	%	£m	£m	%	£m	£m	%
Barclays UK	**6,627**	**201,152**	**3.29**	6,431	205,667	3.13	5,893	205,972	2.86
Barclays UK Corporate Bank	**1,206**	**22,776**	**5.30**	1,160	23,207	5.00	1,132	23,066	4.91
Barclays Private Bank and Wealth Management	**767**	**13,983**	**5.49**	768	13,935	5.51	715	14,158	5.05
Barclays US Consumer Bank[1]	**2,659**	**24,978**	**10.65**	2,604	23,999	10.85	1,972	20,360	9.69
Group excluding IB and Head Office[1]	**11,259**	**262,889**	**4.28**	**10,963**	**266,808**	**4.11**	**9,712**	**263,556**	**3.68**
Barclays Investment Bank	**1,031**			1,393			836		
Head Office	**646**			353			24		
Barclays Group net interest income	**12,936**			12,709			10,572		

Note:
1 Average customer assets includes held for sale balances generating net interest income.

The Group excluding IB and Head Office Net interest margin increased by 17 bps from 4.11% to 4.28% in 2024, due to continued structural hedge momentum and higher cards balances in USCB, partially offset by mortgage margin compression in Barclays UK and adverse product dynamics in deposits.

Structural hedge

The Group employs a structural hedge programme designed to stabilise NIM on fixed rate non-maturity balance sheet items that are behaviourally stable. As interest rates move, such balances would otherwise drive material income volatility where there is a re-pricing mismatch with floating rate assets.

The structural hedge predominantly covers non-interest-bearing current accounts and the fixed portion of instant access savings accounts as well as equity, which are invested into either floating rate customer assets or balances at central banks, creating an exposure to changes in interest rates. The structural hedge is executed via a portfolio of receive fixed, pay variable interest rate swaps, with an amortising structure so that a small portion matures and is reinvested each month at prevailing market rates. The pay-floating leg of the interest rate swaps nets down a proportion of the receive-floating income from the customer assets, leaving a receive-fixed income stream from the structural hedge.

The purpose of the structural hedge is to smooth the Group NII through time. The floating leg of the swap will re-price immediately, whereas the fixed rate yield on the portfolio reprices gradually, as a portion of the swap portfolio matures and the roll is re-invested onto new market rates.

When interest rates are higher than our structural hedge yield, the pay floating rate will typically be higher than our average receive fixed rate. In this scenario, when viewed in isolation, the structural hedge will be a net drag to Group NII. When floating rates are lower than our structural hedge yield, the hedge in isolation will be a net benefit.

Since the receive-fixed swaps are booked for a specific term, an element of NII is 'locked in'. The income stabilising feature of the structural hedge provides greater net interest income certainty through the interest rate cycle.

The structural hedge is one component of a larger portfolio of interest rate risk management activities that includes non-structural hedging (e.g. pay fixed and receive variable flows for asset hedging), and other offsetting flows. The net risk of these positions is executed externally through interest rate swaps and managed for accounting risk (i.e. income volatility arising from the accounting mismatch of swaps at fair value through profit and loss and underlying hedged items at amortised cost) within the cash flow hedge reserve[1]. Overall the Group has external derivatives designated as cash flow hedges that hedge interest rate risk with a notional £106bn (December 2023: £128bn) which reflects the structural hedge notional of £232bn (December 2023: £246bn) netted with non-structural hedging positions of £126bn (December 2023: £118bn). The majority of these interest rate swaps are cleared with Central Clearing Counterparties and margined daily with an average duration of 3 years (2023: c2.5 years).

Sustained higher interest rates have resulted in a gradual shift in balance sheet composition, with customers migrating from non-interest-bearing current accounts and instant access savings accounts to higher yielding trackers and term deposits. These trends have stabilised throughout 2024.

Economic risk management objectives and strategies have remained consistent as the reduction in balances available for structural hedging has been affected through existing management actions, with buffers utilised and reinvestment of maturing hedges partially paused to gradually reduce c.£14bn of notional during 2024.

Cash flow hedges on the net externalised risk position have likewise been adjusted through designation/de-designation activity throughout the year, with associated reserve amounts recycled back to the income statement over the life of the respective designations.

Gross structural hedge contributions were £4,708m (FY23: £3,623m). Gross structural hedge contributions represent the absolute interest income earned on the fixed legs of the swaps in the structural hedge as the floating leg is offset by the base rate funding of the deposits.

Note:
1 Structural hedging derivatives are a component of the net externalised interest rate risk. The net externalised risk position is managed within the cash flow hedge reserve. Note 14 includes details of the net externalised interest rate risk position in "Interest Rate derivatives designated as cash flow hedges" on page 470 and cash flow hedge of interest rate risk on page 475.

Non-IFRS performance measures (continued)

Returns

	For the year ended 31 December 2024						
	Barclays UK	Barclays UK Corporate Bank	Barclays Private Bank and Wealth Management	Barclays Investment Bank	Barclays US Consumer Bank	Head Office	Barclays Group
Return on average tangible equity	£m	£m	£m	£m	£m	£m	£m
Attributable profit/(loss)	**2,465**	**490**	**288**	**2,513**	**302**	**(742)**	**5,316**
Average equity	£14.6bn	£3.1bn	£1.1bn	£29.7bn	£3.7bn	£6.5bn	£58.7bn
Average goodwill and intangibles	£(3.9)bn	—	£(0.1)bn	—	£(0.4)bn	£(3.6)bn	£(8.0)bn
Average tangible equity	**£10.7bn**	**£3.1bn**	**£1.0bn**	**£29.7bn**	**£3.3bn**	**£2.9bn**	**£50.7bn**
Return on average tangible equity	**23.1%**	**16.0%**	**28.1%**	**8.5%**	**9.1%**	**n/m**	**10.5%**
Barclays Group average tangible shareholder's equity based on a CET1 ratio of 13.5%							**£50.5bn**

	For the year ended 31 December 2023						
	Barclays UK	Barclays UK Corporate Bank	Barclays Private Bank and Wealth Management	Barclays Investment Bank	Barclays US Consumer Bank	Head Office	Barclays Group
Return on average tangible equity	£m	£m	£m	£m	£m	£m	£m
Attributable profit/(loss)	**1,962**	**584**	**330**	**2,041**	**131**	**(774)**	**4,274**
Average equity	£14.0bn	£2.9bn	£1.1bn	£29.0bn	£3.8bn	£5.0bn	£55.8bn
Average goodwill and intangibles	£(3.8)bn	—	£(0.1)bn	—	£(0.6)bn	£(3.9)bn	£(8.4)bn
Average tangible equity	**£10.2bn**	**£2.9bn**	**£1.0bn**	**£29.0bn**	**£3.2bn**	**£1.1bn**	**£47.4bn**
Return on average tangible equity	**19.2%**	**20.5%**	**32.7%**	**7.0%**	**4.1%**	**n/m**	**9.0%**

	For the year ended 31 December 2022						
	Barclays UK	Barclays UK Corporate Bank	Barclays Private Bank and Wealth Management	Barclays Investment Bank	Barclays US Consumer Bank	Head Office	Barclays Group
Return on average tangible equity	£m	£m	£m	£m	£m	£m	£m
Attributable profit/(loss)	**1,877**	**563**	**370**	**2,806**	**356**	**(949)**	**5,023**
Average equity	£13.6bn	£2.9bn	£1.1bn	£30.0bn	£3.6bn	£5.2bn	£56.4bn
Average goodwill and intangibles	£(3.6)bn	—	£(0.1)bn	—	£(0.8)bn	£(3.6)bn	(£8.1bn)
Average tangible equity	**£10.0bn**	**£2.9bn**	**£1.0bn**	**£30.0bn**	**£2.8bn**	**£1.6bn**	**£48.3bn**
Return on average tangible equity	**18.7%**	**19.2%**	**36.3%**	**9.3%**	**12.7%**	**n/m**	**10.4%**

Non-IFRS performance measures (continued)

Reconciliation of financial results excluding inorganic activity[1]

	For the year ended 31 December 2024		
	Statutory	Inorganic activity	Excluding inorganic activity
	£m	£m	£m
Barclays UK	8,274	556	7,718
Barclays UK Corporate Bank	1,780	—	1,780
Barclays Private Bank and Wealth Management	1,309	—	1,309
Barclays Investment Bank	11,805	—	11,805
Barclays US Consumer Bank	3,326	—	3,326
Head Office	294	(229)	523
Total income	**26,788**	**327**	**26,461**
Operating costs	**(16,195)**	**—**	**(16,195)**
UK regulatory levies	(320)	—	(320)
Litigation and conduct	(220)	—	(220)
Total operating expenses	**(16,735)**	**—**	**(16,735)**
Other net income/(expenses)	37	—	37
Profit before impairment	**10,090**	**327**	**9,763**
Credit impairment charges	(1,982)	(235)	(1,747)
Profit before tax	**8,108**	**92**	**8,016**
Attributable profit	**5,316**	**(3)**	**5,319**
Average tangible shareholders' equity (£bn)	**£50.7bn**		**£50.7bn**
Return on average tangible shareholders' equity	**10.5%**		**10.5%**
Cost: income ratio	**62%**		**63%**

Note:

1 Inorganic activity refers to certain inorganic transactions announced as part of the FY23 Investor Update designed to improve Group RoTE beyond 2024. In FY24 this included the £220m loss on sale of the performing Italian retail mortgage portfolio, the £9m loss on disposal from the German consumer finance business and the £26m loss on sale of the non-performing Italian retail mortgage portfolio. This was offset by the day 1 net profit before tax of £347m from the acquisition of Tesco Bank which completed 1 November 2024.

Non-IFRS performance measures (continued)

Performance measures excluding the impact of inorganic activity[1]

Barclays Group	For the year ended 31 December 2024
	£m
Total income	26,788
Inorganic activity	327
Total income excluding inorganic activity	**26,461**
Credit impairment charges	(1,982)
Inorganic activity	(235)
Credit impairment charges excluding inorganic activity	**(1,747)**
Total operating expenses	**(16,735)**
Cost: income ratio excluding inorganic activity	**63 %**
Attributable profit	5,316
Post-tax impact of inorganic activity	(3)
Attributable profit excluding inorganic activity	**5,319**
Average tangible equity	**£50.7bn**
Return on average tangible equity excluding inorganic activity	**10.5%**

Note:
1 Inorganic activity refers to certain inorganic transactions announced as part of the FY23 Investor Update designed to improve Group RoTE beyond 2024. In FY24 this included the £220m loss on sale of the performing Italian retail mortgage portfolio, the £9m loss on disposal from the German consumer finance business and the £26m loss on sale of the non-performing Italian retail mortgage portfolio. This was offset by the day 1 net profit before tax of £347m from the acquisition of Tesco Bank which completed 1 November 2024.

Non-IFRS performance measures (continued)

Reconciliation of Barclays UK financial results excluding the day 1 impact of Tesco Bank acquisition

Barclays UK	For the year ended 31 December 2024	For the year ended 31 December 2023	% change
	£m	£m	%
Total income	8,274	7,587	9
Day 1 income impact of the Tesco Bank acquisition	556	—	
Total income excluding day 1 impact of the Tesco Bank acquisition	**7,718**	**7,587**	**2**
Net fee, commission and other income	1,647	1,156	42
Day 1 income impact of the Tesco Bank acquisition	556	—	
Net fee, commission and other income excluding day 1 impact of the Tesco Bank acquisition	**1,091**	**1,156**	**(6)**
Profit before tax	3,580	2,868	25
Day 1 income impact of the Tesco Bank acquisition	556	—	
Day 1 impairment impact of the Tesco Bank acquisition	(209)	—	
Profit before tax excluding day 1 impact of the Tesco Bank acquisition	**3,233**	**2,868**	**13**
Attributable profit	2,465	1,962	26
Post-tax impact of day 1 impact of the Tesco Bank acquisition	250	—	
Attributable profit excluding the day 1 impact of the Tesco Bank acquisition	**2,215**	**1,962**	**13**
Average tangible equity (£bn)	**£10.7bn**	**£10.2bn**	
Return on average tangible equity excluding the day 1 impact of the Tesco Bank acquisition	**20.8%**	**19.2%**	

Personal Banking	£m	£m	% change
Total income	5,333	4,729	13
Day 1 income impact of the Tesco Bank acquisition	556	—	
Total income excluding the day 1 impact of the Tesco Bank acquisition	**4,777**	**4,729**	**1**

The reconciliations above show certain Barclays UK performance measures excluding the day 1 impact of the Tesco Bank acquisition, comprising an income gain of £556m as a result of consideration payable for the net assets being lower than fair value, partially offset by the post-acquisition £209m impairment charge from IFRS 9 recognition.

Non-IFRS performance measures (continued)

Reconciliation of loan loss rate excluding the day 1 impact of Tesco Bank acquisition

Barclays Group	For the year ended 31 December 2024
	£m
Credit impairment charges	(1,982)
Day 1 impact of the Tesco Bank acquisition	(209)
Credit impairment charges excluding day 1 impact of the Tesco Bank acquisition	**(1,773)**
Gross loans and advances held at amortised cost (including portfolios reclassified as held for sale)	£429.6bn
Tesco Bank gross loans and advances held at amortised cost	£8.3bn
Gross loans and advances held at amortised cost (including portfolios reclassified as held for sale) excluding Tesco Bank	**£421.3bn**
Loan loss rate (bps)	46
Tesco Bank day 1 loan loss rate impact (bps)	4
Loan loss rate excluding the day 1 impact of Tesco Bank acquisition (bps)	**42**

Barclays UK	
	£m
Credit impairment charges	(365)
Day 1 impact of the Tesco Bank acquisition	(209)
Credit impairment charges excluding day 1 impact of the Tesco Bank acquisition	**(156)**
Gross loans and advances held at amortised cost (including portfolios reclassified as held for sale)	£227.5bn
Tesco Bank gross loans and advances held at amortised cost	£8.3bn
Gross loans and advances held at amortised cost (including portfolios reclassified as held for sale) excluding Tesco Bank	**£219.2bn**
Loan loss rate (bps)	16
Tesco Bank day 1 loan loss rate impact (bps)	9
Loan loss rate excluding the day 1 impact of Tesco Bank acquisition (bps)	**7**

Non-IFRS performance measures (continued)

Performance measures excluding the impact of Q423 structural cost actions

	For the year ended 31 December 2023						
	Barclays UK	Barclays UK Corporate Bank	Barclays Private Bank and Wealth Management	Barclays Investment Bank	Barclays US Consumer Bank	Head Office	Barclays Group
	£m	£m	£m	£m		£m	£m
Total operating expenses	(4,415)	(912)	(797)	(7,737)	(1,656)	(1,414)	(16,931)
Q423 structural cost actions	(168)	(27)	(29)	(169)	(19)	(515)	(927)
Total operating expenses excluding Q423 structural cost actions	**(4,247)**	**(885)**	**(768)**	**(7,568)**	**(1,637)**	**(899)**	**(16,004)**
Total income	**7,587**	**1,770**	**1,208**	**11,035**	**3,268**	**510**	**25,378**
Cost: income ratio excluding Q423 structural cost actions	**56%**	**50%**	**64%**	**69%**	**50%**	**n/m**	**63%**
Attributable profit/(loss)	1,962	584	330	2,041	131	(774)	4,274
Post-tax impact of Q423 structural cost actions	(122)	(20)	(24)	(126)	(14)	(433)	(739)
Attributable profit/(loss) excluding the impact of Q423 structural cost actions	**2,084**	**604**	**354**	**2,167**	**145**	**(341)**	**5,013**
Average tangible equity	**£10.2bn**	**£2.9bn**	**£1.0bn**	**£29.0bn**	**£3.2bn**	**£1.1bn**	**£47.4bn**
Return on average tangible equity excluding Q423 structural cost actions	**20.4%**	**21.2%**	**35.1%**	**7.5%**	**4.6%**	**n/m**	**10.6%**

Non-IFRS performance measures (continued)

Tangible net asset value per share

	2024	2023	2022
	£m	£m	£m
Total equity excluding non-controlling interests	**71,821**	71,204	68,292
Other equity instruments	**(12,075)**	(13,259)	(13,284)
Goodwill and intangibles	**(8,275)**	(7,794)	(8,239)
Tangible shareholders' equity attributable to ordinary shareholders of the parent	**51,471**	50,151	46,769
Shares in issue	**14,420m**	15,155m	15,871m
Tangible net asset value per share	**357p**	331p	295p

Financial statements

Detailed analysis of our statutory accounts, independently audited and providing in-depth disclosure on the financial performance of the Group.

Barclays has adopted the British Bankers' Association (BBA) Code for Financial Reporting Disclosure as adopted by UK Finance in 2017 and has prepared the 2024 Annual Report in compliance with the BBA Code. Barclays is committed to continuously reflect the objectives of reporting set out in the BBA Code.

KPMG LLP's independent auditor's report to the members of Barclays PLC

1. Our opinion is unmodified

In our opinion:

- the financial statements of Barclays PLC give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2024, and of the Group's and the Parent Company'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; and
- 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 PLC ("the Company") for the year ended 31 December 2024 (FY24) included in the Annual Report and accounts, which comprise:

Group (Barclays PLC and its subsidiaries)

- Consolidated income statement
- Consolidated statement of comprehensive income
- Consolidated balance sheet
- Consolidated statement of changes in equity
- Consolidated cash flow statement
- Notes 1 to 43 to the Consolidated Financial Statements, including the summary of material accounting policies.

Parent Company (Barclays PLC)

- Statement of comprehensive income
- Balance sheet
- Statement of changes in equity
- Cash flow statement
- Note 42 to the Consolidated Financial Statements, including the summary of material accounting policies

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 listed public interest entities.

2. Overview of our audit

Factors driving our view of risks

Following our FY23 audit and considering the developments affecting the Barclays PLC Group since then, we have updated our risk assessment.

The macroeconomic environment continues to drive our risk assessment. Although the macroeconomic environment has stabilised, with interest rates across most major economies having seen small reductions in FY24, the relatively higher interest rate environment is expected to remain for longer. This, combined with the continued geopolitical uncertainties as well as the expected inflationary pressure, continue to contribute to sustained affordability challenges. This economic uncertainty has brought both pressures and opportunities. The prolonged higher interest rate environment continues to contribute positively to net interest income and has driven increased competition for deposits.

FY24 is the first year of the three year strategic plan that Barclays PLC Group announced to the market in their February 2024 Investor Update. We have considered the impact of the pressure to meet targets set out in the Investor Update as part of our risk assessment.

The more stable macroeconomic environment, along with fewer model re-developments, have lowered the risks associated with estimating impairment charges for credit losses.

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	FY24	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 gross defined benefit pension obligation in respect of the UK retirement fund ('UKRF')	↔	4.3
User access management	↔	4.4
Recoverability of Parent Company's investment in subsidiaries	↔	4.5

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 to evaluate the accuracy of the ECL models
- Economics specialists to evaluate the reasonableness of macroeconomic variables and scenarios used in the determination of the ECL provisions
- Valuation specialists to independently re-price a selection of fair value financial instruments and challenge management on the valuations where they were outside of our acceptable range, as well as the appropriateness of significant models and methodologies used in calculating fair values, risk exposures and in calculating FVAs and XVAs
- Corporate finance valuation specialists to challenge the methodology underpinning, and certain of the assumptions used, in the impairment assessment of goodwill and intangible assets and the carrying value of subsidiaries
- Actuarial pensions specialists to challenge the key assumptions used in the valuation of the defined benefit obligation
- Tax specialists to evaluate the completeness and accuracy of the tax charge, effective tax rate and uncertain tax positions
- IT auditors to evaluate the general IT controls and automated business controls

KPMG LLP's independent auditor's report to the members of Barclays PLC (continued)

- Data analytics specialists to assist with audit procedures to evaluate the completeness of the general ledger and to identify high-risk journals

Innovation in the audit: We are committed driving innovation and the increased use of technology in the audit process. For the FY24 audit, we continued to deploy a large number of data and analytics tools across our audit.We have begun to introduce Artificial Intelligence based solutions into our audit process on a trial basis. We have also continued to innovate our audit of the estimation of expected credit losses through independently recalculating a selection of model assumptions using more recent data for certain portfolios. This is used to develop a range for ECL which we then compare to management's own point estimate.

Board Audit Committee ("BAC") interaction

During the year, the BAC met 15 times. KPMG are invited to attend all BAC meetings and are provided with 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.

The matters included in the BAC report on page 160 are materially consistent with our observations of those meetings.

In addition, KPMG are invited to attend the Board Risk Committee meetings.

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 listed public interest entities.

We have not performed any non-audit services during FY24 or subsequently which are prohibited by the FRC Ethical Standard.

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 eight financial years ended 31 December 2024.

The Group lead engagement partner is required to rotate every five years. This is the third set of the Group Financial Statements signed by Stuart Crisp. He will be required to rotate off after the FY26 audit

The average tenure of component engagement partners, is two years, with the shortest being their first year of involvement and the longest being four years.

Total audit fee	£71m
Other audit related fees	£14m
Other services	£6m
Non-audit fee as a % of total audit and audit related fee %	7 %
Date first appointed	10 May 2017
Uninterrupted audit tenure	8 years
Next financial period which requires a tender	31 December 2027
Tenure of Group engagement partner	3 years
Average tenure of component engagement partners	2 years

Materiality

(Item 6 below)

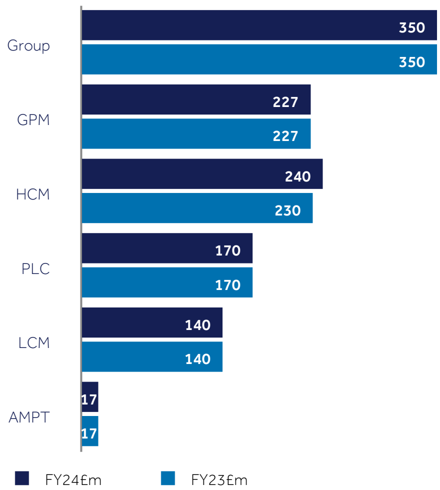
The scope of our work is influenced by our view of materiality and our assessed risk of material misstatement.

We have determined overall materiality for the Barclays PLC Group Financial Statements as a whole to be £350m (FY23: £350m), and for the Parent Company financial statements as a whole at £170m (FY23: £170m)

We determined that profit before tax (PBT) remains to be the key benchmark for Barclays PLC Group. We have considered the impact of the Investor Update in February 2024 and while this reset of expectations and targets will add incremental pressure on the Bank to successfully execute over time, we have concluded that this does not impact our materiality assessment for the audit of Barclays at this point. For FY24, we based our materiality on normalised profit before tax of £8,017m, of which it represents 4.4% (FY23: 4.7%). We adjusted PBT in both FY24 and FY23 for items which did not represent the normal, continuing operations of the Group.

Materiality for the Parent Company financial statements as a whole was set at £170m (2023: £170m), which is the component materiality for the Parent Company determined by the group audit engagement team. This is lower than the materiality we would otherwise have determined with reference to a benchmark of net assets of which it represents 0.3% (FY23: 0.3%).

Materiality levels used in our audit



Group	Group Materiality
GPM	Group Performance Materiality
HCM	Highest Component Materiality
PLC	Parent Company Materiality
LCM	Lowest Component Materiality
AMPT	Audit Misstatement Posting Threshold

KPMG LLP's independent auditor's report to the members of Barclays PLC (continued)

Group scope

(Item 7 below)

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 audit 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 Group Financial Statements.

We have also considered the extent to which the Group has established a Global Capability Centre ("GCC") in India. The outputs from the GCC are included in the financial information of the reporting components and so the India operations are not considered to be a separate component.

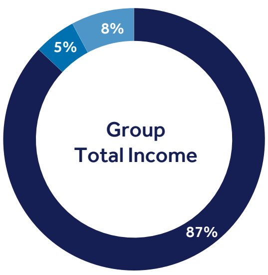
The five components within the scope of our work accounted for the percentages illustrated opposite.

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.

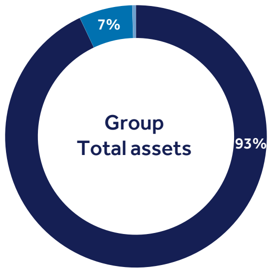
We consider the scope of our audit, as communicated to the Board Audit Committee, to be an appropriate basis for our audit opinion.

Coverage of Group financial statements

We performed audit procedures in relation to all components identified. Components that we deemed quantitatively significant accounted for 87% of the total income and expenses that made up Group total income:



We performed audit procedures in relation to all components identified. Components that we deemed quantitatively significant accounted for 93% of Group Total assets:



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 to be a net zero bank by 2050. Further information is provided in the Group's Climate and Sustainability report which has been incorporated into the 2024 Annual Report on pages 59-123.

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 part of this process 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.
- **Retail credit risk:** we assessed how the Group considers the impact of physical risks on the valuation of mortgage collateral. Specifically, we performed data and analytic driven risk assessment procedures to understand the potential impact of flooding and subsidence on the valuation of mortgage collateral and made enquiries of management to understand how this is considered within their own collateral valuation process.
- **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.

KPMG LLP's independent auditor's report to the members of Barclays PLC (continued)

3. Going concern, viability and principal risks and uncertainties

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Parent Company or to cease their operations, and as they have concluded that the Group's and the Parent Company'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 accounting 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;
- 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 adequate; and
- The related statement under the Listing Rules set out on page 54 is materially consistent with the financial statements and our audit knowledge.

Disclosures of emerging and principal risks and longer-term viability

Our responsibility

We are required to perform procedures to identify whether there is a material inconsistency between the directors' disclosures in respect of emerging and principal risks and the viability statement, and the financial statements and our audit knowledge.

Based on those procedures, we have nothing material to add or draw attention to in relation to:

- the directors' confirmation within the viability statement that they have carried out a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency and liquidity;
- the Principal risk management disclosures describing these risks and how emerging risks are identified and explaining how they are being managed and mitigated; and
- the directors' explanation in the viability statement of how they have assessed the prospects of the Group, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.
- We are also required to review the viability statement set out on page 54 under the Listing Rules.

Our work is limited to assessing these matters in the context of only the knowledge acquired during our financial statements audit. 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 absence of anything to report on these statements is not a guarantee as to the Group's and Parent Company's longer-term viability.

Our reporting

We have nothing material to add or draw attention to in relation to these disclosures.

We have concluded that these disclosures are materially consistent with the financial statements and our audit knowledge.

KPMG LLP's independent auditor's report to the members of Barclays PLC (continued)

4. Key audit matters

What we mean

Key audit matters are those matters that, in our professional judgement, 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	FY24	FY23	Our assessment of risk vs FY23	Our results
Impairment allowances on loans and advances at amortised cost, including off-balance sheet elements of the allowance (see page 307)	£5.5bn	£6.3bn	↓ Our assessment is that the risk has decreased since FY23. This is primarily due to fewer model re-developments by management and the moderation of macroeconomic uncertainty.	**FY24: Acceptable** FY23: Acceptable

Description of the Key Audit Matter	Our response to the risk
Subjective estimate	**Our procedures to address the risk included:**
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's estimation of ECL are: • Model estimations – Inherently judgemental modelling techniques and assumptions are used to estimate ECL which involves either determining Probability of Default ("PD"), Loss Given Default ("LGD"), and Exposure at Default ("EAD") or an appropriate proxy. ECL may be inaccurate 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's calculation of the ECL estimate. • Economic scenarios – IFRS 9 requires the Group 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.	**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'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 the 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's impairment methodologies for compliance with IFRS 9; • assessing the appropriateness of certain assumptions by inspecting management's documented methodology for how the assumption is estimated and reperforming management's workings in accordance with the documented methodology; • inspecting model code for the calculation of certain components of the ECL model to assess its consistency with the Group'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.

KPMG LLP's independent auditor's report to the members of Barclays PLC (continued)

Description of the Key Audit Matter	Our response to the risk
▪ 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 4.3% of the ECL. These adjustments are inherently uncertain, significant and subjective management judgement is involved in identifying and estimating certain post model adjustments ("PMA's") and management overlays. As such, the identification and estimation of certain qualitative adjustments represent a significant risk of error and fraud. 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 (pages 304 to 359) disclose the sensitivities estimated by the Group. **Disclosure quality** The disclosures regarding the Group's application of IFRS 9, including the sensitivity disclosures, are key to explaining the key judgements and material inputs to the IFRS 9 ECL results.	**Our economics expertise:** We involved our own economic specialists who assisted us in: • assessing the reasonableness of the Group'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; and • assessing the overall reasonableness of the economic forecasts by comparing the Group's forecasts to our own modelled forecasts. **Other test of details:** Key aspects of our audit procedures in addition to those set out above involved: • agreeing the key inputs in the ECL calculations to underlying source documentation; • 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 and reperforming 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 appropriateness of the disclosures in relation to the uncertainty which exists when determining the ECL, including the sensitivity disclosures. In addition, we assessed whether the disclosure of the key judgements and assumptions was appropriate, in the context of the relevant accounting standards.

Communications with the Barclays 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 post model 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, including completeness of these 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 (2023 result: acceptable).

Further information in the Annual Report and Accounts: See the Board Audit Committee Report on page 160 for details on how the Committee considered impairment as an area of significant attention, page 304 to 357 for the accounting policy for the Impairment of financial instruments under IFRS 9, pages 461 to 464 for the credit risk disclosures, and page 461 for the financial disclosure note 8; Credit Impairment charges.

4.2 Valuation of financial instruments held at fair value

Financial Statement Elements	FY24	FY23	Our assessment of risk vs FY23	Our results
Level 2 assets at fair value (note 17*)	£600bn	£560bn	↔ Our assessment is that the risk is similar to FY23.	**FY24: Acceptable** FY23: Acceptable
Level 2 liabilities at fair value* (note 17)	£584bn	£571bn		
Level 3 assets at fair value (note 17)	£24bn	£19bn		
Level 3 liabilities at fair value (note 17)	£7bn	£6.2bn		

* The key audit matter identified relates to one L2 derivatives portfolio within these balances, and certain XVA adjustments made to derivative valuations, both of which we considered to be harder-to-value.

KPMG LLP's independent auditor's report to the members of Barclays PLC (continued)

Description of the Key Audit Matter	Our response to the risk
Subjective valuation The fair value of certain Group's financial instruments is determined through the application of valuation techniques which requires 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 other credit, collateral and funding adjustments (together referred to as XVAs). Where significant pricing inputs are unobservable, management has limited reliable and relevant market data available in determining the fair value. Therefore, estimation uncertainty and inherent subjectivity 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. The valuations of Level 3 financial instruments are considered to have a significant risk due to error and fraud as they are driven by significant unobservable pricing inputs, which present an opportunity for erroneous and/or fraudulent misstatement of financial statements due to significant management judgement and related estimation uncertainty. In addition, for certain Level 2 financial instruments and fair value adjustments, there may also be valuation complexity, specifically where valuation modelling techniques result in significant limitations or where there is greater estimation 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 have identified two areas of such complexity: • A derivatives portfolio that we considered to be a harder-to-value Level 2 financial instrument due to an element of modelling complexity associated with the product; and • Certain 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 the fair value measurement of Level 3, harder-to-value Level 2 financial instruments, and certain XVAs 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 17) disclose the sensitivity in Level 3 portfolios estimated by the Group. **Disclosure quality** For the Level 3 portfolios, the disclosures, including the sensitivity 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's financial statements (i.e. all of the fair value financial instruments held by the Group). As part of these risk assessment procedures, we identified the portfolios and the associated valuation inputs with a risk of material misstatement including those arising from significant judgements over valuation either due to unobservable inputs or complex models. We involved valuation specialists in our risk assessment process. **Control 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, assumptions 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 valuation specialist with specialised skills and knowledge, who assisted in the following: • independently re-pricing a selection of fair value financial instruments and challenging management on the valuations where they were outside our pre-defined acceptable range; 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 day one gains or losses generated 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 financial instruments, we assessed the appropriateness of the disclosures in relation to the related estimation uncertainty, including sensitivity disclosures and in the context of the relevant accounting standards.

KPMG LLP's independent auditor's report to the members of Barclays PLC (continued)

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 certain 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 valuation of Level 3, harder-to-value level 2 financial instruments and certain XVAs, specifically with regards to the selection of market data inputs, valuation models and related assumptions.

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 for Level 3 financial instrument assets and liabilities to be acceptable (2023 result: acceptable).

Further information in the Annual Report and Accounts: See the Board Audit Committee Report on page 160 for details on how the Board Audit Committee considered Valuations as an area of focus, page 479 for the accounting policy on financial assets and liabilities, and page 479 for the financial disclosure note 17; Fair value of financial instruments.

4.3 Valuation of the gross defined benefit pension obligation in respect of the UK Retirement Fund ('UKRF')

Financial Statement Elements	FY24	FY223	Our assessment of risk vs FY23	Our results
Defined benefit obligation related to UKRF (note 32)	£18.7bn	£20.6bn	↔ Our assessment is that the risk is similar to FY23.	**FY24: Acceptable** FY23: Acceptable

Description of the Key Audit Matter	Our response to the risk
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 could have a significant impact on the valuation 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's application of IAS 19 (including risks, assumptions, sensitivities and sources of estimation uncertainty) are key to explaining the key judgements applied in the IAS 19 Defined Benefit Obligation calculation.	**Our procedures to address the risk included:** **Risk assessment:**We performed granular and detailed risk assessment procedures throughout the audit period over the UKRF. As part of these procedures, we inquired with management and the Bank's actuaries to understand any changes to the process in the computation of the DBO along with the methodology, assumptions and source data used. We also perform end to end process walkthroughs and considered the impact of any new developments during the year on our risk assessment and our audit approach. **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. Key aspects of our controls testing involved evaluating the design and implementation and testing the operating effectiveness of the key controls over management's review of IAS 19 assumptions including the discount rate, RPI and mortality assumptions; **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 pension specialists 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 PLC to our independently compiled expected ranges based on market observable data and our market experience. **Assessing transparency:** We assessed the appropriateness of the Group's financial statements disclosures in relation to the estimation uncertainty involved in determining the valuation of defined benefit obligations and in the context of the relevant accounting standards.

Communications with the Barclays PLC Board Audit Committee

Our discussions with and reporting to the Board Audit Committee included:

- Our audit risk assessment for the valuation of the defined benefit pension obligation.
- 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 (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 (2023 result: acceptable).

Further information in the Annual Report and Accounts: See page 512 for the accounting policy on defined benefit schemes, and page 512 for the financial disclosure note 32 ; Pensions and post-retirement benefits.

KPMG LLP's independent auditor's report to the members of Barclays PLC (continued)

4.4 User access management

Financial Statement Elements	Our assessment of risk vs FY23	Our results
User access management has a potential impact throughout the financial statements.	↔ Our assessment is the risk is similar to FY23	**FY24 and FY23** **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 and change management controls. Our audit procedures identified deficiencies in certain IT access controls for systems relevant to financial reporting, similar to those identified in the prior year. 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 and operated by management during the period.	**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 PLC Board Audit Committee

Our discussions with and reporting to the Board Audit Committee included:

- Our procedures to address the identified risk, as well as the results of the procedures performed.

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, our testing did not identify weaknesses in the design and operation of user access management controls that would have required us to significantly expand the extent of our planned detailed testing.

KPMG LLP's independent auditor's report to the members of Barclays PLC (continued)

4.5 Recoverability of parent company's investment in subsidiaries

Financial Statement Elements	FY24	FY23	Our assessment of risk vs FY23	Our results
Investment in subsidiaries (Parent company accounts and note 42)	£63.3bn	£64.5bn	↔Our assessment is that the risk is similar to FY23.	**FY24: Acceptable** FY23: Acceptable

Description of the Key Audit Matter	Our response to the risk

Forecast based assessment

The Parent Company's investment in subsidiaries may be misstated if the carrying value of the investment in the balance sheet is not supported by the recoverable amount of the investment. Barclays has estimated the recoverable amount using the future cash flows of the underlying business (the value in use ("VIU")).

The calculation of VIU is dependent on certain key assumptions around the future cash flows which have been derived from Group's Medium-Term Plan ('MTP') including the discount rates and the terminal growth rates. These assumptions, which are judgemental, are derived from a combination of management estimates, market data and other information obtained from external sources.

These assumptions continued to be impacted by uncertainty in the wider economic environment. This has contributed to the complexity and subjectivity in the impairment assessment process, in addition to the complexities of the valuation of a Bank.

As part of our risk assessment, we determined that the recoverability of the carrying value of the investment in subsidiaries in the Parent Company financial statements has a risk of material misstatement however we do not consider the risk to be significant. Given the materiality of the investment, and its effect on the overall Parent Company audit, we consider the recoverability of the carrying value of the investment in subsidiary in the Parent Company to be a key audit matter. Our risk assessment is that the risk is similar to last year.

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 process to assess the carrying value of the Parent Company's investment in subsidiaries. We tested the design and operating effectiveness of the key controls relating to the process. These included controls over the identification of indicators of impairment and review of the key assumptions in determining the value in use.

Test of details: We compared the carrying amount of each subsidiary to its draft balance sheet to identify whether its net assets, being an approximation of their minimum recoverable amount, were in excess of its carrying amount. We assessed for potential indicators that investments in subsidiaries might be impaired.

Benchmarking assumptions: For the two largest subsidiaries (Barclays Bank PLC and Barclays Bank UK PLC) we compared key assumptions in the associated VIU calculations including those underlying certain estimated future cash flows, the discount rate and the terminal growth rate to externally derived data including analyst broker reports, peer bank data and projected economic growth.

Our valuations expertise: We involved our own valuations specialists to assist us in the following:

- evaluating the appropriateness of the discount rate used by independently developing discount rate ranges using external data sources and peer bank data; and
- assessing whether the methodology over management's calculation of the VIU is compliant with the requirements of the accounting standard.

Our business understanding: We used our business understanding to evaluate the reasonableness of certain key assumptions and considerations made when developing the Group's MTP estimated future cash flows.

Historical comparison: We performed a retrospective review by comparing the MTP from previous years to actual results to assess the Group's ability to accurately prepare cash flow forecasts at the individual subsidiary level.

Communications with the Barclays Board Audit Committee

Our discussions with and reporting to the Board Audit Committee included:

- Our audit response to the Key Audit Matter which included the use of specialists to challenge key aspects of management's impairment assessment and the range of reasonably possible alternatives for significant assumptions.

Areas of particular auditor judgement

We identified the following as the areas of particular judgement:

- We identified the reasonableness of the assumptions underlying the estimated future cash flows and appropriateness of the discount rate, which was used in the impairment assessment, as the areas of particular judgement.

Our results

Based on our procedures performed, we found the Parent Company's conclusion that there is no impairment of its investment in subsidiaries to be acceptable (2023 result: acceptable).

Further information in the Annual Report and Accounts: See page 531 for the accounting policy on the recoverability of the investment in subsidiaries and page 531 for the financial disclosure note 42 ; Barclays PLC (the Parent Company).

KPMG LLP's independent auditor's report to the members of Barclays PLC (continued)

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' internal ethics and compliance reporting summaries, including those concerning investigations and regulatory correspondence;
- 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;
- The full population of all journal entries to analyse using KPMG automated data analytics routines to identify any journals with high risk of fraud using predefined high risk criteria.
- Considered the impact of the pressure to meet targets set out in the strategic plan. FY24 marked the first year of execution against the three-year strategic plan announced by Barclays PLC Group in their February 2024 Investor Update; 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 and requesting component auditors to report to the Group auditor any identified fraud risks or identified or suspected instances of fraud.

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. In this audit, we have not identified a significant risk of fraud related to revenue recognition for the Group as a whole. This conclusion is based on the nature of the revenue streams, which suggests limited opportunities for management to manipulate revenue, considering the characteristics, volume, and judgments involved in each revenue stream. 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 using KPMG's data analytics specialists to test based on high 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' 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.

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.

Laws and regulations - identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

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, and Federal Reserve Board; 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.

KPMG LLP's independent auditor's report to the members of Barclays PLC (continued)

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 were 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.

Audit response

In relation to the legal, competition and regulatory matters disclosed in note 25 we performed audit procedures which included making inquiries of Barclays' 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 inquiries of external counsel and obtained legal confirmations from Barclays' external counsel.

In respect of regulatory matters relating to conduct risk as disclosed in note 25 our procedures included inspection of regulatory correspondence, independent inquiry of the Group's main regulators and performing audit procedures to respond to risks of material misstatement identified in recognised conduct provisions.

Context

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.

KPMG LLP's independent auditor's report to the members of Barclays PLC (continued)

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.

Materiality for the financial statements as a whole

2024: £350m 2023: £350m

What we mean

A quantitative reference for the purpose of planning and performing our audit.

Basis for determining materiality and judgements applied

Materiality for the Group financial statements as a whole was set at £350m (FY23: £350m). This was determined with reference to a benchmark of profit before tax (PBT).

Consistent with FY23, we determined that PBT remains the main benchmark for the Group as it is the metric in the primary statements which best reflects the focus of the users of the financial statements. We adjusted PBT for items which did not represent normal and continuing operations of the Group. In FY23 we adjusted for the impact of one-off actions taken by Barclays to drive future returns that resulted in significant additional costs of £927m. In FY24 we adjusted for the impact of inorganic activities, which comprised losses on portfolio sales and a profit on the acquisition of Tesco Bank completed during the year, that resulted in additional income of £91m.

Our Group materiality of £350m was determined with reference to the normalised PBT. When using a benchmark of PBT to determine overall materiality, KPMG's approach for public interest entities considers a guideline range 3% - 5% of the measure. Overall Group materiality represents 4.4% (FY23: 4.7%) of the normalised benchmark.

Materiality for the Parent Company financial statements as a whole was set at £170m (FY23: £170m), which is the component materiality for the parent company determined by the group audit engagement team. This is lower than the materiality we would otherwise have determined with reference to a benchmark of net assets of which it represents 0.3% (FY23 0.3%).

Performance materiality

2024: £227m 2023: £227m

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% (2023: 65%) of materiality for Barclays PLC Group's financial statements as a whole to be appropriate.

The Parent Company performance materiality was set at £110m (FY23: £110m) which equates to 65% (FY23: 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

2024: £17m 2023: £17m

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 misstatements below this threshold which could alter the nature, timing and scope of our audit procedures, for example if we identify smaller misstatements which are indicators of fraud.

This is also the amount above which all misstatements identified are communicated to Barclays PLC Group Board Audit Committee.

Basis for determining the audit misstatement reporting threshold and judgements applied

We set our audit misstatement posting threshold at 5% (FY23: 5%) of our materiality for the Group financial statements. We also report to the Audit Committee any other identified misstatements that warrant reporting on qualitative grounds.

We also report to the BAC any other identified misstatements that warrant reporting on qualitative grounds.

The overall materiality for the Group financial statements of £350m (FY23: £350m) compares as follows to the main financial statement caption amounts:

	Total Revenue		Total Assets		Net Assets	
	FY24	FY23	FY24	FY23	FY24	FY23
Financial statement Caption	£26,788m	£25,378m	£1,518,202m	£1,477,487m	£72,481m	£71,864m
Group Materiality as % of caption	1.31%	1.38%	0.02%	0.02%	0.48%	0.49%

7. The scope of our audit

Group scope

What we mean

How the Group auditor determined the procedures to be performed across the Group.

This year, we applied the revised group auditing standard in our audit of the Group financial statements. The revised standard changes how an auditor approaches the identification of components, and how the audit procedures are planned and executed across components.

In particular, the definition of a component has changed, shifting the focus from how the entity prepares financial information to how we, as the group auditor, plan to perform audit procedures to address group risks of material misstatement ("RMMs"). Similarly, the group auditor has an increased role in designing the audit procedures as well as making decisions on where these procedures are performed (centrally and/or at component level) and how these procedures are executed and supervised. As a result, we assess scoping and coverage in a different way and comparisons to prior period coverage figures are not meaningful. In this report we provide an indication of scope coverage on the new basis.

We performed risk assessment procedures to determine which of the Group's components are likely to include risks of material misstatement to the Group financial statements and which procedures to perform at these components to address those risks.

In total, we identified five components. Having considered our evaluation of the Group's operational structure; the Group's legal structure; the existence of common

KPMG LLP's independent auditor's report to the members of Barclays PLC (continued)

information systems; the existence of common risk profile across entities/ business units/functions/business activity; geographical locations; and other audit specific factors and our ability to perform audit procedures centrally.

Of those, we identified two quantitatively significant components which contained the largest percentages of either total revenue or total assets of the Group, for which we performed audit procedures.

We also identified two components as requiring special audit consideration, owing to a significant risk related to the valuation of financial instruments held at fair value residing in one component and the significance of the contribution to the Group's operating expenses in one component.

Additionally, having considered qualitative and quantitative factors, we selected one component with accounts contributing to the specific RMMs of the Group financial statements.

Accordingly, we performed audit procedures on five components, of which we involved component auditors in performing the audit work on two components. We performed audit procedures on the items excluded from the normalised Group profit before tax used as the benchmark for our materiality where we assessed there to be a risk of material misstatement. We also performed an audit of the parent Company which is both a component of the Group and has separately disclosed financial statements.

We instructed component auditors on the scope of their work, including the relevant risks of material misstatement and the information to be reported to the group auditor.We set the component materialities, ranging from £140m to £240m, having regard to the mix of size and risk profile of the Group across the components.

We performed audit procedures in relation to all components. Quantitatively significant components accounted for 87% of the total income and expenses that made up Group total income and 93% of Group total assets. Components requiring special audit consideration accounted for 5.2% of the total income and expenses that made up Group total income and 7% of Group total assets.

Other components where we performed audit procedures accounted for the remaining 7.8%of the total income and expenses that made up Group total income and 0.03% of Group total assets.

Impact of controls on our Group audit

Barclays relies on the effectiveness of internal controls over financial reporting at the Group level, both in the Global Capability Centre (GCC) in India and at country level, and operates both automated and manual controls.

Barclays is a Foreign Private Issuer, and therefore is also subject to the US Sarbanes-Oxley Act ('SOx') control reporting requirements as required by the SEC in the United States. We have therefore tested the design and operations of controls in all areas of our audit where we identified a risk of material misstatement.

We identified 611 applications to be the main IT applications relevant to the audit. This included the ledger and the consolidation application. We used IT specialists to assist us in assessing the design and operating effectiveness of the general IT controls and business automated controls of these applications, with this testing managed from the UK. Following our testing, we relied on general IT controls and business automated controls in determining the work to be performed in the audit.

The Group audit team evaluated the design and operating effectiveness of key manual process level controls operating centrally at the Group level (including those operated at the GCC). Component auditors further evaluated the design and operating effectiveness of key manual controls that operate at country level (including those operated at the GCC) to address specific local financial reporting risks that could impact the group audit opinion. Results from all testing were communicated to the group audit team.

Based on the outcome of our testing of controls, including compensating controls where relevant, 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,we were able to reduce the scope of our substantive audit work.

Group audit team oversight

What we mean

The extent of the Group auditor's involvement in work performed by component auditors.

As part of establishing the overall Group audit strategy and plan, we conducted the risk assessment and planning discussion meetings with component auditors to discuss Group audit risks relevant to the components. We visited all components including some sub-components of Barclays Bank PLC ("BBPLC"), and other key participating auditors in overseas locations, including the US, Ireland and India, to assess the audit risks and strategy. Video and telephone conference meetings were also held with all component auditors on a regular basis. At these visits and meetings, the results of the planning procedures and further audit procedures communicated by us were discussed in more detail, and any further work required by us was then performed by the component auditors. We inspected the work performed by the component auditors for the purpose of the Group audit and evaluated the appropriateness of conclusions drawn from the audit evidence obtained and consistencies between communicated findings and work performed, with a particular focus on impairment allowance on loans and advances at amortised costs and valuation of financial instruments held at fair value.

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 Intermediate Holding Company (IHC) covering Barclays Capital Inc. and Barclays Bank Delaware.

KPMG LLP's independent auditor's report to the members of Barclays PLC (continued)

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 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.

Our reporting

Based solely on that work we have not identified material misstatements or inconsistencies in the other information.

Strategic report and Directors' report

Our responsibility and reporting

Based solely on our 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' report;
- in our opinion the information given in those reports 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.

Directors' remuneration report

Our responsibility

We are required to form an opinion as to whether the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Our reporting

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Corporate governance disclosures

Our responsibility

We are required to perform procedures to identify whether there is a material inconsistency between the financial statements and our audit knowledge, and:

- the directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy;
- the section of the annual report describing the work of the Audit Committee, including the significant issues that the Audit Committee considered in relation to the financial statements, and how these issues were addressed; and
- the section of the annual report that describes the review of the effectiveness of the Group's risk management and internal control systems.

Our reporting

Based on those procedures, we have concluded that each of these disclosures is materially consistent with the financial statements and our audit knowledge.

We are also required to review the part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified by the Listing Rules for our review.

We have nothing to report in this respect.

Other matters on which we are required to report by exception

Our responsibility

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 and the part of the Directors' Remuneration Report to be audited 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.

Our reporting

We have nothing to report in these respects.

KPMG LLP's independent auditor's report to the members of Barclays PLC (continued)

9. Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 185 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.

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 frc.org.uk/auditorsresponsibilities.

The Company is required to include these financial statements in an annual financial report prepared under Disclosure Guidance and Transparency Rule 4.1.17R and 4.1.18R. This auditor's report provides no assurance over whether the annual financial report has been prepared in accordance with those requirements.

10. 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. 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 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

12 February 2025

Consolidated financial statements

Consolidated income statement

For the year ended 31 December	Notes	2024 £m	2023 £m	2022 £m
Interest and similar income	3	**38,326**	35,075	19,096
Interest and similar expense	3	**(25,390)**	(22,366)	(8,524)
Net interest income		**12,936**	12,709	10,572
Fee and commission income	4	**10,847**	10,121	9,637
Fee and commission expense	4	**(3,600)**	(3,592)	(3,038)
Net fee and commission income		**7,247**	6,529	6,599
Net trading income	5	**5,768**	5,945	8,049
Net investment income/(expense)	6	**216**	61	(434)
Gain on acquisition	41	**556**	—	—
Other income		**65**	134	170
Total income		**26,788**	25,378	24,956
Staff costs	30	**(9,876)**	(10,017)	(9,252)
Infrastructure costs	7	**(3,549)**	(4,095)	(3,435)
Administration and general expenses	7	**(2,770)**	(2,602)	(2,270)
UK regulatory levies	7	**(320)**	(180)	(176)
Litigation and conduct	7	**(220)**	(37)	(1,597)
Operating expenses	7	**(16,735)**	(16,931)	(16,730)
Share of post-tax results of associates and joint ventures		**37**	(9)	6
Profit before impairment		**10,090**	8,438	8,232
Credit impairment charges	8	**(1,982)**	(1,881)	(1,220)
Profit before tax		**8,108**	6,557	7,012
Taxation	9	**(1,752)**	(1,234)	(1,039)
Profit after tax		**6,356**	5,323	5,973
Attributable to:				
Equity holders of the parent		**5,316**	4,274	5,023
Other equity instrument holders		**991**	985	905
Total equity holders of the parent		**6,307**	5,259	5,928
Non-controlling interests	29	**49**	64	45
Profit after tax		**6,356**	5,323	5,973
Earnings per share		**p**	p	p
Basic earnings per ordinary share	10	**36.0**	27.7	30.8
Diluted earnings per share	10	**34.8**	26.9	29.8

Consolidated financial statements (continued)

Consolidated statement of comprehensive income

	2024	2023	2022
For the year ended 31 December	**£m**	**£m**	**£m**
Profit after tax	**6,356**	5,323	5,973
Other comprehensive income/(loss) that may be recycled to profit or loss:			
Currency translation reserve			
Currency translation differences[1]	**(59)**	(1,110)	2,032
Tax	**13**	9	—
Fair value through other comprehensive income reserve movements relating to debt securities			
Net (losses)/gains from changes in fair value	**(863)**	1,486	(7,516)
Net (gains)/losses transferred to net profit on disposal	**(164)**	(26)	111
Net losses/(gain) relating to (releases of) impairment	**1**	(1)	9
Net gains/(losses) due to fair value hedging	**325**	(1,184)	5,452
Tax	**194**	(78)	523
Cash flow hedging reserve			
Net (losses)/gains from changes in fair value	**(784)**	4,447	(9,052)
Net losses transferred to net profit	**1,842**	423	339
Tax	**(281)**	(1,342)	2,331
Other comprehensive income/(loss) that may be recycled to profit or loss	**224**	2,624	(5,771)
Other comprehensive income/(loss) not recycled to profit or loss:			
Retirement benefit remeasurements	**(427)**	(1,193)	(754)
Fair value through other comprehensive income reserve movements relating to equity instruments	**—**	(3)	228
Own credit	**(1,130)**	(983)	2,092
Tax	**432**	611	(156)
Other comprehensive (loss)/income not recycled to profit or loss	**(1,125)**	(1,568)	1,410
Other comprehensive (loss)/income for the year	**(901)**	1,056	(4,361)
Total comprehensive income for the year	**5,455**	6,379	1,612
Attributable to:			
Equity holders of the parent	**5,406**	6,315	1,567
Non-controlling interests	**49**	64	45
Total comprehensive income for the year	**5,455**	6,379	1,612

Note:
1 Includes £1m gain (2023: £0m ; 2022: £1m gain) on recycling of currency translation differences to net profit.

Consolidated financial statements (continued)

Consolidated balance sheet

As at 31 December	Notes	2024 £m	2023 £m
Assets			
Cash and balances at central banks		**210,184**	224,634
Cash collateral and settlement balances		**119,843**	108,889
Debt securities at amortised cost		**68,210**	56,749
Loans and advances at amortised cost to banks		**8,327**	9,459
Loans and advances at amortised cost to customers		**337,946**	333,288
Reverse repurchase agreements and other similar secured lending at amortised cost		**4,734**	2,594
Trading portfolio assets	12	**166,453**	174,605
Financial assets at fair value through the income statement	13	**193,734**	206,651
Derivative financial instruments	14	**293,530**	256,836
Financial assets at fair value through other comprehensive income	15	**78,059**	71,836
Investments in associates and joint ventures	35	**891**	879
Goodwill and intangible assets	21	**8,275**	7,794
Property, plant and equipment	19	**3,604**	3,417
Current tax assets		**155**	121
Deferred tax assets	9	**6,321**	5,960
Retirement benefit assets	32	**3,263**	3,667
Assets included in disposal group classified as held for sale	40	**9,854**	3,916
Other assets		**4,819**	6,192
Total assets		**1,518,202**	1,477,487
Liabilities			
Deposits at amortised cost from banks		**13,203**	14,472
Deposits at amortised cost from customers		**547,460**	524,317
Cash collateral and settlement balances		**106,229**	94,084
Repurchase agreements and other similar secured borrowing at amortised cost		**39,415**	41,601
Debt securities in issue		**92,402**	96,825
Subordinated liabilities	26	**11,921**	10,494
Trading portfolio liabilities	12	**56,908**	58,669
Financial liabilities designated at fair value	16	**282,224**	297,539
Derivative financial instruments	14	**279,415**	250,044
Current tax liabilities		**566**	529
Deferred tax liabilities	9	**18**	22
Retirement benefit liabilities	32	**240**	266
Provisions	23	**1,383**	1,584
Liabilities included in disposal group classified as held for sale	40	**3,726**	3,164
Other liabilities	22	**10,611**	12,013
Total liabilities		**1,445,721**	1,405,623
Equity			
Called up share capital and share premium	27	**4,186**	4,288
Other equity instruments	27	**12,075**	13,259
Other reserves	28	**(468)**	(77)
Retained earnings		**56,028**	53,734
Total equity excluding non-controlling interests		**71,821**	71,204
Non-controlling interests	29	**660**	660
Total equity		**72,481**	71,864
Total liabilities and equity		**1,518,202**	1,477,487

The Board of Directors approved the financial statements on pages 440 to 534 on 12 February 2025.

Nigel Higgins
Group Chairman

C.S. Venkatakrishnan
Group Chief Executive

Anna Cross
Group Finance Director

Consolidated financial statements (continued)

Consolidated statement of changes in equity

	Called up share capital and share premium[1]	Other equity instruments[1]	Other reserves[2]	Retained earnings	Total equity excluding non-controlling interests	Non-controlling interests	Total equity
	£m	£m	£m	£m	£m	£m	£m
Balance as at 1 January 2024	**4,288**	**13,259**	**(77)**	**53,734**	**71,204**	**660**	**71,864**
Profit after tax	**—**	**991**	**—**	**5,316**	**6,307**	**49**	**6,356**
Currency translation movements	**—**	**—**	**(46)**	**—**	**(46)**	**—**	**(46)**
Fair value through other comprehensive income reserve	**—**	**—**	**(507)**	**—**	**(507)**	**—**	**(507)**
Cash flow hedges	**—**	**—**	**777**	**—**	**777**	**—**	**777**
Retirement benefit remeasurements	**—**	**—**	**—**	**(303)**	**(303)**	**—**	**(303)**
Own credit reserve	**—**	**—**	**(822)**	**—**	**(822)**	**—**	**(822)**
Total comprehensive income for the year	**—**	**991**	**(598)**	**5,013**	**5,406**	**49**	**5,455**
Employee share schemes and hedging thereof	**103**	**—**	**—**	**874**	**977**	**—**	**977**
Issue and redemption of other equity instruments	**—**	**(1,155)**	**—**	**(96)**	**(1,251)**	**—**	**(1,251)**
Other equity instruments coupons paid	**—**	**(991)**	**—**	**—**	**(991)**	**—**	**(991)**
Increase in treasury shares	**—**	**—**	**(269)**	**—**	**(269)**	**—**	**(269)**
Vesting of shares under employee share schemes	**—**	**—**	**268**	**(508)**	**(240)**	**—**	**(240)**
Dividends paid	**—**	**—**	**—**	**(1,221)**	**(1,221)**	**(49)**	**(1,270)**
Repurchase of shares	**(205)**	**—**	**205**	**(1,760)**	**(1,760)**	**—**	**(1,760)**
Other reserve movements	**—**	**(29)**	**3**	**(8)**	**(34)**	**—**	**(34)**
Balance as at 31 December 2024	**4,186**	**12,075**	**(468)**	**56,028**	**71,821**	**660**	**72,481**
Balance as at 1 January 2023	4,373	13,284	(2,192)	52,827	68,292	968	69,260
Profit after tax	—	985	—	4,274	5,259	64	5,323
Currency translation movements	—	—	(1,101)	—	(1,101)	—	(1,101)
Fair value through other comprehensive income reserve	—	—	194	—	194	—	194
Cash flow hedges	—	—	3,528	—	3,528	—	3,528
Retirement benefit remeasurements	—	—	—	(855)	(855)	—	(855)
Own credit reserve	—	—	(710)	—	(710)	—	(710)
Total comprehensive income for the year	—	985	1,911	3,419	6,315	64	6,379
Employee share schemes and hedging thereof	124	—	—	497	621	—	621
Issue and redemption of other equity instruments	—	(30)	—	(38)	(68)	(312)	(380)
Other equity instruments coupons paid	—	(985)	—	—	(985)	—	(985)
Increase in treasury shares	—	—	(285)	—	(285)	—	(285)
Vesting of shares under employee share schemes	—	—	277	(506)	(229)	—	(229)
Dividends paid	—	—	—	(1,210)	(1,210)	(64)	(1,274)
Repurchase of shares	(209)	—	209	(1,257)	(1,257)	—	(1,257)
Other reserve movements	—	5	3	2	10	4	14
Balance as at 31 December 2023	4,288	13,259	(77)	53,734	71,204	660	71,864

Notes:
1 For further details refer to Note 27.
2 For further details refer to Note 28.

Consolidated financial statements (continued)

	Called up share capital and share premium	Other equity instruments	Other reserves	Retained earnings	Total equity excluding non-controlling interests	Non-controlling interests	Total equity
	£m	£m	£m	£m	£m	£m	£m
Balance as at 1 January 2022	**4,536**	**12,259**	**1,770**	**50,487**	**69,052**	**989**	**70,041**
Profit after tax	—	905	—	5,023	5,928	45	5,973
Currency translation movements	—	—	2,032	—	2,032	—	2,032
Fair value through other comprehensive income reserve	—	—	(1,193)	—	(1,193)	—	(1,193)
Cash flow hedges	—	—	(6,382)	—	(6,382)	—	(6,382)
Retirement benefit remeasurements	—	—	—	(281)	(281)	—	(281)
Own credit reserve	—	—	1,463	—	1,463	—	1,463
Total comprehensive income for the year	**—**	**905**	**(4,080)**	**4,742**	**1,567**	**45**	**1,612**
Employee share schemes and hedging thereof	70	—	—	476	546	—	546
Issue and exchange of other equity instruments	—	1,032	—	28	1,060	(20)	1,040
Other equity instruments coupons paid	—	(905)	—	—	(905)	—	(905)
Disposal of Absa holding	—	—	(84)	84	—	—	—
Increase in treasury shares	—	—	(248)	—	(248)	—	(248)
Vesting of shares under employee share schemes	—	—	253	(485)	(232)	—	(232)
Dividends paid	—	—	—	(1,028)	(1,028)	(45)	(1,073)
Repurchase of shares	(233)	—	233	(1,508)	(1,508)	—	(1,508)
Own credit realisation	—	—	(36)	36	—	—	—
Other reserve movements	—	(7)	—	(5)	(12)	(1)	(13)
Balance as at 31 December 2022	**4,373**	**13,284**	**(2,192)**	**52,827**	**68,292**	**968**	**69,260**

Consolidated financial statements (continued)

Consolidated cash flow statement

For the year ended 31 December	Notes	2024 £m	2023 £m	2022 £m
Reconciliation of profit before tax to net cash flows from operating activities:				
Profit before tax		**8,108**	6,557	7,012
Adjustment for non-cash items:				
Credit impairment charges		**1,982**	1,881	1,220
Depreciation, amortisation and impairment of property, plant, equipment and intangibles		**1,734**	2,147	1,786
Other provisions, including pensions		**500**	482	1,724
Net loss on disposal of investments and property, plant and equipment		**20**	11	54
Other non-cash movements including exchange rate movements		**2,384**	10,729	(13,298)
Changes in operating assets and liabilities				
Net decrease/(increase) in cash collateral and settlement balances		**2,391**	1,165	(881)
Net decrease/(increase) in loans and advances at amortised cost		**284**	10,947	(24,949)
Net (increase)/decrease in reverse repurchase agreements and other similar secured lending		**(2,140)**	(1,818)	2,451
Net increase/(decrease) in deposits at amortised cost		**14,952**	(6,958)	26,349
Net (decrease)/increase in debt securities in issue		**(9,978)**	(19,640)	9,210
Net (decrease)/increase in repurchase agreements and other similar secured borrowing		**(2,186)**	14,549	(1,300)
Net (increase)/decrease in derivative financial instruments		**(7,303)**	5,968	(7,071)
Net decrease/(increase) in trading portfolio assets		**8,152**	(40,792)	13,222
Net (decrease)/increase in trading portfolio liabilities		**(1,761)**	(14,255)	18,755
Net (decrease)/increase in financial assets and liabilities at fair value through the income statement		**(2,408)**	32,819	(919)
Net increase in other assets		**(4,040)**	(1,521)	(3,497)
Net (decrease)/increase in other liabilities		**(2,295)**	(2,362)	1,051
Corporate income tax paid		**(1,283)**	(836)	(688)
Net cash from operating activities		**7,113**	(927)	30,231
Purchase of debt securities at amortised cost		**(28,945)**	(19,977)	(27,731)
Proceeds from redemption or sale of debt securities at amortised cost		**17,505**	7,332	14,277
Purchase of financial assets at fair value through other comprehensive income		**(80,980)**	(66,415)	(69,380)
Proceeds from sale or redemption of financial assets at fair value through other comprehensive income		**73,819**	59,756	62,821
Purchase of property, plant and equipment and intangibles		**(1,574)**	(1,718)	(1,746)
Acquisition of business		**(460)**	(2,415)	—
Other cash flows associated with investing activities[2]		**2,749**	23	86
Net cash from investing activities		**(17,886)**	(23,414)	(21,673)
Dividends paid and other coupon payments on equity instruments		**(2,261)**	(2,259)	(1,978)
Issuance of subordinated liabilities	26	**1,870**	1,523	1,477
Redemption of subordinated liabilities	26	**(476)**	(2,239)	(2,679)
Issue of shares and other equity instruments		**1,684**	3,251	3,205
Repurchase of shares and other equity instruments		**(4,525)**	(4,750)	(3,655)
Issuance of debt securities[1]		**12,144**	9,836	11,139
Redemption of debt securities[1]		**(7,143)**	(6,252)	(6,335)
Net purchase of treasury shares		**(509)**	(499)	(478)
Net cash from financing activities		**784**	(1,389)	696
Effect of exchange rates on cash and cash equivalents		**(2,407)**	(5,053)	10,330
Net (decrease)/increase in cash and cash equivalents		**(12,396)**	(30,783)	19,584
Cash and cash equivalents at beginning of year		**248,007**	278,790	259,206
Cash and cash equivalents at end of year		**235,611**	248,007	278,790
Cash and cash equivalents comprise:				
Cash and balances at central banks		**210,184**	224,634	256,351
Loans and advances to banks with original maturity of three months or less		**7,230**	6,639	6,431
Cash collateral balances with central banks with original maturity of three months or less		**16,650**	15,450	15,150
Treasury and other eligible bills with original maturity of three months or less		**1,547**	1,284	858
Cash and cash equivalents at end of year		**235,611**	248,007	278,790

Notes:
1 Issuance of debt securities and redemption of debt securities included in financing activities relate to instruments that qualify as eligible liabilities and satisfy regulatory requirements for MREL instruments which came into effect during 2019. Refer to Note 1, paragraph 4(vi), for further details.
2 This relates to the net proceeds from sale of Italian retail mortgage portfolio.

Interest received was £38,212m (2023: £35,089m; 2022: £18,283m) and interest paid was £25,287m (2023: £20,303m; 2022: £8,686m). 2023 and 2022 comparative figures have been amended to make the cash flow statement more relevant following a review of the disclosure and the basis of preparation applied. Following that review, the basis of preparation of interest received and paid has been amended to reflect interest received and interest paid on activity where interest is recognised on an effective interest rate basis to make the cash flow statement information more relevant with reference to net interest income recognised in the income statement and enhancing comparability with industry peers. Previously, amounts related to trading activities were also included.

Dividends received were £3m (2023: £0m; 2022: £31m).

The Group is required to maintain balances with central banks and other regulatory authorities. These amounted to £2,945m (2023: £3,758m; 2022: £3,457m) and are included within the Cash and cash equivalents. For the purposes of the cash flow statement, cash comprises cash on hand and demand deposits and cash equivalents comprise highly liquid investments that are convertible into cash with an insignificant risk of changes in value with original maturities of three months or less. Repurchase and reverse repurchase agreements are not considered to be part of cash equivalents.

Parent company accounts

Statement of comprehensive income

For the year ended 31 December	Notes	2024 £m	2023 £m	2022 £m
Dividend received from subsidiaries	42	**3,087**	2,818	2,797
Net interest expense		**(15)**	(11)	(163)
Other income/(expense)	42	**1,183**	1,174	(654)
Operating expenses		**(264)**	(296)	(257)
Profit before tax		**3,991**	3,685	1,723
Taxation		**91**	81	440
Profit after tax		**4,082**	3,766	2,163
Other comprehensive income		**—**	—	—
Total comprehensive income		**4,082**	3,766	2,163
Profit after tax attributable to:				
Ordinary equity holders		**3,092**	2,781	1,258
Other equity instrument holders		**990**	985	905
Profit after tax		**4,082**	3,766	2,163
Total comprehensive income attributable to:				
Ordinary equity holders		**3,092**	2,781	1,258
Other equity instrument holders		**990**	985	905
Total comprehensive income		**4,082**	3,766	2,163

For the year ended 31 December 2024, profit after tax was £4,082m (2023: £3,766m, 2022: £2,163m) and total comprehensive income was £4,082m (2023: £3,766m, 2022: £2,163m). The Company has 58 members of staff (2023: 61, 2022: 61).

Balance sheet

As at 31 December	Notes	2024 £m	2023 £m
Assets			
Investment in subsidiaries	42	**63,315**	64,461
Loans and advances to subsidiaries	42	**18,407**	18,926
Financial assets at fair value through the income statement	42	**44,435**	35,787
Derivative financial instruments		**31**	33
Other assets		**441**	407
Total assets		**126,629**	119,614
Liabilities			
Deposits at amortised cost		**542**	542
Debt securities in issue	42	**16,337**	18,308
Subordinated liabilities	42	**9,706**	10,018
Financial liabilities designated at fair value	42	**42,324**	31,832
Derivative financial instruments	42	**654**	711
Other liabilities		**80**	175
Total liabilities		**69,643**	61,586
Equity			
Called up share capital and share premium	42	**4,186**	4,288
Other equity instruments	42	**12,033**	13,198
Other reserves		**1,202**	997
Retained earnings		**39,565**	39,545
Total equity		**56,986**	58,028
Total liabilities and equity		**126,629**	119,614

The financial statements on pages 446 to 448 and the accompanying note on page 529 were approved by the Board of Directors on 12 February 2025 and signed on its behalf by:

Nigel Higgins
Group Chairman

C.S.Venkatakrishnan
Group Chief Executive

Anna Cross
Group Finance Director

Parent company accounts (continued)

Statement of changes in equity

	Called up share capital and share premium	Other equity instruments	Other reserves	Retained earnings	Total equity
	£m	£m	£m	£m	£m
Balance as at 1 January 2024	**4,288**	**13,198**	**997**	**39,545**	**58,028**
Profit after tax and other comprehensive income	**—**	**990**	**—**	**3,092**	**4,082**
Issue of shares under employee share schemes	**103**	**—**	**—**	**22**	**125**
Issue and exchange of other equity instruments	**—**	**(1,165)**	**—**	**(93)**	**(1,258)**
Vesting of shares under employee share schemes	**—**	**—**	**—**	**(24)**	**(24)**
Dividends paid	**—**	**—**	**—**	**(1,221)**	**(1,221)**
Other equity instruments coupons paid	**—**	**(990)**	**—**	**—**	**(990)**
Repurchase of shares	**(205)**	**—**	**205**	**(1,760)**	**(1,760)**
Other reserve movements	**—**	**—**	**—**	**4**	**4**
Balance as at 31 December 2024	**4,186**	**12,033**	**1,202**	**39,565**	**56,986**
Balance as at 1 January 2023	4,373	13,250	788	39,256	57,667
Profit after tax and other comprehensive income	—	985	—	2,781	3,766
Issue of shares under employee share schemes	124	—	—	22	146
Issue and exchange of other equity instruments	—	(52)	—	(25)	(77)
Vesting of shares under employee share schemes	—	—	—	(22)	(22)
Dividends paid	—	—	—	(1,210)	(1,210)
Other equity instruments coupons paid	—	(985)	—	—	(985)
Repurchase of shares	(209)	—	209	(1,257)	(1,257)
Balance as at 31 December 2023	4,288	13,198	997	39,545	58,028

Statement of changes in equity

	Notes	Called up share capital and share premium	Other equity instruments	Other reserves	Retained earnings	Total equity
		£m	£m	£m	£m	£m
Balance as at 1 January 2022		**4,536**	**12,241**	**555**	**40,505**	**57,837**
Profit after tax and other comprehensive income		—	905	—	1,258	2,163
Issue of shares under employee share schemes		70	—	—	34	104
Issue and exchange of other equity instruments		—	1,009	—	17	1,026
Vesting of shares under employee share schemes		—	—	—	(22)	(22)
Dividends paid		—	—	—	(1,028)	(1,028)
Other equity instruments coupons paid		—	(905)	—	—	(905)
Repurchase of shares		(233)	—	233	(1,508)	(1,508)
Balance as at 31 December 2022		**4,373**	**13,250**	**788**	**39,256**	**57,667**

Parent company accounts (continued)

Cash flow statement

For the year ended 31 December	2024 £m	2023 £m	2022 £m
Reconciliation of profit before tax to net cash flows from operating activities:			
Profit before tax	**3,991**	3,685	1,723
Adjustment for non-cash items:			
Other non-cash items	**107**	(627)	868
Changes in operating assets and liabilities	**(85)**	17	1,037
Net cash generated from operating activities	**4,013**	3,075	3,628
Net increase in loans and advances to subsidiaries of the parent[1]	**(8,008)**	(2,587)	(5,087)
Capital contribution to and investment in subsidiary	**1,214**	83	(1,769)
Net cash used in investing activities	**(6,794)**	(2,504)	(6,856)
Issue of shares and other equity instruments	**1,660**	3,251	3,180
Redemption of other equity instruments	**(2,765)**	(3,181)	(2,097)
Net increase in debt securities in issue[2]	**8,005**	3,585	4,813
Proceeds of borrowings and issuance of subordinated debt	**(339)**	(764)	1,000
Repurchase of shares	**(1,760)**	(1,257)	(1,508)
Dividends paid	**(1,221)**	(1,210)	(1,028)
Coupons paid on other equity instruments	**(991)**	(985)	(905)
Net cash generated/ (used in) from financing activities	**2,589**	(561)	3,455
Net (decrease)/increase in cash equivalents	**(192)**	10	227
Cash equivalents at beginning of year	**486**	476	249
Cash equivalents at end of year[3]	**294**	486	476

Notes:
1 Includes financial assets at fair value through the income statement.
2 Includes financial liabilities designated at fair value.
3 Cash equivalents comprise loans and advances to banks with original maturity of three months or less, contained within loans and advances to subsidiaries.

The Parent company's principal activity is to hold the investment in its wholly-owned subsidiaries, Barclays Bank PLC, Barclays Bank UK PLC, Barclays Execution Services Limited and Barclays Principal Investments Limited. Dividends received are treated as operating income.

Interest received was £2,828m (2023: £2,360m; 2022: £1,519m) and interest paid was £2,888m (2023: £2,355m; 2022: £1,694m). The 2023 and 2022 comparative figures have been amended to make the cash flow statement more relevant following a review of the disclosure and the basis of preparation applied. Following that review, the basis of preparation of interest received and paid has been amended to reflect interest received and interest paid on activity where interest is recognised on an effective interest rate basis to make the cash flow statement information more relevant with reference to net interest income recognised in the income statement and enhancing comparability with industry peers.

Dividends received were £3,087m (2023: £2,818; 2022: £2,797m).

Notes to the financial statements

For the year ended 31 December 2024

This section describes the Group's material accounting policies and critical accounting estimates and judgements that relate to the financial statements and notes as a whole. If an accounting policy or a critical accounting estimate or judgement relates to a particular note, disclosure is contained within the relevant note.

1 Material accounting policies

1. Reporting entity

Barclays PLC is a public company limited by shares registered in England under company number 48839, having its registered office at 1 Churchill Place, London, E14 5HP.

These financial statements are prepared for Barclays PLC and its subsidiaries (the Group) under Section 399 of the Companies Act 2006. The Group is a major global financial services provider engaged in retail banking, 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 Group, and the separate financial statements of Barclays PLC, have been prepared in accordance with UK-adopted international accounting standards.

The consolidated financial statements of the Group, and the separate financial statements of Barclays PLC, have also been prepared in accordance with 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.

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 Classification of Liabilities as Current or Non-current (Amendments to IAS 1), which was effective from 1 January 2024 and applies retrospectively.

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. These financial statements are stated in millions of Pounds Sterling (£m), the functional currency of Barclays PLC.

The financial statements have been prepared for Barclays PLC and its subsidiaries (the Group) under Section 399 of 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 Group and the 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 includes a review of a working capital report (WCR). The WCR is used by the Board to assess the future performance of the Group and that it has the resources in place that are required to meet its ongoing regulatory requirements. The assessment is based upon business plans which contain future projections of profitability taken from the 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 Group could experience. Further details are set out in the Viability statement on page 54.

The WCR showed that the 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 Directors concluded that there was a reasonable expectation that the Group and parent company 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 Group prepares financial statements in accordance with IFRS. The 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 PLC and all its subsidiaries. Subsidiaries are entities over which Barclays PLC has control. The Group has control over another entity when the 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 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 33.

Notes to the financial statements (continued)

For the year ended 31 December 2024

(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 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 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 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 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 Group's policies for determining the fair values of the assets and liabilities are set out in Note 17.

Derecognition

The 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 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 reward have been transferred or retained, where control over the asset has been lost.

Financial liabilities are derecognised 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 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 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 Group obtains such loans or cash collateral, in exchange for the transfer of collateral.

The 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 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.

Notes to the financial statements (continued)

For the year ended 31 December 2024

The 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 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 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 are deemed to be investing activities for the purposes of the cash flow statement, except those instruments considered to be cash equivalents.

Debt securities issued and redeemed are considered to be operating activities, except qualifying eligible liabilities that satisfy regulatory requirements for MREL instruments (or have previously satisfied these requirements since 2019 when they came into effect), which are considered to be financing activities.

5. New and amended standards and interpretations

The accounting policies adopted have been consistently applied, with the exception of the following:

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 that was subsequently deferred to 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.

The impact to the Group from these amendments is not considered to be material.

Future accounting developments

The following accounting standards have been issued by the IASB but are not yet effective:

Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments

In May 2024, the IASB issued targeted amendments to IFRS 9 to address feedback received from stakeholders following a post-implementation review. The amendments include:

- additional guidance to clarify when certain financial assets may be compliant with SPPI requirements, including instruments with contingent features (e.g. ESG-linked financing), as well as contractually-linked instruments and non-recourse financing.
- clarifying the derecognition requirements for financial assets and financial liabilities, including establishing a new accounting policy choice for derecognition of a financial liability when a payment is initiated by the reporting entity using an electronic payment system provided specified criteria is met.

The amendments are effective from 1 January 2026, but are not yet endorsed for use in the UK. The Group is currently assessing the impact of these amendments.

IFRS 18 Presentation and Disclosure in Financial Statements

In August 2024, the IASB issued a new IFRS Accounting Standard to replace IAS 1 *Presentation of Financial Statements*. The new standard creates detailed requirements for the classification and aggregation of income and expenses in the income statement, and disclosure requirements for management-defined performance measures.

The new standard is effective from 1 January 2027, but has not yet been endorsed for use in the UK. The Group is currently assessing the impact of these amendments.

Amendments to IAS 21 - Lack of Exchangeability

In August 2023, the IASB issued amendments to IAS 21 to define when a currency is exchangeable into another currency and, when it is not, to determine the exchange rate to use.

The amendments are effective from 1 January 2025, however the impact to the Group is not expected to be material.

Notes to the financial statements (continued)

For the year ended 31 December 2024

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.

	Judgements	Estimates	Further information
Credit impairment charges	Identification and application of management adjustments in response to circumstances outside the scope of the model.	Estimates include modelling assumptions such as forward-looking modelled parameters (PD, EAD & LGD), and a range of unbiased future economic scenarios and scenario weightings.	on page 461
Tax	Recognition of deferred tax assets and determination of provisions for uncertain tax positions.	Measurement of deferred tax balances and the level of provisioning for uncertain tax positions include forward-looking assumptions and estimates.	on page 463
Fair value of financial instruments	Classification of financial instruments with significant unobservable inputs as Level 3.	Valuation of Level 3 assets and liabilities are typically determined by referencing observable inputs, historical data, or employing other analytical techniques.	on page 477
Goodwill and intangible assets	Identification of cash generating units (CGUs) and allocation of goodwill for impairment testing.	The value-in-use (VIU) of a CGU for impairment testing includes forecasting future cash flows and determination of the discount rate.	on page 493
Pensions and post-retirement benefit obligations	-	Valuation of defined benefit scheme obligations includes assumptions on post-retirement mortality, discount rates and inflation.	on page 512
Provisions including conduct and legal, competition and regulatory matters	Determination as to whether a present obligation exists.	Estimation uncertainty in the probability, timing, nature and quantum of outflows.	on page 495

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 286 to 288 and 303 to 355
- Market risk on pages 288 to 289 and 356 to 357
- Treasury and Capital risk – liquidity on pages 289 and 359 to 369
- Treasury and Capital risk – capital on pages 289 to 290 and 370 to 376

These disclosures are covered by the audit opinion (included on pages 424 to 439) where referenced as audited.

Notes to the financial statements (continued)

For the year ended 31 December 2024

Financial performance and returns

The notes included in this section focus on the results and performance of the Group. Information on the income generated, expenditure incurred, segmental performance, tax, earnings per share and dividends are included here. For further detail on performance, see income statement commentary within the Financial review (unaudited).

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. Income and expenses directly associated with each segment are included in determining business segment performance.

Barclays is a British universal bank diversified by business, geography and income type, serving consumer and wholesale customers and clients globally. In addition to its rooting in the UK, Barclays also has a strong presence in the US.

As part of the 20 February 2024 Investor Update, Barclays has announced changes to its operating divisions which impacts segmental reporting going forward. 2023 and 2022 financials have been restated to reflect the resegmentation.

The Group presents its financial disclosures through the following segments (plus Head Office):

- Barclays UK: this segment broadly represents businesses that sit within the UK ring-fenced bank entity, Barclays Bank UK PLC, and comprises Personal Banking, Business Banking and Barclaycard Consumer UK.
- Barclays UK Corporate Bank: this division brings together lending, trade and working capital, liquidity, payments and FX solutions for UK corporate clients with an annual turnover from £6.5 million and higher, excluding those clients that form part of the FTSE 350, which are included within the IB.
- Barclays Private Bank and Wealth Management: this division serves UK and international private banking clients providing a range of investment, banking and lending products alongside expert advice. It also serves UK wealth management and UK digital investing clients offering a range of financial services.
- Barclays Investment Bank: this segment incorporates the Global Markets, Investment Banking and International Corporate Banking businesses, serving FTSE 350, multinationals and financial institution clients that are regular users of Investment Bank services.
- Barclays US Consumer Bank: is a co-branded credit card issuer and financial services partner in the United States for travel, entertainment, retail and affinity institutions. It offers co-branded, small business and private label credit cards, instalment loans, online savings accounts and certificates of deposits.
- Head Office: comprises central support, central treasury operations, Barclays Execution Services assets and legacy businesses. In addition to these elements, as part of the resegmentation announced at the FY23 Investor Update on 20 February 2024, Head Office now also includes the German consumer finance business, which is currently accounted for as held for sale, and the merchant acquiring component of the Payments business.

Analysis of results by business

	Barclays UK	Barclays UK Corporate Bank	Barclays Private Bank & Wealth Management	Barclays Investment Bank	Barclays US Consumer Bank	Head Office	Group results
	£m	£m	£m	£m	£m	£m	£m
For the year ended 31 December 2024							
Net interest income	6,627	1,206	767	1,031	2,659	646	12,936
Non-interest income	1,647	574	542	10,774	667	(352)	13,852
Total income	8,274	1,780	1,309	11,805	3,326	294	26,788
Operating costs	(4,235)	(935)	(911)	(7,666)	(1,612)	(836)	(16,195)
UK regulatory levies	(78)	(37)	(9)	(187)	—	(9)	(320)
Litigation and conduct	(16)	(1)	—	(55)	(14)	(134)	(220)
Total operating expenses	(4,329)	(973)	(920)	(7,908)	(1,626)	(979)	(16,735)
Other net income[1]	—	—	—	—	—	37	37
Profit/(loss) before impairment	3,945	807	389	3,897	1,700	(648)	10,090
Credit impairment charges	(365)	(76)	(6)	(123)	(1,293)	(119)	(1,982)
Profit/(loss) before tax	3,580	731	383	3,774	407	(767)	8,108
Total assets (£bn)	299.8	61.2	34.1	1,053.9	35.4	33.8	1,518.2
Total liabilities (£bn)	284.1	94.4	75.0	952.1	24.5	15.6	1,445.7
Number of employees (full time equivalent)	18,000	1,900	1,900	7,100	2,300	61,800	93,000
Average number of employees (full time equivalent)							91,300
Average number of employees (headcount)							92,900

Note:
1 Other net income represents the share of post-tax results of associates and joint ventures, profit on disposal of subsidiaries, associates and joint ventures, and gains on acquisitions.

Notes to the financial statements (continued)

For the year ended 31 December 2024

	Barclays UK	Barclays UK Corporate Bank	Barclays Private Bank & Wealth Management	Barclays Investment Bank	Barclays US Consumer Bank	Head Office	Group results
	£m	£m	£m	£m	£m	£m	£m
For the year ended 31 December 2023							
Net interest income	6,431	1,160	768	1,393	2,604	353	12,709
Non-interest income	1,156	610	440	9,642	664	157	12,669
Total income	7,587	1,770	1,208	11,035	3,268	510	25,378
Operating costs	(4,393)	(905)	(795)	(7,619)	(1,650)	(1,352)	(16,714)
UK bank levy	(30)	(8)	(4)	(123)	—	(14)	(180)
Litigation and conduct	8	1	2	5	(6)	(48)	(37)
Total operating expenses	(4,415)	(912)	(797)	(7,737)	(1,656)	(1,414)	(16,931)
Other net expenses[1]	—	(3)	—	—	—	(6)	(9)
Profit/(loss) before impairment	3,172	855	411	3,298	1,612	(910)	8,438
Credit impairment (charges)/releases	(304)	27	(4)	(102)	(1,438)	(60)	(1,881)
Profit/(loss) before tax	2,868	882	407	3,196	174	(970)	6,557
Total assets (£bn)	293.1	61.5	32.0	1,019.2	33.6	38.1	1,477.5
Total liabilities (£bn)	264.2	85.9	60.9	904.5	21.1	69.0	1,405.6
Number of employees (full time equivalent)	6,800	1,800	2,100	7,100	600	74,000	92,400
Average number of employees (full time equivalent)							92,900
Average number of employees (headcount)							94,800

Note:
1 Other net expenses represents the share of post-tax results of associates and joint ventures, profit on disposal of subsidiaries, associates and joint ventures, and gains on acquisitions.

	Barclays UK	Barclays UK Corporate Bank	Barclays Private Bank & Wealth Management	Barclays Investment Bank	Barclays US Consumer Bank	Head Office	Group results
	£m	£m	£m	£m	£m	£m	£m
For the year ended 31 December 2022							
Net interest income	5,893	1,132	715	836	1,972	24	10,572
Non-interest income	1,366	525	299	11,087	667	440	14,384
Total income	7,259	1,657	1,014	11,923	2,639	464	24,956
Operating costs	(4,260)	(812)	(545)	(6,955)	(1,525)	(860)	(14,957)
UK bank levy	(26)	(7)	(4)	(119)	—	(20)	(176)
Litigation and conduct	(41)	—	—	(1,189)	(3)	(364)	(1,597)
Total operating expenses	(4,327)	(819)	(549)	(8,263)	(1,528)	(1,244)	(16,730)
Other net income[1]	—	1	—	1	—	4	6
Profit/(loss) before impairment	2,932	839	465	3,661	1,111	(776)	8,232
Credit impairment charges	(286)	—	(5)	(181)	(624)	(124)	(1,220)
Profit/(loss) before tax	2,646	839	460	3,480	487	(900)	7,012
Total assets (£bn)	313.2	88.2	42.7	1,014.0	30.4	25.2	1,513.7
Total liabilities (£bn)	287.3	86.0	62.4	920.1	19.5	69.1	1,444.4
Number of employees (full time equivalent)	6,200	1,700	1,100	6,700	600	71,100	87,400
Average number of employees (full time equivalent)							83,900
Average number of employees (headcount)							86,200

Note:
1 Other net income represents the share of post-tax results of associates and joint ventures, profit (or loss) on disposal of subsidiaries, associates and joint ventures, and gains on acquisitions.

Notes to the financial statements (continued)

For the year ended 31 December 2024

Income by geographic region[1]

For the year ended 31 December	2024 £m	2023 £m	2022 £m
United Kingdom	**13,927**	13,295	14,908
Europe	**2,734**	2,517	2,321
Americas	**8,772**	8,109	6,353
Africa and Middle East	**82**	87	63
Asia	**1,273**	1,370	1,311
Total	**26,788**	25,378	24,956

Income from individual countries which represent more than 5% of total income[1]

For the year ended 31 December	2024 £m	2023 £m	2022 £m
United Kingdom	**13,927**	13,295	14,908
United States	**8,614**	7,911	6,176

Note:
1 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, financial assets at fair value through other comprehensive income, 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 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 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.

	2024 £m	2023 £m	2022 £m
Cash and balances at central banks	**11,076**	10,262	2,916
Debt securities at amortised cost	**2,445**	2,337	1,251
Loans and advances at amortised cost	**17,836**	14,742	12,125
Fair value through other comprehensive income	**3,821**	4,907	1,963
Cash collateral	**2,408**	2,375	460
Other[1]	**740**	452	381
Interest and similar income	**38,326**	35,075	19,096
Deposits at amortised cost	**(14,092)**	(11,252)	(3,573)
Debt securities in issue	**(6,708)**	(6,344)	(3,240)
Subordinated liabilities	**(945)**	(866)	(530)
Cash collateral	**(2,276)**	(2,254)	(396)
Other[2]	**(1,369)**	(1,650)	(785)
Interest and similar expense	**(25,390)**	(22,366)	(8,524)
Net interest income	**12,936**	12,709	10,572

Notes:
1 Includes interest income from reverse repurchase agreements and other similar secured lending at amortised cost and negative interest on liabilities.
2 Includes interest expense from repurchase agreement and other similar secured lending at amortised cost and negative expense on assets.

Interest and similar income presented above represents interest revenue calculated using the effective interest method. Costs to originate credit card balances of £1,016m (2023: £935m; 2022: £786m) have been amortised to interest and similar income during the year.

Notes to the financial statements (continued)

For the year ended 31 December 2024

4 Net fee and commission income

Accounting for net fee and commission income

The Group recognises fee and commission income charged for services provided by the 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 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 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.

	2024						
	Barclays UK	Barclays UK Corporate Bank	Barclays Private Bank and Wealth Management	Barclays Investment Bank	Barclays US Consumer Bank	Head Office	Barclays Group
	£m	£m	£m	£m	£m	£m	£m
Fee type							
Transactional	**1,150**	**448**	**33**	**336**	**2,661**	**342**	**4,970**
Advisory	**—**	**—**	**319**	**739**	**—**	**—**	**1,058**
Brokerage and execution	**215**	**—**	**129**	**1,580**	**—**	**—**	**1,924**
Underwriting and syndication	**36**	**92**	**—**	**2,596**	**—**	**—**	**2,724**
Other	**15**	**1**	**—**	**—**	**—**	**18**	**34**
Total revenue from contracts with customers	**1,416**	**541**	**481**	**5,251**	**2,661**	**360**	**10,710**
Other non-contract fee income	**—**	**25**	**—**	**112**	**—**	**—**	**137**
Fee and commission income	**1,416**	**566**	**481**	**5,363**	**2,661**	**360**	**10,847**
Fee and commission expense	**(408)**	**(90)**	**(38)**	**(1,121)**	**(1,855)**	**(88)**	**(3,600)**
Net fee and commission income	**1,008**	**476**	**443**	**4,242**	**806**	**272**	**7,247**

	2023						
	Barclays UK	Barclays UK Corporate Bank	Barclays Private Bank and Wealth Management	Barclays Investment Bank	Barclays US Consumer Bank	Head Office	Barclays Group
	£m	£m	£m	£m	£m	£m	£m
Fee type							
Transactional	1,124	429	32	327	2,603	301	4,816
Advisory	52	—	251	652	—	—	955
Brokerage and execution	234	—	89	1,674	—	—	1,997
Underwriting and syndication	33	82	—	1,998	—	—	2,113
Other	36	1	—	—	—	64	101
Total revenue from contracts with customers	1,479	512	372	4,651	2,603	365	9,982
Other non-contract fee income	—	28	1	110	—	—	139
Fee and commission income	1,479	540	373	4,761	2,603	365	10,121
Fee and commission expense	(368)	(96)	(33)	(1,247)	(1,765)	(83)	(3,592)
Net fee and commission income	1,111	444	340	3,514	838	282	6,529

	2022						
	Barclays UK	Barclays UK Corporate Bank	Barclays Private Bank and Wealth Management	Barclays Investment Bank	Barclays US Consumer Bank	Head Office	Barclays Group
	£m	£m	£m	£m	£m	£m	£m
Fee type							
Transactional	1,084	378	31	296	2,294	257	4,340
Advisory	161	—	144	820	—	—	1,125
Brokerage and execution	256	—	56	1,465	—	—	1,777
Underwriting and syndication	—	75	1	1,961	—	—	2,037
Other	59	(1)	2	9	4	142	215
Total revenue from contracts with customers	1,560	452	234	4,551	2,298	399	9,494
Other non-contract fee income	—	28	5	110	—	—	143
Fee and commission income	1,560	480	239	4,661	2,298	399	9,637
Fee and commission expense	(319)	(65)	(13)	(944)	(1,618)	(79)	(3,038)
Net fee and commission income	1,241	415	226	3,717	680	320	6,599

Notes to the financial statements (continued)

For the year ended 31 December 2024

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 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 the underwriting and syndication fees are loan commitment fees, when the drawdown is not probable. Such commitment fees are recognised over time through to the contractual maturity of the commitment.

Contract assets and contract liabilities

The Group had no material contract assets or contract liabilities as at 31 December 2024 (2023: £nil; 2022: £nil).

Impairment of fee receivables and contract assets

During 2024, there have been no material impairments recognised in relation to fees receivable and contract assets (2023: £nil; 2022: £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 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 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 Group expects that incremental costs of obtaining a contract such as success fee and commission fees paid are recoverable and therefore capitalises such contract costs. Capitalised contract costs net of amortisation as at 31 December 2024 are £122m (2023: £217m; 2022: £198m).

Capitalised contract costs are amortised over the customer relationship period depending on the transfer of services to which the asset pertains. In 2024, the amount of amortisation was £62m (2023: £55m; 2022: £47m) and there was no impairment loss recognised in connection with the capitalised contract costs (2023: £nil; 2022: £nil).

Notes to the financial statements (continued)

For the year ended 31 December 2024

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.

	2024	2023	2022
	£m	£m	£m
Net gains on financial instruments held for trading	**4,038**	4,257	6,021
Net gains on financial instruments designated at fair value	**529**	380	508
Net gains on financial instruments mandatorily at fair value	**1,201**	1,308	1,520
Net trading income	**5,768**	5,945	8,049

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 13 and Note 15.

	2024	2023	2022
	£m	£m	£m
Net gains/(losses) from financial instruments mandatorily at fair value	**326**	171	(51)
Net gains/(losses) from disposal of debt instruments at fair value through other comprehensive income	**164**	26	(111)
Net losses from disposal of financial assets and liabilities measured at amortised cost[1]	**(209)**	(17)	(18)
Dividend income	**3**	0	31
Net losses on other investments[2]	**(68)**	(119)	(285)
Net investment income/(expense)	**216**	61	(434)

Note:
1 Included within the 2024 balance are losses of £220m on sale of the performing Italian retail mortgage portfolio.
2 Included within the 2022 balance are losses of £74m on sale arising from disposal of Barclays' equity stake in Absa Group Limited (Absa) in April 2022 and September 2022.

Notes to the financial statements (continued)

For the year ended 31 December 2024

7 Operating expenses

	2024	2023	2022
	£m	£m	£m
Infrastructure costs			
Property and equipment[1]	**1,815**	1,948	1,649
Depreciation and amortisation	**1,700**	1,784	1,723
Impairment of property, equipment and intangible assets[1]	**34**	363	63
Total infrastructure costs	**3,549**	4,095	3,435
Administration and general expenses			
Consultancy, legal and professional fees	**829**	782	669
Marketing and advertising	**649**	585	500
Other administration and general expenses	**1,292**	1,235	1,101
Total administration and general expenses	**2,770**	2,602	2,270
Staff costs[1]	**9,876**	10,017	9,252
UK regulatory levies[2]	**320**	180	176
Litigation and conduct[3]	**220**	37	1,597
Operating expenses	**16,735**	16,931	16,730

Notes:
1 Infrastructure costs and Staff costs included £927m relating to structural cost actions taken in Q4 2023.
2 Comprises the impact of the Bank of England (BoE) levy scheme and the UK bank levy.
3 Included within the 2022 balance are costs of £966m related to the Over-issuance of Securities.

For further details on staff costs including accounting policies, refer to Note 30.

8 Credit impairment charges/(releases)

Accounting for the impairment of financial assets

Impairment

The 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.

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 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 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 Group policy and typically apply minimum relative thresholds of 50-100% and a maximum relative threshold of 400%.

Notes to the financial statements (continued)

For the year ended 31 December 2024

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 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 reassigned 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 326 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.

Uncollectable loans are written off against the related allowance for loan impairment on completion of the 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.

Notes to the financial statements (continued)

For the year ended 31 December 2024

Purchased or originated credit impaired (POCI)

Purchased or originated credit impaired assets include a fixed pool of credit card and unsecured personal loan balances that were purchased as part of the Tesco acquisition at a deep discount to face value reflecting credit losses incurred from the point of origination to the date of acquisition. Hence, POCI assets do not carry any impairment allowance on initial recognition. All changes in lifetime expected credit losses subsequent to the assets' initial recognition are recognised as an impairment charge. Over time, these POCI assets will run off as the loans redeem, pay down or as loans are written off.

Accounting for purchased financial guarantee contracts

The Group may enter into a financial guarantee contract which requires the issuer of such contract to reimburse the 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 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 revolving 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 forecasts 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 definition 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 Group's experience of managing credit risk. The determination of expected life is most material for Barclays' credit card portfolios which is obtained via behavioural life analysis to materially capture the risk of these facilities.

Notes to the financial statements (continued)

For the year ended 31 December 2024

Within the retail and small businesses portfolios, which comprise large numbers of small homogeneous 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 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.

Further information on impairment allowances, impairment charges, management adjustments to models for impairment, measurement uncertainty, sensitivity analysis and related credit information is set out within the Credit risk performance section.

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 page 322 in the Credit risk performance section.

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.

	2024			2023			2022		
	Impairment charges/ (releases)	Recoveries and reimbursements[1]	Total[2,3]	Impairment charges/ (releases)	Recoveries and reimbursements[1]	Total	Impairment charges/ (releases)	Recoveries and reimbursements[1]	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Loans and advances at amortised cost[4]	**2,115**	**(94)**	**2,021**	2,017	(73)	1,944	1,428	(263)	1,165
Off-balance sheet loan commitments and financial guarantee contracts	**(46)**	**—**	**(46)**	(61)	—	(61)	18	—	18
Total	**2,069**	**(94)**	**1,975**	1,956	(73)	1,883	1,446	(263)	1,183
Cash collateral and settlement balances	**(3)**	**—**	**(3)**	4	—	4	28	—	28
Financial instruments at fair value	**1**	**—**	**1**	(1)	—	(1)	9	—	9
Reverse Repo	**8**	**—**	**8**	—	—	—	—	—	—
Other financial asset measured at cost	**1**	**—**	**1**	(5)	—	(5)	—	—	—
Credit impairment charges /(releases)	**2,076**	**(94)**	**1,982**	1,954	(73)	1,881	1,483	(263)	1,220

Notes:
1 Recoveries and reimbursements include £15m (2023: £29m, 2022: £199m) for reimbursements expected to be received under the arrangement where 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 £79m (2023: £44m, 2022: £64m).
2 Includes net impairment charge relating to portfolios classified as held for sale. These include a co-branded card portfolio £160m within USCB and German Consumer Finance business £74m.
3 Includes net impairment charge of £209m on the acquisition of Tesco Bank.
4 Includes Debt securities measured 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 £746m (2023: £597m, 2022: £949m) including £45m (2023: £41m) pertaining to German consumer finance business classified as held for sale.This is lower than the write-offs presented in the movement in the 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 £2,146m (2023: £2,690m, 2022: £2,412m), 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 £78m (2023: £4m, 2022: £4m). The gross carrying amount 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 £101m (2023: £149m, 2022: £1,077m).

Notes to the financial statements (continued)

For the year ended 31 December 2024

9 Tax

Accounting for income taxes

The 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 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 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 Group's tax returns. The 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 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 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 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 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.

	2024	2023	2022
	£m	£m	£m
Current tax charge/(credit)			
Current year	**1,633**	1,359	1,045
Adjustments in respect of prior years	**26**	(181)	(444)
	1,659	1,178	601
Deferred tax charge/(credit)			
Current year	**128**	(95)	235
Adjustments in respect of prior years	**(35)**	151	203
	93	56	438
Tax charge	**1,752**	1,234	1,039

Notes to the financial statements (continued)

For the year ended 31 December 2024

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 Group's profit before tax.

	2024 £m	2024 %	2023 £m	2023 %	2022 £m	2022 %
Profit before tax	**8,108**		6,557		7,012	
Tax charge based on the applicable UK corporation tax rate of 25% (2023: 23.5%; 2022: 19%)	**2,027**	**25.0%**	1,541	23.5%	1,332	19.0%
Impact of profits/losses earned in territories with different statutory rates to the UK (weighted average tax rate is 23.8% (2023: 23.6%; 2022: 21.4%))	**(97)**	**(1.2%)**	4	0.1%	167	2.4%
Recurring items:						
Non-creditable taxes including withholding taxes	**105**	**1.3%**	130	2.0%	126	1.8%
Banking surcharge[1] and other items	**91**	**1.1%**	49	0.8%	131	1.8%
Changes in recognition of deferred tax and effect of unrecognised tax	**69**	**0.8%**	(58)	(0.9%)	(146)	(2.1%)
Non-deductible expenses	**61**	**0.8%**	65	1.0%	51	0.7%
Impact of UK bank levy being non-deductible	**56**	**0.7%**	42	0.6%	33	0.5%
Adjustments in respect of prior years	**(9)**	**(0.1%)**	(30)	(0.5%)	(241)	(3.4%)
Non-taxable gains and income	**(125)**	**(1.5%)**	(65)	(1.0%)	(135)	(1.9%)
Tax relief on holdings of inflation-linked government bonds	**(186)**	**(2.3%)**	(214)	(3.3%)	(556)	(7.9%)
Tax relief on payments made under AT1 instruments	**(241)**	**(3.0%)**	(222)	(3.4%)	(172)	(2.4%)
Non-recurring items:						
Remeasurement of UK deferred tax assets due to tax rate changes	**—**	**—**	—	—	346	4.9%
Non-deductible provisions for investigations and litigation	**(1)**	**(0.0%)**	—	—	93	1.3%
Non-deductible provisions for UK customer redress	**2**	**0.0%**	(8)	(0.1%)	10	0.1%
Total tax charge	**1,752**	**21.6%**	1,234	18.8%	1,039	14.8%

Note:
1 Banking surcharge includes the impact of the 3% UK banking surcharge rate on profits/losses and tax adjustments relating to UK banking entities.

Factors influencing the effective tax rate

The effective tax rate of 21.6% is lower than the UK corporation tax rate of 25% primarily due to tax relief on payments made under AT1 instruments and tax relief on holdings of inflation-linked government bonds. These factors, which have each decreased the effective tax rate, are partially offset by non-creditable taxes including withholding taxes, and banking surcharge and other items.

Factors that may influence the effective tax rate in future periods

The 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 Group operates in.

A gain of £556m has arisen on the acquisition of Tesco Bank. The acquisition is expected to generate a gain as a result of the consideration payable for net assets being lower than their fair value. The Group considers that the UK corporation tax treatment of £475m of the day 1 gain is unclear. The Group has treated the gain as taxable in preparing its 2024 financial statements and intends to engage with HM Revenue & Customs (HMRC) with a view to achieving clarity of treatment prior to filing Barclays Bank UK PLC's corporation tax return for the year ended 31 December 2024.

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 HMRC 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 judgment was handed down in March 2024 and was in HMRC's favour. In January 2025, Barclays was granted permission from the Upper Tribunal to appeal against the judgment. A provision is carried that is expected to be sufficient to cover the tax cost (once tax attributes that are available to partially offset a potential tax liability in respect of this issue are taken into account) in the event that the appeal is unsuccessful and the existing judgment were to stand.

The UK Government enacted legislation in 2023 to implement the OECD's global minimum tax rules (the Pillar Two rules) and a UK domestic minimum tax. The rules apply from 1 January 2024 and apply in respect of profits for every jurisdiction where the Group operates. Additional taxes resulting from the implementation of Pillar Two of £14m have arisen in respect of a limited number of jurisdictions in which the Group operates, principally in the Isle of Man, Jersey, and Guernsey, by virtue of their low statutory tax rates. It is not expected that additional taxes will significantly increase the Group's tax charge in future periods.

Additionally, the 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 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 Group will continue to review and assess the impact of further guidance released by the OECD and governments implementing this new tax regime.

Notes to the financial statements (continued)

For the year ended 31 December 2024

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 £135m credit (2023: £9m credit) 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:

	2024	2023
	£m	£m
UK Tax Group	**4,451**	4,081
US Intermediate Holding Company Tax Group ('IHC Tax Group')	**1,162**	973
Barclays Bank PLC's US Branch Tax Group	**270**	386
Other (outside the UK and US tax groups)	**438**	520
Deferred tax asset	**6,321**	5,960
Deferred tax liability	**(18)**	(22)
Net deferred tax	**6,303**	5,938

UK Tax Group deferred tax asset

The deferred tax asset in the UK Tax Group of £4,451m (2023: £4,081m) includes £1,385m (2023: £1,566m) 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 that these losses will be fully recovered.

US deferred tax assets in the IHC and US Branch Tax Groups

The deferred tax asset in the IHC Tax Group of £1,162m (2023: £973m) includes £38m (2023: £35m) 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 £270m (2023: £386m) relates entirely to temporary differences.

In relation to the IHC Tax Group, these temporary differences include £365m (2023: £387m) 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 these amounts will be utilised prior to expiry.

Other deferred tax assets (outside the UK and US tax groups)

The deferred tax asset of £438m (2023: £520m) in other entities within the Group includes £111m (2023: £147m) 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 £438m (2023: £520m), an amount of £4m (2023: £20m) relates to entities which have suffered a loss in either the current or prior year and for which the utilisation of the deferred tax is dependent on 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.

Notes to the financial statements (continued)

For the year ended 31 December 2024

	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	**1,277**	**571**	**1,477**	**38**	**628**	**85**	**449**	**1,146**	**1,748**	**7,419**
Liabilities	**(124)**	**—**	**—**	**(1,014)**	**—**	**—**	**—**	**(343)**	**—**	**(1,481)**
As at 1 January 2024	**1,153**	**571**	**1,477**	**(976)**	**628**	**85**	**449**	**803**	**1,748**	**5,938**
Income statement	**159**	**—**	**—**	**4**	**(110)**	**1**	**(34)**	**101**	**(214)**	**(93)**
Other comprehensive income and reserves	**—**	**194**	**(269)**	**118**	**—**	**308**	**110**	**1**	**—**	**462**
Other movements	**6**	**—**	**2**	**—**	**(19)**	**—**	**9**	**(2)**	**—**	**(4)**
	1,318	**765**	**1,210**	**(854)**	**499**	**394**	**534**	**903**	**1,534**	**6,303**
Assets	**1,435**	**765**	**1,223**	**43**	**499**	**394**	**534**	**1,203**	**1,534**	**7,630**
Liabilities	**(117)**	**—**	**(13)**	**(897)**	**—**	**—**	**—**	**(300)**	**—**	**(1,327)**
As at 31 December 2024	**1,318**	**765**	**1,210**	**(854)**	**499**	**394**	**534**	**903**	**1,534**	**6,303**
Assets	1,296	675	2,875	40	702	—	433	1,280	1,646	8,947
Liabilities	(77)	—	—	(1,315)	—	(190)	—	(390)	—	(1,972)
As at 1 January 2023	1,219	675	2,875	(1,275)	702	(190)	433	890	1,646	6,975
Income statement	(63)	(26)	—	(26)	(43)	—	43	(46)	105	(56)
Other comprehensive income and reserves	—	(78)	(1,398)	327	—	273	(14)	—	—	(890)
Other movements	(3)	—	—	(2)	(31)	2	(13)	(41)	(3)	(91)
	1,153	571	1,477	(976)	628	85	449	803	1,748	5,938
Assets	1,277	571	1,477	38	628	85	449	1,146	1,748	7,419
Liabilities	(124)	—	—	(1,014)	—	—	—	(343)	—	(1,481)
As at 31 December 2023	1,153	571	1,477	(976)	628	85	449	803	1,748	5,938

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 assets expected to be recovered after more than 12 months is £6,663m (2023: £5,325m). The amount of deferred tax liability expected to be settled after more than 12 months is £1,044m (2023: £1,173m). 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

Deferred tax assets have not been recognised in respect of gross deductible temporary differences of £373m (2023: £527m), unused tax credits of £359m (2023: £381m), and gross tax losses of £21,295m (2023: £21,681m). The tax losses include capital losses of £3,903m (2023: £3,965m). Of these tax losses, £13m (2023: £79m) expire within five years, £6m (2023: £13m) expire within six to ten years, £11,789m (2023: £10,504m) expire within eleven to twenty years and £9,487m (2023: £11,085m) 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.

Group investments in subsidiaries, branches and associates

Deferred tax is not recognised in respect of the value of the Group's investments in subsidiaries, branches and associates where the 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 £920m (2023: £873m).

Notes to the financial statements (continued)

For the year ended 31 December 2024

10 Earnings per share

	2024	2023	2022
	£m	£m	£m
Profit attributable to ordinary equity holders of the parent	**5,316**	4,274	5,023

	2024	2023	2022
	million	million	million
Basic weighted average number of shares in issue	**14,755**	15,445	16,333
Number of potential ordinary shares	**516**	450	534
Diluted weighted average number of shares	**15,271**	15,895	16,867

	Basic earnings per share			Diluted earnings per share		
	2024	2023	2022	2024	2023	2022
	p	p	p	p	p	p
Earnings per ordinary share	**36.0**	27.7	30.8	**34.8**	26.9	29.8

The calculation of basic earnings per share is based on the profit attributable to equity holders of the parent and the basic weighted average number of shares excluding treasury shares held in employee benefit trusts or held for trading. When calculating the diluted earnings per share, the weighted average number of shares in issue is adjusted for the effects of all expected dilutive potential ordinary shares held in respect of Barclays PLC, totalling 516m (2023: 450m, 2022: 534m) shares. The number of share options outstanding, under schemes that were considered to be potentially dilutive was 713m (2023: 750m, 2022: 789m) in total. These options have strike prices ranging from £0.84 to £1.79.

Of the total number of employee share options and share awards at 31 December 2024, 29m (2023: 39m, 2022: 27m) were anti-dilutive.

The 690m decrease (2023: 888m decrease, 2022: 652m decrease) in the basic weighted average number of shares is primarily due to the impact of the share buyback programmes completed each year.

11 Dividends on ordinary shares

The Directors have approved a total dividend in respect of 2024 of 8.4p per ordinary share of 25p each. The full year dividend for 2024 of 5.5p per ordinary share will be paid on 4 April 2025 to shareholders on the Share Register on 28 February 2025. On 31 December 2024, there were 14,420m ordinary shares in issue. The financial statements for the year ended 31 December 2024 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 2025.

For qualifying US and Canadian resident American Depositary Receipt (ADR) holders, the 2024 full year dividend of 5.5p per ordinary share becomes 22p per American Depositary Share (ADS) (representing four shares). The ex-dividend date for ADR holders is 28 February 2025. The dividend record date is 28 February 2025 and dividend payment date for ADR holders is 4 April 2025.

The Directors have confirmed their intention to initiate a share buyback of up to £1bn after the balance sheet date. The proposed share buyback is expected to commence in the first quarter of 2025. The financial statements for the year ended 31 December 2024 do not reflect the impact of the proposed share buyback, which will be accounted for as and when shares are repurchased by the Company.

The 2024 financial statements include the 2024 interim dividend of £425m (2023: £417m, 2022: £364m); a full year dividend declared in relation to 2023 of £796m (2022: £793m, 2021: £664m) and two share buyback programmes totalling £1,750m (2023: £1,250m, 2022: £1,500m). Dividends and share buybacks are funded out of distributable reserves.

Notes to the financial statements (continued)

Assets and liabilities held at fair value

Assets and liabilities held at fair value

The notes included in this section focus on assets and liabilities the Group holds and recognises at fair value. Detail regarding the Group's approach to managing market risk can be found in the Market risk management section.

12 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).

	Trading portfolio assets		Trading portfolio liabilities	
	2024	2023	2024	2023
	£m	£m	£m	£m
Debt securities and other eligible bills	**78,014**	75,498	**(37,050)**	(40,547)
Equity securities	**74,859**	86,353	**(19,858)**	(18,122)
Traded loans	**13,470**	12,653	**—**	—
Commodities	**110**	101	**—**	—
Trading portfolio assets/(liabilities)	**166,453**	174,605	**(56,908)**	(58,669)

13 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 17.

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 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.

	Mandatorily at fair value		Designated at fair value		Total	
	2024	2023	2024	2023	2024	2023
	£m	£m	£m	£m	£m	£m
Loans and advances	**42,487**	44,557	**2,581**	3,082	**45,068**	47,639
Debt securities	**2,783**	2,456	**182**	130	**2,965**	2,586
Equity securities	**3,818**	7,185	**—**	—	**3,818**	7,185
Reverse repurchase agreements and other similar secured lending	**141,773**	149,131	**—**	—	**141,773**	149,131
Other financial assets	**110**	110	**—**	—	**110**	110
Financial assets at fair value through the income statement	**190,971**	203,439	**2,763**	3,212	**193,734**	206,651

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 designated at fair value as they have minimal exposure to credit risk due to limited gross exposure.

	Maximum exposure as at 31 December		Changes in fair value during the year ended		Cumulative changes in fair value from inception	
	2024	2023	2024	2023	2024	2023
	£m	£m	£m	£m	£m	£m
Loans and advances designated at fair value, attributable to credit risk	**2,581**	3,081	**(1)**	3	**(8)**	(3)
Value mitigated by related credit derivatives	**405**	613	**0**	(5)	**0**	(5)

Notes to the financial statements (continued)

Assets and liabilities held at fair value

14 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 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 Group applies the requirements of IAS 39 *Financial Instruments:* Recognition and Measurement for hedge accounting purposes. The 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 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 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 Group's investment in the operation.

Total derivatives

	2024			2023		
		Fair value			Fair value	
	Notional contract amount	Assets	Liabilities	Notional contract amount	Assets	Liabilities
	£m	£m	£m	£m	£m	£m
Total derivative assets/(liabilities) held for trading	**84,125,071**	**290,991**	**(278,595)**	64,993,491	254,643	(249,458)
Total derivative assets/(liabilities) held for risk management	**310,376**	**2,539**	**(820)**	299,576	2,193	(586)
Derivative assets/(liabilities)	**84,435,447**	**293,530**	**(279,415)**	65,293,067	256,836	(250,044)

Further information on netting arrangements of derivative financial instruments can be found within Note 18.

The fair values and notional amounts of derivative instruments held for trading and held for risk management are set out in the following table:

Notes to the financial statements (continued)

Assets and liabilities held at fair value

Derivatives held for trading and held for risk management

	2024			2023		
	Notional contract amount	Fair value Assets	Fair value Liabilities	Notional contract amount	Fair value Assets	Fair value Liabilities
	£m	£m	£m	£m	£m	£m
Derivatives held for trading						
Foreign exchange derivatives						
OTC derivatives	**8,249,213**	**123,489**	**(116,429)**	6,536,257	86,987	(82,711)
Derivatives cleared by central counterparty	**240,612**	**228**	**(235)**	186,672	529	(512)
Exchange traded derivatives	**27,441**	**7**	**(7)**	17,899	2	(2)
Foreign exchange derivatives	**8,517,266**	**123,724**	**(116,671)**	6,740,828	87,518	(83,225)
Interest rate derivatives						
OTC derivatives	**26,422,379**	**91,488**	**(79,925)**	19,671,577	104,618	(92,467)
Derivatives cleared by central counterparty	**36,810,961**	**1,479**	**(1,344)**	27,662,853	1,989	(2,065)
Exchange traded derivatives	**7,672,496**	**2,664**	**(2,698)**	6,800,161	2,824	(2,895)
Interest rate derivatives	**70,905,836**	**95,631**	**(83,967)**	54,134,591	109,431	(97,427)
Credit derivatives						
OTC derivatives	**593,702**	**3,474**	**(4,307)**	587,472	4,936	(6,005)
Derivatives cleared by central counterparty	**943,413**	**3,424**	**(3,148)**	860,878	2,726	(2,625)
Credit derivatives	**1,537,115**	**6,898**	**(7,455)**	1,448,350	7,662	(8,630)
Equity and stock index derivatives						
OTC derivatives	**598,297**	**21,965**	**(26,319)**	448,780	17,792	(25,779)
Exchange traded derivatives	**2,347,247**	**40,947**	**(42,309)**	2,017,045	30,379	(32,549)
Equity and stock index derivatives	**2,945,544**	**62,912**	**(68,628)**	2,465,825	48,171	(58,328)
Commodity derivatives						
OTC derivatives	**7,084**	**17**	**(32)**	4,734	44	(4)
Exchange traded derivatives	**212,226**	**1,809**	**(1,842)**	199,163	1,817	(1,844)
Commodity derivatives	**219,310**	**1,826**	**(1,874)**	203,897	1,861	(1,848)
Derivative assets/(liabilities) held for trading	**84,125,071**	**290,991**	**(278,595)**	64,993,491	254,643	(249,458)
Total OTC derivatives	**35,870,675**	**240,433**	**(227,012)**	27,248,820	214,377	(206,966)
Total derivatives cleared by central counterparty	**37,994,986**	**5,131**	**(4,727)**	28,710,403	5,244	(5,202)
Total exchange traded derivatives	**10,259,410**	**45,427**	**(46,856)**	9,034,268	35,022	(37,290)
Derivative assets/(liabilities) held for trading	**84,125,071**	**290,991**	**(278,595)**	64,993,491	254,643	(249,458)
Derivatives held for risk management						
Derivatives designated as cash flow hedges						
OTC foreign exchange derivatives	**35,202**	**2,338**	**(320)**	26,661	1,904	(8)
OTC interest rate derivatives	**105**	**—**	**—**	195	—	—
Interest rate derivatives cleared by central counterparty	**111,873**	**—**	**—**	130,961	—	—
Derivatives designated as cash flow hedges	**147,180**	**2,338**	**(320)**	157,817	1,904	(8)
Derivatives designated as fair value hedges						
OTC interest rate derivatives	**11,955**	**165**	**(434)**	8,697	178	(533)
Interest rate derivatives cleared by central counterparty	**147,227**	**—**	**—**	129,318	—	—
Derivatives designated as fair value hedges	**159,182**	**165**	**(434)**	138,015	178	(533)
Derivatives designated as hedges of net investments						
OTC foreign exchange derivatives	**4,014**	**36**	**(66)**	3,744	111	(45)
Derivatives designated as hedges of net investments	**4,014**	**36**	**(66)**	3,744	111	(45)
Derivative assets/(liabilities) held for risk management	**310,376**	**2,539**	**(820)**	299,576	2,193	(586)
Total OTC derivatives	**51,276**	**2,539**	**(820)**	39,297	2,193	(586)
Total derivatives cleared by central counterparty	**259,100**	**—**	**—**	260,279	—	—
Derivative assets/(liabilities) held for risk management	**310,376**	**2,539**	**(820)**	299,576	2,193	(586)

Notes to the financial statements (continued)

Assets and liabilities held at fair value

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. Interest rate risk also includes exposure to inflation risk for certain types of investments
- 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 Group does not hedge inflation risk that arises from other activities

In order to hedge these risks, the Group uses the following hedging instruments:

- Interest rate derivatives to swap interest rate exposures 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 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
- 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 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 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 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

Notes to the financial statements (continued)

Assets and liabilities held at fair value

Hedged items in fair value hedges

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 statements[1]
	£m	£m	£m	£m	£m
2024					
Assets					
Loans and advances at amortised cost					
- Interest rate risk	**2,394**	**(3,853)**	**(1,786)**	**(848)**	**22**
- Inflation risk	**318**	**219**	**102**	**(17)**	**7**
Debt securities classified at amortised cost					
- Interest rate risk	**8,223**	**(47)**	**8**	**62**	**69**
- Inflation risk	**10,100**	**(1,400)**	**(37)**	**(575)**	**(40)**
Financial assets at fair value through other comprehensive income[2]					
- Interest rate risk	**47,293**	**(1,381)**	**(423)**	**(126)**	**226**
- Inflation risk	**8,477**	**(254)**	**(86)**	**(113)**	**(35)**
Total assets	**76,805**	**(6,716)**	**(2,222)**	**(1,617)**	**249**
Liabilities					
Debt securities in issue					
- Interest rate risk	**(50,209)**	**2,747**	**775**	**333**	**(49)**
Subordinated liabilities					
- Interest rate risk	**(10,765)**	**648**	**38**	**(4)**	**8**
Deposits at amortised cost from banks and customers					
- Interest rate risk	**(8,596)**	**(12)**	**(1)**	**(4)**	**(2)**
Repurchase agreements and other similar secured borrowing at amortised cost					
- Interest rate risk	**—**	**—**	**—**	**—**	**—**
Total liabilities	**(69,570)**	**3,383**	**812**	**325**	**(43)**
Total hedged items	**7,235**	**(3,333)**	**(1,410)**	**(1,292)**	**206**
2023					
Assets					
Loans and advances at amortised cost					
- Interest rate risk	3,543	(3,193)	(1,867)	113	11
- Inflation risk	450	246	—	3	(5)
Debt securities classified at amortised cost					
- Interest rate risk	2,390	(24)	(21)	49	21
- Inflation risk	8,119	(836)	(57)	(30)	(26)
Financial assets at fair value through other comprehensive income[2]					
- Interest rate risk	42,420	(1,392)	(667)	1,244	197
- Inflation risk	5,237	(202)	(176)	(84)	(10)
Total assets	62,159	(5,401)	(2,788)	1,295	188
Liabilities					
Debt securities in issue					
- Interest rate risk	(43,763)	2,450	968	(1,193)	(35)
Subordinated liabilities					
- Interest rate risk	(9,772)	666	61	(234)	10
Deposits at amortised cost from banks and customers					
- Interest rate risk	(10,766)	(18)	(2)	(31)	(2)
Repurchase agreements and other similar secured borrowing at amortised cost					
- Interest rate risk	(433)	7	7	(4)	3
Total liabilities	(64,734)	3,105	1,034	(1,462)	(24)
Total hedged items	(2,575)	(2,296)	(1,754)	(167)	164

Note:
1 Hedge ineffectiveness is recognised in net interest income.
2 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.

Notes to the financial statements (continued)

Assets and liabilities held at fair value

The following table shows the fair value hedging instruments which are carried on the Group's balance sheet:

		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 2024						
Fair value	Interest rate risk	**26**	**(3)**	**—**	**138,354**	**861**
	Inflation risk	**139**	**(431)**	**—**	**20,828**	**637**
	Total	**165**	**(434)**	**—**	**159,182**	**1,498**
As at 31 December 2023						
Fair value	Interest rate risk	2	(2)	—	123,016	261
	Inflation risk	176	(531)	—	14,999	70
	Total	178	(533)	—	138,015	331

The following table profiles the expected notional values of current hedging instruments in future years:

	2024	2025	2026	2027	2028	2029	2030 and later
As at 31 December	£m	£m	£m	£m	£m	£m	£m
Fair value hedges of:							
Interest rate risk (outstanding notional amount)	**138,354**	**121,988**	**104,512**	**86,187**	**74,481**	**62,046**	**50,785**
Inflation risk (outstanding notional amount)	**20,828**	**20,591**	**18,395**	**15,608**	**13,259**	**11,728**	**9,691**

There are 2,212 (2023: 1,996) interest rate risk fair value hedges with an average fixed rate of 3.29% (2023: 1.64%) across the relationships and 196 (2023: 136) inflation risk fair value hedges with an average rate of 0.59% (2023: 0.85%) across the relationships.

Notes to the financial statements (continued)

Assets and liabilities held at fair value

Hedged items in cash flow hedges and hedges of net investments in foreign operations

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[1] £m
2024							
Assets							
Cash flow hedge of:							
Interest rate risk							
Loans and advances at amortised cost	**362**	**608**	**—**	**1,273**	**—**	**362**	**18**
Cash and balances at central banks	**443**	**674**	**—**	**1,389**	**—**	**443**	**8**
Foreign exchange risk							
Loans and advances at amortised cost	**300**	**106**	**—**	**—**	**—**	**300**	**5**
Debt securities classified at amortised cost	**(449)**	**142**	**—**	**—**	**—**	**(449)**	**—**
Inflation risk							
Debt securities classified at amortised cost	**118**	**(73)**	**—**	**25**	**—**	**118**	**—**
Liabilities							
Cash flow hedge of:							
Foreign exchange risk							
Subordinated liabilities	**34**	**(12)**	**—**	**—**	**—**	**34**	**—**
Total cash flow hedge	**808**	**1,445**	**—**	**2,687**	**—**	**808**	**31**
Hedge of net investment in foreign operations							
USD foreign operations	**160**	**—**	**1,520**	**—**	**—**	**160**	**—**
EUR foreign operations	**(242)**	**—**	**(209)**	**—**	**—**	**(242)**	**—**
Other foreign operations	**(18)**	**—**	**100**	**—**	**23**	**(18)**	**—**
Total foreign operations	**(100)**	**—**	**1,411**	**—**	**23**	**(100)**	**—**
2023							
Cash flow hedge of:							
Interest rate risk							
Loans and advances at amortised cost	(1,172)	395		2,069		(1,172)	34
Cash and balances at central banks	(1,371)	470		2,051		(1,371)	115
Foreign exchange risk							
Loans and advances at amortised cost	(463)	30	—	—	—	(463)	6
Debt securities classified at amortised cost	(1,088)	333	—	—	—	(1,088)	1
Inflation risk							
Debt securities classified at amortised cost	(313)	(181)	—	21	—	(313)	—
Total cash flow hedge	(4,407)	1,047	—	4,141	—	(4,407)	156
Hedge of net investment in foreign operations							
USD foreign operations	(595)	—	1,421	—	—	(595)	—
EUR foreign operations	(113)	—	33	—	—	(113)	—
Other foreign operations	(118)	—	119	—	23	(118)	—
Total foreign operations	(826)	—	1,573	—	23	(826)	—

Note:
1 Hedge ineffectiveness is recognised in net interest income.

Notes to the financial statements (continued)

Assets and liabilities held at fair value

The following table shows the cash flow and net investment hedging instruments which are carried on the Group's balance sheet:

		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 2024						
Cash flow	Interest rate risk	**—**	**—**	**—**	**105,600**	**(779)**
	Foreign exchange risk	**2,338**	**(320)**	**—**	**35,202**	**120**
	Inflation risk	**—**	**—**	**—**	**6,378**	**(118)**
	Total	**2,338**	**(320)**	**—**	**147,180**	**(777)**
Net investment	Foreign exchange risk	**36**	**(66)**	**(12,189)**	**16,203**	**100**
As at 31 December 2023						
Cash flow	Interest rate risk	—	—	—	128,349	2,692
	Foreign exchange risk	1,904	(8)	—	26,661	1,558
	Inflation risk	—	—	—	2,807	313
	Total	1,904	(8)	—	157,817	4,563
Net investment	Foreign exchange risk	111	(45)	(13,157)	16,901	826

There are 45 (2023: 50) foreign exchange risk cash flow hedges with an average foreign exchange rate of 142.93 JPY:1 GBP (2023: 147.94 JPY: 1 GBP) across the relationships, 11 (2023: 8) foreign exchange risk cash flow hedges with an average foreign exchange rate of 1.26 USD:1 GBP (2023: 1.25) across the relationships, 11 (2023: none) foreign exchange risk cash flow hedges with an average foreign exchange rate of 1.94 AUD:1 GBP (2023: none) across the relationships and 2 (2023: none) foreign exchange risk cash flow hedges with an average foreign exchange rate of 1.12 CHF:1 GBP (2023: none) across the relationships.

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:

	2024		2023	
	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	**(1,830)**	**0**	(1,752)	2
Cash flow hedge of foreign exchange risk				
Recycled to trading income	**(12)**	**—**	1,327	—
Hedge of net investment in foreign operations				
Recycled to trading income	**—**	**(1)**	—	(6)

A detailed reconciliation of the movements of the cash flow hedging reserve and the currency translation reserve is as follows:

	2024		2023	
	Cash flow hedging reserve	Currency translation reserve	Cash flow hedging reserve	Currency translation reserve
	£m	£m	£m	£m
Balance on 1 January	**(3,707)**	**3,671**	(7,235)	4,772
Currency translation movements	**24**	**(160)**	40	(1,942)
Hedging (losses)/gains for the year	**(808)**	**100**	4,407	826
Amounts reclassified in relation to cash flows affecting profit or loss	**1,842**	**1**	423	6
Tax	**(281)**	**13**	(1,342)	9
Balance on 31 December	**(2,930)**	**3,625**	(3,707)	3,671

Notes to the financial statements (continued)

Assets and liabilities held at fair value

15 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 remeasured 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 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 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).

	2024	2023
	£m	£m
Debt securities and other eligible bills	**74,772**	71,059
Equity securities	**4**	6
Loans and advances	**3,283**	771
Financial assets at fair value through other comprehensive income	**78,059**	71,836

16 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 P&L. 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 P&L. On derecognition of the financial liability no amount relating to own credit risk is recycled to the income statement. The 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 Group on the basis of its fair value, or includes terms that have substantive derivative characteristics (Note 14).

The details on how the fair value amounts are arrived at for financial liabilities designated at fair value are described in Note 17.

	2024		2023	
	Fair value	Contractual amount due on maturity	Fair value	Contractual amount due on maturity
	£m	£m	£m	£m
Debt securities	**80,218**	**96,316**	68,261	82,820
Deposits	**46,383**	**48,201**	43,552	44,862
Repurchase agreements and other similar secured borrowing	**155,606**	**156,180**	185,716	186,593
Other financial liabilities	**17**	**17**	10	10
Financial liabilities designated at fair value	**282,224**	**300,714**	297,539	314,285

The cumulative own credit net loss recognised is £1,434m (2023: £307m loss).

Notes to the financial statements (continued)

Assets and liabilities held at fair value

17 Fair value of financial instruments

Accounting for financial assets and liabilities – fair value

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 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 484.

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 through increasing their probability of default. The change in valuation of the assets and liabilities from this assessment was sufficiently immaterial to necessitate any amendment to the reported 2024-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.

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.

Notes to the financial statements (continued)

Assets and liabilities held at fair value

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 the 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

	2024				2023			
	Valuation technique using				Valuation technique using			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
As at 31 December	£m	£m	£m	£m	£m	£m	£m	£m
Trading portfolio assets	**77,761**	**78,577**	**10,115**	**166,453**	94,658	73,438	6,509	174,605
Financial assets at fair value through the income statement	**3,526**	**181,784**	**8,424**	**193,734**	5,831	192,571	8,249	206,651
Derivative financial assets	**101**	**291,352**	**2,077**	**293,530**	107	253,189	3,540	256,836
Financial assets at fair value through other comprehensive income	**25,913**	**48,407**	**3,739**	**78,059**	30,247	40,511	1,078	71,836
Investment property	**—**	**—**	**9**	**9**	—	—	2	2
Total assets	**107,301**	**600,120**	**24,364**	**731,785**	130,843	559,709	19,378	709,930
Trading portfolio liabilities	**(27,694)**	**(28,819)**	**(395)**	**(56,908)**	(29,274)	(29,027)	(368)	(58,669)
Financial liabilities designated at fair value	**(181)**	**(278,785)**	**(3,258)**	**(282,224)**	(117)	(296,200)	(1,222)	(297,539)
Derivative financial liabilities	**(86)**	**(276,148)**	**(3,181)**	**(279,415)**	(81)	(245,310)	(4,653)	(250,044)
Total liabilities	**(27,961)**	**(583,752)**	**(6,834)**	**(618,547)**	(29,472)	(570,537)	(6,243)	(606,252)

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

As at 31 December 2024	Loans	Corporate debt	Asset backed securities	Government debt	Private equity investments	Issued debt	Reverse repurchase and repurchase agreements	Interest rate derivatives	Equity derivatives	Other products[1]	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Trading portfolio assets	**6,146**	**1,590**	**991**	**1,018**	**—**	**—**	**—**	**—**	**—**	**370**	**10,115**
Financial assets at fair value through the income statement	**5,455**	**913**	**139**	**35**	**1,166**	**—**	**539**	**—**	**—**	**177**	**8,424**
Derivative financial assets	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**1,193**	**481**	**403**	**2,077**
Financial assets at fair value through other comprehensive income	**2,858**	**108**	**757**	**12**	**4**	**—**	**—**	**—**	**—**	**—**	**3,739**
Investment property	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**9**	**9**
Total assets	**14,459**	**2,611**	**1,887**	**1,065**	**1,170**	**—**	**539**	**1,193**	**481**	**959**	**24,364**
Trading portfolio liabilities	**—**	**(374)**	**(6)**	**—**	**—**	**—**	**—**	**—**	**—**	**(15)**	**(395)**
Financial liabilities designated at fair value	**—**	**—**	**—**	**—**	**(17)**	**(1,842)**	**(1,379)**	**—**	**—**	**(20)**	**(3,258)**
Derivative financial liabilities	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(1,013)**	**(1,219)**	**(949)**	**(3,181)**
Total liabilities	**—**	**(374)**	**(6)**	**—**	**(17)**	**(1,842)**	**(1,379)**	**(1,013)**	**(1,219)**	**(984)**	**(6,834)**

	Loans	Corporate debt	Asset backed securities	Government debt	Private equity investments	Issued debt	Reverse repurchase and repurchase agreements	Interest rate derivatives	Equity derivatives	Other products[1]	Total
As at 31 December 2023	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Trading portfolio assets	4,469	681	318	669	—	—	—	—	—	372	6,509
Financial assets at fair value through the income statement	5,612	888	85	—	1,371	—	209	—	—	84	8,249
Derivative financial assets	—	—	—	—	—	—	—	2,211	977	352	3,540
Financial assets at fair value through other comprehensive income	533	298	200	43	4	—	—	—	—	—	1,078
Investment property	—	—	—	—	—	—	—	—	—	2	2
Total assets	10,614	1,867	603	712	1,375	—	209	2,211	977	810	19,378
Trading portfolio liabilities	—	(359)	—	—	—	—	—	—	—	(9)	(368)
Financial liabilities designated at fair value	—	—	—	—	(10)	(630)	(517)	—	—	(65)	(1,222)
Derivative financial liabilities	—	—	—	—	—	—	—	(1,701)	(2,041)	(911)	(4,653)
Total liabilities	—	(359)	—	—	(10)	(630)	(517)	(1,701)	(2,041)	(985)	(6,243)

Note:
1 Other products include funds and fund-linked products, equity cash products, investment property, credit derivatives and foreign exchange derivatives.

Notes to the financial statements (continued)

Assets and liabilities held at fair value

Valuation techniques and sensitivity analysis

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

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

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.

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 bond 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 generally 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.

Notes to the financial statements (continued)

Assets and liabilities held at fair value

Asset backed securities

Description: Securities that are linked to the cash flows of a pool of referenced assets via securitisation. The category includes residential mortgage backed securities, commercial mortgage backed securities, CDOs, collateralised loan obligations (CLOs) and other asset backed securities.

Valuation: Where available, valuations are based on observable market prices sourced from broker quotes and inter-dealer prices and external vendor provides who provide pricing. Otherwise, valuations are determined using industry standard discounted cash flow analysis that calculates the fair value based on valuation inputs such as constant default rate, conditional prepayment rate, loss given default and yield. These inputs are determined by reference to a number of sources including proxying to observed transactions, market indices or market research, and by assessing underlying collateral performance.

Proxying to observed transactions, indices or research requires an assessment and comparison of the relevant securities' underlying attributes including collateral, tranche, vintage, underlying asset composition (historical losses, borrower characteristics and loan attributes such as loan to value ratio and geographic concentration) and credit ratings (original and current).

Observability: Where an asset backed product does not have an observable market price and the valuation is determined using a discounted cash flow analysis, the instrument is considered unobservable.

Government debt

Description: Government bonds, supra sovereign bonds and agency bonds.

Valuation: Liquid bonds that are actively traded through an exchange or clearing house are marked to the levels observed in these markets. Other actively traded 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 for actively traded bonds from the same (or a similar) issuer.

Issued debt

Description: Debt notes issued by Barclays.

Valuation: Issued debt is valued using discounted cash flow techniques incorporating various inputs observed for each instrument.

Observability: Barclays issued notes are generally observable. Structured notes are debt instruments containing embedded derivatives. Where either an input to the embedded derivative or the debt instrument is deemed unobservable and significant to the overall valuation of the note, the structured note is classified as Level 3.

Other products

Description: Other products include funds and fund-linked products, equity cash products, investment property, foreign exchange derivatives and credit derivatives.

Assets and liabilities reclassified between Level 1 and Level 2

During the year ended 31 December 2024, there were no material transfers between Level 1 and Level 2 (year ended 31 December 2023: 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 i) an increase or decrease in observable market activity related to an input or ii) a change in the significance of the unobservable input, with assets and liabilities classified as Level 3 if an unobservable input is deemed significant.

Analysis of movements in Level 3 assets and liabilities

	As at 1 January 2024	Purchases	Sales	Issues	Settlements	Total gains and (losses) in the period recognised in the income statement: Trading income[2]	Total gains and (losses) in the period recognised in the income statement: Other income	Total gains and (losses) in the period recognised in OCI	Transfers: In	Transfers: Out	As at 31 December 2024
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Trading portfolio assets	6,509	5,848	(1,817)	—	(865)	(9)	—	—	775	(326)	10,115
Financial assets at fair value through the income statement	8,249	2,704	(2,072)	—	(793)	(1)	218	—	207	(88)	8,424
Assets at fair value through other comprehensive income	1,078	3,116	(43)	—	—	3	22	(1)	49	(485)	3,739
Investment properties	2	9	(2)	—	—	—	—	—	—	—	9
Trading portfolio liabilities	(368)	(26)	20	—	—	(7)	—	—	(15)	1	(395)
Financial liabilities designated at fair value	(1,222)	(415)	19	(1,146)	143	(74)	(20)	—	(893)	350	(3,258)
Net derivative financial instruments[1]	(1,113)	(568)	(6)	—	(16)	(64)	(1)	—	163	501	(1,104)
Total	13,135	10,668	(3,901)	(1,146)	(1,531)	(152)	219	(1)	286	(47)	17,530

Notes to the financial statements (continued)

Assets and liabilities held at fair value

Analysis of movements in Level 3 assets and liabilities

	As at 1 January 2023	Purchases	Sales	Issues	Settlements	Total gains and (losses) in the period recognised in the income statement: Trading income[2]	Total gains and (losses) in the period recognised in the income statement: Other income	Total gains and (losses) in the period recognised in OCI	Transfers: In	Transfers: Out	As at 31 December 2023
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Trading portfolio assets	6,480	3,394	(3,023)	—	(602)	11	—	—	1,059	(810)	6,509
Financial assets at fair value through the income statement	9,125	3,966	(3,435)	—	(1,429)	109	61	—	239	(387)	8,249
Assets at fair value through other comprehensive income	11	926	—	—	(3)	—	—	(3)	147	—	1,078
Investment properties	5	—	(4)	—	—	—	1	—	—	—	2
Trading portfolio liabilities	(56)	(367)	45	—	—	—	—	—	—	10	(368)
Financial liabilities designated at fair value	(1,050)	(40)	—	(403)	—	(38)	(3)	—	(147)	459	(1,222)
Net derivative financial instruments[1]	(1,189)	(640)	24	—	83	(92)	—	—	388	313	(1,113)
Total	13,326	7,239	(6,393)	(403)	(1,951)	(10)	59	(3)	1,686	(415)	13,135

Notes:
1 The derivative financial instruments are represented on a net basis. On a gross basis, derivative financial assets are £2,077m (2023: £3,540m) and derivative financial liabilities are £(3,181)m (2023: £(4,653)m).
2 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 table discloses 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

	2024 Income statement: Trading income[1]	2024 Income statement: Other income	2024 Other comprehensive income	2024 Total	2023 Income statement: Trading income[1]	2023 Income statement: Other income	2023 Other comprehensive income	2023 Total
	£m	£m	£m	£m	£m	£m	£m	£m
Trading portfolio assets	**(9)**	**—**	**—**	**(9)**	10	—	—	10
Financial assets at fair value through the income statement	**2**	**94**	**—**	**96**	113	72	—	185
Fair value through other comprehensive income	**3**	**22**	**(1)**	**24**	—	—	(3)	(3)
Investment property	**—**	**—**	**—**	**—**	—	1	—	1
Trading portfolio liabilities	**(7)**	**—**	**—**	**(7)**	—	—	—	—
Financial liabilities designated at fair value	**(77)**	**(9)**	**—**	**(86)**	(38)	(3)	—	(41)
Net derivative financial instruments	**(57)**	**(1)**	**—**	**(58)**	(107)	—	—	(107)
Total	**(145)**	**106**	**(1)**	**(40)**	(22)	70	(3)	45

Note:
1 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 (continued)

Assets and liabilities held at fair value

Significant unobservable inputs

The following table discloses the valuation techniques and significant unobservable inputs for material products recognised at fair value and classified as Level 3 along with the range of values used for those significant unobservable inputs:

			2024 Range		2023 Range		
	Valuation technique(s)[1]	Significant unobservable inputs	Min	Max	Min	Max	Units[2]
Derivative financial instruments[3]							
Interest rate derivatives	Discounted cash flows	Inflation forwards	**3**	**3**	4	7	%
		Credit spread	**14**	**1,972**	15	1,672	bps
		Yield	**0**	**12**	1	7	%
		Growth curve	**n/m[4]**	**n/m[4]**	(1)	2	%
	Option model	Inflation volatility	**n/m[4]**	**n/m[4]**	66	257	bps vol
		Interest rate volatility	**19**	**175**	26	515	bps vol
		FX - IR correlation	**(36)**	**30**	(20)	78	%
		IR - IR correlation	**33**	**98**	(20)	98	%
		IR - Inflation correlation	**10**	**10**	10	10	%
		Inflation - Inflation correlation	**5**	**5**	5	5	%
Equity derivatives	Option model	Equity volatility	**1**	**133**	5	138	%
		Equity - equity correlation	**40**	**100**	40	100	%
	Discounted cash flow	Discount margin	**(215)**	**351**	(238)	110	bps
Non-derivative financial instruments							
Loans	Discounted cash flows	Loan spread	**35**	**908**	40	802	bps
		Credit spread	**194**	**1,011**	186	870	bps
		Discount margin	**230**	**345**	230	345	bps
		Yield	**2**	**18**	7	18	%
	Comparable pricing	Comparable price	**0**	**240**	0	287	points
Asset backed securities	Comparable pricing	Comparable price	**0**	**125**	0	5,000	points
	Discounted cash flows	Discount margin	**(137)**	**(25)**	n/m[4]	n/m[4]	bps
	Option Model	Equity volatility	**15**	**32**	n/m[4]	n/m[4]	%
Private equity investments	EBITDA multiple	EBITDA multiple	**2**	**7**	15	17	Multiple
	Earnings multiple	Earnings multiple	**3**	**17**	3	25	Multiple
	Discounted cash flow	Credit spread	**210**	**430**	380	630	bps
		Discount margin	**8**	**10**	8	10	%
Corporate debt	Comparable pricing	Comparable price	**0**	**2,322**	0	352	points
Government debt	Comparable pricing	Comparable price	**0**	**123**	1	127	points
Issued debt	Discounted cash flows	Credit spread	**50**	**198**	60	192	bps
	Option model	Equity volatility	**1**	**111**	4	91	%
		Interest rate volatility	**19**	**211**	11	391	bps vol
Reverse repurchase and repurchase agreements	Discounted cash flows	Repo spread	**14**	**186**	385	468	bps

Notes:
1 A range has not been provided for Net Asset Value as there would be a wide range reflecting the diverse nature of the positions.
2 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%.
3 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 14-1,972bps (2023: 29-1,672bps).
4 Non-material level 3 balances for these unobservable inputs.

Notes to the financial statements (continued)

Assets and liabilities held at fair value

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 movement 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 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 Group's leveraged finance business. Leveraged finance loans are originated where Barclays provide 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.

Notes to the financial statements (continued)

Assets and liabilities held at fair value

EBITDA multiple

EBITDA multiple is the ratio of the valuation of the investment to the earnings before interest, taxes, depreciation and amortisation.

In general, a significant increase in the multiple will result in a fair value increase for an investment.

Earnings multiple

Earnings or Revenue multiple is the ratio of the valuation of the investment to the earnings or revenue. In general, a significant increase in the multiple will result in a fair value increase for an investment.

Sensitivity analysis of valuations using unobservable inputs (Relates to Level 3 Portfolios)

	2024				2023			
	Favourable changes		Unfavourable changes		Favourable changes		Unfavourable changes	
	Income statement	Equity	Income statement	Equity	Income statement	Equity	Income statement	Equity
	£m	£m	£m	£m	£m	£m	£m	£m
Loans	**653**	**43**	**(766)**	**(43)**	612	2	(801)	(2)
Corporate debt	**87**	**—**	**(56)**	**—**	34	—	(22)	—
Asset backed securities	**57**	**4**	**(40)**	**(4)**	37	1	(27)	(1)
Government debt	**47**	**—**	**(56)**	**—**	31	—	(34)	—
Private equity investments	**232**	**—**	**(232)**	**—**	263	1	(263)	(1)
Interest rate derivatives	**98**	**—**	**(212)**	**—**	78	—	(158)	—
Equity derivatives	**199**	**—**	**(269)**	**—**	142	—	(226)	—
Other products[1]	**92**	**—**	**(104)**	**—**	89	—	(98)	—
Total	**1,465**	**47**	**(1,735)**	**(47)**	1,286	4	(1,629)	(4)

Note:
1 Other products includes equity cash products, credit derivatives, foreign exchange derivatives and fund and fund linked products

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 £1,512m (2023: £1,290m) or to decrease fair values by up to £1,782m (2023: £1,633m) 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:

	2024	2023
	£m	£m
Exit price adjustments derived from market bid-offer spreads	**(542)**	(569)
Uncollateralised derivative funding	**19**	(4)
Derivative credit valuation adjustments	**(184)**	(209)
Derivative debit valuation adjustments	**108**	144

Exit price adjustments derived from market bid-offer spreads

The 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 £27m from £(569)m to £(542)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 £19m is 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 moved by £23m from £(4)m to £19m.

Notes to the financial statements (continued)

Assets and liabilities held at fair value

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' 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 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 £25m from £(209)m to £(184)m as a result of a tightening in input counterparty credit spreads. Derivative debit valuation adjustments decreased by £36m from £144m to £108m as a result of a tightening in input own 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 continues to monitor market practices and activity to ensure the approach to uncollateralised derivative valuation remains appropriate.

Portfolio exemptions

The Group uses the portfolio exemption in IFRS 13 *Fair Value Measurement* to measure the fair value of groups of financial assets and liabilities. Financial instruments are measured using the price that would be received to sell a net long position (i.e. an asset) for a particular risk exposure or to transfer a net short position (i.e. a liability) for a particular risk exposure in an orderly transaction between market participants at the balance sheet date under current market conditions. Accordingly, the 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 £273m (2023: £205m) for financial instruments measured at fair value and £173m (2023: £192m) for financial instruments carried at amortised cost. There are additions and FX revaluation of £173m (2023: £136m), and amortisation and releases of £105m (2023: £57m) for financial instruments measured at fair value and additions of £nil (2023: £nil) and amortisation and releases of £19m (2023:£24m) for financial instruments measured at amortised cost.

Third-party credit enhancements

Structured and brokered certificates of deposit issued by Barclays 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 and other banks pay for deposit insurance coverage. The carrying value of these issued certificates of deposit that are designated under the IFRS 9 fair value option includes this third-party-credit enhancement. The on-balance sheet value of these brokered certificates of deposit amounted to £4,844m (2023: £5,162m).

Notes to the financial statements (continued)

Assets and liabilities held at fair value

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

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

	2024					2023				
	Carrying amount	Fair value	Level 1	Level 2	Level 3	Carrying amount	Fair value	Level 1	Level 2	Level 3
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Financial assets										
Debt securities at amortised cost	**68,210**	**67,354**	**19,341**	**46,429**	**1,584**	56,749	55,437	13,976	39,014	2,447
Loans and advances at amortised cost	**346,273**	**343,016**	**6,977**	**73,606**	**262,433**	342,747	334,706	5,854	80,533	248,319
Reverse repurchase agreements and other similar secured lending	**4,734**	**4,734**	**—**	**4,734**	**—**	2,594	2,594	—	2,594	—
Assets included in disposal groups classified as held for sale	**9,544**	**9,628**	**—**	**3,520**	**6,108**	3,855	3,855	—	3,855	—
Financial liabilities										
Deposits at amortised cost	**(560,663)**	**(560,393)**	**(410,955)**	**(146,607)**	**(2,831)**	(538,789)	(538,502)	(382,345)	(150,757)	(5,400)
Repurchase agreements and other similar secured borrowing	**(39,415)**	**(39,415)**	**—**	**(39,415)**	**—**	(41,601)	(41,601)	—	(41,601)	—
Debt securities in issue	**(92,402)**	**(94,463)**	**—**	**(92,066)**	**(2,397)**	(96,825)	(98,123)	—	(95,999)	(2,124)
Subordinated liabilities	**(11,921)**	**(12,434)**	**—**	**(11,697)**	**(737)**	(10,494)	(10,803)	—	(10,608)	(195)
Liabilities included in disposal groups classified as held for sale	**(3,647)**	**(3,647)**	**—**	**(3,647)**	**—**	(3,077)	(3,077)	—	(3,077)	—

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

Debt Securities at amortised cost

Debt securities at amortised cost are valued using observable market prices sourced from broker quotes, inter-dealer prices or other reliable pricing sources. Prices for actively traded bonds are considered observable. Where market data for the underlying bond is unavailable, a number of proxy/extrapolation techniques are employed to determine the appropriate fair value.

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 borrowing

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.

Repurchase agreements and other similar secured borrowing

The fair value of repurchase agreements approximates carrying amounts 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.

Assets & liabilities included in disposal groups classified as held for sale.

The fair value for the purposes of this disclosure has been prepared in accordance with the products held for sale, and valuation techniques used to determine the expected sales price of these assets and liabilities that will be achieved when the disposal group is sold.

Notes to the financial statements (continued)

Assets and liabilities held at fair value

18 Offsetting financial assets and financial liabilities

The 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 are not intended to represent the Group's actual exposure to credit risk, as a variety of credit mitigation strategies are employed in addition to netting and collateral arrangements.

	Amounts subject to enforceable netting arrangements							
	Effects of offsetting on-balance sheet			Related amounts not offset				
	Gross amounts	Amounts offset[1]	Net amounts reported on the balance sheet	Financial instruments	Financial collateral[2]	Net amount	Amounts not subject to enforceable netting arrangements[3]	Balance sheet total[4]
	£m	£m	£m	£m	£m	£m	£m	£m
As at 31 December 2024								
Derivative financial assets	**334,885**	**(47,207)**	**287,678**	**(230,434)**	**(43,270)**	**13,974**	**5,852**	**293,530**
Reverse repurchase agreements and other similar secured lending[5]	**701,482**	**(556,373)**	**145,109**	**—**	**(144,670)**	**439**	**1,398**	**146,507**
Total assets	**1,036,367**	**(603,580)**	**432,787**	**(230,434)**	**(187,940)**	**14,413**	**7,250**	**440,037**
Derivative financial liabilities	**(318,897)**	**46,040**	**(272,857)**	**230,434**	**27,677**	**(14,746)**	**(6,558)**	**(279,415)**
Repurchase agreements and other similar secured borrowing[5]	**(731,622)**	**556,373**	**(175,249)**	**—**	**175,249**	**—**	**(19,772)**	**(195,021)**
Total liabilities	**(1,050,519)**	**602,413**	**(448,106)**	**230,434**	**202,926**	**(14,746)**	**(26,330)**	**(474,436)**
As at 31 December 2023								
Derivative financial assets	307,429	(55,781)	251,648	(198,809)	(41,247)	11,592	5,188	256,836
Reverse repurchase agreements and other similar secured lending[5]	677,175	(527,864)	149,311	—	(148,888)	423	2,414	151,725
Total assets	984,604	(583,645)	400,959	(198,809)	(190,135)	12,015	7,602	408,561
Derivative financial liabilities	(297,449)	54,241	(243,208)	198,809	27,978	(16,421)	(6,836)	(250,044)
Repurchase agreements and other similar secured borrowing[5]	(731,200)	527,864	(203,336)	—	203,336	—	(23,980)	(227,316)
Total liabilities	(1,028,649)	582,105	(446,544)	198,809	231,314	(16,421)	(30,816)	(477,360)

Notes:

1 Amounts offset for derivative financial assets additionally includes cash collateral netted of £5,126m (2023: £7,527m). Amounts offset for derivative financial liabilities additionally includes cash collateral netted of £6,293m (2023: £9,067m). Settlements assets and liabilities have been offset amounting to £25,133m (2023: £29,297m).

2 Financial collateral of £43,270m (2023: £41,247m) was received in respect of derivative assets, including £30,637m (2023: £31,211m) of cash collateral and £12,633m (2023: £10,036m) of non-cash collateral. Financial collateral of £27,677m (2023: £27,978m) was placed in respect of derivative liabilities, including £23,126m (2023: £24,260m) of cash collateral and £4,551m (2023: £3,718m) of non-cash collateral. The collateral amounts are limited to net balance sheet exposure so as to not include overcollateralisation.

3 This column includes contractual rights of set-off that are subject to uncertainty under the laws of the relevant jurisdiction.

4 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'.

5 Reverse repurchase agreements and other similar secured lending of £146,507m (2023: £151,725m) is split by fair value £141,773m (2023: £149,131m) and amortised cost £4,734m (2023: £2,594m). Repurchase agreements and other similar secured borrowing of £195,021m (2023: £227,316m) is split by fair value £155,606m (2023: £185,715m) and amortised cost £39,415m (2023: £41,601m).

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.

Repurchase and reverse 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 and collateral arrangements and other credit risk mitigation strategies used by the Group are further explained in the Credit risk management section.

Notes to the financial statements (continued)

Assets at amortised cost and other investments

Assets at amortised cost and other investments

The notes included in this section focus on the Group's property, plant and equipment, leases and goodwill and intangible assets. Details regarding the Group's liquidity and capital position can be found in the Treasury and Capital risk section.

19 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 Group uses 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 Group 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.

	Investment property	Property	Equipment	Right of use assets[1]	Total
	£m	£m	£m	£m	£m
Cost					
As at 1 January 2024	**2**	**3,578**	**2,347**	**2,002**	**7,929**
Additions	**9**	**165**	**186**	**48**	**408**
Disposals[2]	**(2)**	**(140)**	**(273)**	**(96)**	**(511)**
Exchange and other movements[3]	**—**	**25**	**(15)**	**261**	**271**
As at 31 December 2024	**9**	**3,628**	**2,245**	**2,215**	**8,097**
Accumulated depreciation and impairment					
As at 1 January 2024	**—**	**(1,778)**	**(1,563)**	**(1,171)**	**(4,512)**
Depreciation charge	**—**	**(143)**	**(250)**	**(139)**	**(532)**
Impairment	**—**	**(1)**	**—**	**(14)**	**(15)**
Disposals[2]	**—**	**131**	**258**	**94**	**483**
Exchange and other movements	**—**	**(7)**	**(2)**	**92**	**83**
As at 31 December 2024	**—**	**(1,798)**	**(1,557)**	**(1,138)**	**(4,493)**
Net book value	**9**	**1,830**	**688**	**1,077**	**3,604**
Cost					
As at 1 January 2023	5	3,585	3,018	1,950	8,558
Additions	—	112	297	20	429
Disposals	(3)	(24)	(954)	(50)	(1,031)
Exchange and other movements	—	(95)	(14)	82	(27)
As at 31 December 2023	2	3,578	2,347	2,002	7,929
Accumulated depreciation and impairment					
As at 1 January 2023	—	(1,642)	(2,244)	(1,056)	(4,942)
Depreciation charge	—	(163)	(256)	(157)	(576)
Impairment	—	(33)	—	(27)	(60)
Disposals	—	10	944	48	1,002
Exchange and other movements	—	50	(7)	21	64
As at 31 December 2023	—	(1,778)	(1,563)	(1,171)	(4,512)
Net book value	2	1,800	784	831	3,417

Notes:
1 Right of use (ROU) asset balances relate to property leases under IFRS 16. Refer to Note 20 for further details.
2 Disposals primarily pertain to fully depreciated assets which are not in use.
3 Exchange and other movements in Right of use (ROU) asset balances include modification related to a lease extended by ~91 years

Notes to the financial statements (continued)

Assets at amortised cost and other investments

Property rentals of £11m (2023: £12m) have been included in other income.

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.

20 Leases

Accounting for leases

When the Group is the lessee, it is required to recognise both:

- a lease liability, measured at the present value of remaining cash flows on the lease
- 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.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the ROU asset, or is recorded in the income statement if the carrying amount of the ROU asset has been reduced to nil.

On the balance sheet, the ROU assets are included within property, plant and equipment and the lease liabilities are included within other liabilities.

The Group applies 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 Group is 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 a lessor

Finance lease receivables are included within loans and advances at amortised cost.

The following table sets out a maturity analysis of lease receivables, showing the lease payments to be received after the reporting date.

	2024				2023			
	Gross investment in finance lease receivables	Future finance income	Present value of minimum lease payments receivable	Unguaranteed residual values	Gross investment in finance lease receivables	Future finance income	Present value of minimum lease payments receivable	Unguaranteed residual values
	£m	£m	£m	£m	£m	£m	£m	£m
Not more than one year	**7**	**(1)**	**6**	**—**	3	—	3	—
One to two years	**3**	**(1)**	**2**	**—**	2	—	2	—
Two to three years	**—**	**—**	**—**	**—**	—	—	—	—
Three to four years	**—**	**—**	**—**	**—**	—	—	—	—
Four to five years	**—**	**—**	**—**	**—**	—	—	—	—
Over five years	**—**	**—**	**—**	**—**	—	—	—	—
Total	**10**	**(2)**	**8**	**—**	5	—	5	—

Barclays Asset Finance provided leasing and other asset finance facilities across a broad range of asset types to business and individual customers. There is no significant impairment allowance for finance lease receivables in current and previous year.

The Group does not have any material operating leases as a lessor.

Finance lease income

Finance lease income is included within interest income. The following table shows amounts recognised in the income statement during the year.

	2024	2023
	£m	£m
Finance income from net investment in lease	**2**	1
Profit on sales	**—**	—

Notes to the financial statements (continued)

Assets at amortised cost and other investments

As a lessee

The Group leases various offices, branches and other premises under non-cancellable lease arrangements to meet its operational business requirements. In some instances, Barclays will sublease property to third parties when it is no longer needed to meet business requirements. Currently, Barclays does 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 total expenses recognised during the year for short-term leases were £1m (2023: £2m). The portfolio of short-term leases to which Barclays is exposed at the end of the year is not dissimilar to the expenses recognised in the year.

Lease liabilities

	2024	2023
	£m	£m
As at 1 January	**971**	1,216
Interest expense	**71**	54
New leases	**45**	19
Disposals	**(18)**	(11)
Cash payments[1]	**(204)**	(406)
Exchange and other movements[2]	**340**	99
As at 31 December (see Note 22)	**1,205**	971

Note:
1 Cash payments in 2023 include a one time lease liability payment of £182m related to structural cost action in relation to the real estate review.
2 Exchange and other movements include modification related to a lease extended by ~91 years.

The table below sets out a maturity analysis of undiscounted lease liabilities, showing the lease payments after the reporting date.

Undiscounted lease liabilities maturity analysis

	2024	2023
	£m	£m
Not more than one year	**195**	174
One to two years	**173**	169
Two to three years	**149**	144
Three to four years	**126**	120
Four to five years	**113**	97
Five to ten years	**395**	338
Greater than ten years	**3,754**	282
Total undiscounted lease liabilities as at 31 December	**4,905**	1,324

During the year, Barclays had a lease modification for property "New York, 745 7th Avenue" wherein there is an extension of lease term by ~91 years, resulting in increase in the above stated undiscounted lease liabilities.

In addition to the cash flows identified above, the Group is exposed to:

- Variable lease payments: This variability will typically arise from either inflation index instruments or market-based pricing adjustments. Currently, Barclays has 238 (2023: 517) leases out of the total 631 (2023: 756) leases which have variable lease payment terms based on market-based pricing adjustments. Of the gross cash flows identified above £4,634m (2023: £1,062m) is attributable to leases with some degree of variability predominantly linked to market-based pricing adjustments.
- Extension and termination options: The table above represents Barclays' 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 £10m (2023: £441m) for leases where Barclays is highly expected to exercise an early termination option. The above gross cash flows have been increased by £3,581m, of which £1,872m (2023: nil) for leases where Barclays is expected to exercise an extension option.

In 2024, the Group does not have any sale and leaseback transaction (2023: nil).

The Group does not have any restrictions or covenants imposed by the lessor on its property leases which restrict its businesses.

Notes to the financial statements (continued)

Assets at amortised cost and other investments

21 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 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 a 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 CGU's 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 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[1]	12 months to 6 years
Other software	12 months to 6 years
Core Deposit	12 months to 5 years
Brand	12 months to 10 years
Customer lists	12 months to 25 years
Licences and other	12 months to 25 years

Note:
1 Exceptions to the above rate relate to useful lives of certain core banking platforms that are assessed individually and, if appropriate, amortised over longer periods ranging from 10 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.

Notes to the financial statements (continued)

Assets at amortised cost and other investments

	Intangible assets							
	Goodwill	Internally generated software	Other software	Core deposits	Brand	Customer lists	Licences and other	Total
	£m	£m	£m	£m	£m	£m	£m	£m
2024								
Cost								
As at 1 January 2024	**5,035**	**7,190**	**717**	**—**	**7**	**1,569**	**156**	**14,674**
Additions	**263**	**1,225**	**12**	**17**	**—**	**66**	**66**	**1,649**
Disposals[1]	**—**	**(1,156)**	**(58)**	**—**	**—**	**(90)**	**(6)**	**(1,310)**
Exchange and other movements[2]	**10**	**21**	**—**	**—**	**—**	**(315)**	**3**	**(281)**
As at 31 December 2024	**5,308**	**7,280**	**671**	**17**	**7**	**1,230**	**219**	**14,732**
Accumulated amortisation and impairment								
As at 1 January 2024	**(858)**	**(3,965)**	**(478)**	**—**	**(1)**	**(1,438)**	**(140)**	**(6,880)**
Disposals[1]	**—**	**1,156**	**58**	**—**	**—**	**90**	**6**	**1,310**
Amortisation charge	**—**	**(1,066)**	**(67)**	**(1)**	**(1)**	**(28)**	**(5)**	**(1,168)**
Impairment charge	**—**	**(19)**	**—**	**—**	**—**	**—**	**—**	**(19)**
Exchange and other movements[2]	**—**	**(3)**	**1**	**—**	**—**	**303**	**(1)**	**300**
As at 31 December 2024	**(858)**	**(3,897)**	**(486)**	**(1)**	**(2)**	**(1,073)**	**(140)**	**(6,457)**
Net book value	**4,450**	**3,383**	**185**	**16**	**5**	**157**	**79**	**8,275**
2023								
As at 1 January 2023	4,737	7,627	620	—	—	1,654	984	15,622
Additions	311	1,203	164	—	7	—	4	1,689
Disposals[1]	—	(1,546)	19	—	—	—	(2)	(1,529)
Exchange and other movements[3]	(13)	(94)	(86)	—	—	(85)	(830)	(1,108)
As at 31 December 2023	5,035	7,190	717	—	7	1,569	156	14,674
Accumulated amortisation and impairment								
As at 1 January 2023	(825)	(4,195)	(385)	—	—	(1,475)	(503)	(7,383)
Disposals[1]	—	1,546	(26)	—	—	—	2	1,522
Amortisation charge	—	(1,050)	(69)	—	(1)	(39)	(49)	(1,208)
Impairment charge	(33)	(309)	(3)	—	—	—	—	(345)
Exchange and other movements[3]	—	43	5	—	—	76	410	534
As at 31 December 2023	(858)	(3,965)	(478)	—	(1)	(1,438)	(140)	(6,880)
Net book value	4,177	3,225	239	—	6	131	16	7,794

Notes:
1 Disposals pertain to fully amortised assets which are not in use.
2 Customer list with cost of £338m and accumulated depreciation of £326m has moved to assets held for sale
3 In 2023, the Group 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 (Licenses and other) to Other Assets. This change in classification has been made to more appropriately reflect the nature of the assets.

In 2024, Goodwill has increased by £263m due to the acquisition of Luxury Cards US. In 2023, 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

Goodwill and Intangible assets are allocated to business operations according to business segments as follows:

	2024			2023		
	Goodwill	Intangibles	Total	Goodwill	Intangibles[1]	Total
	£m	£m	£m	£m	£m	£m
Barclays UK	**3,872**	**1,042**	**4,914**	3,872	1,096	4,968
Barclays UK Corporate Bank	**—**	**59**	**59**	—	310	310
Barclays UK Private Bank and Wealth Management	**95**	**251**	**346**	95	232	327
Barclays US Consumer Bank	**444**	**513**	**957**	172	649	821
Barclays Investment Bank	**—**	**1,902**	**1,902**	0	1,274	1,274
Head Office	**39**	**58**	**97**	38	56	94
Total	**4,450**	**3,825**	**8,275**	4,177	3,617	7,794

Note:
1 The 2023 comparatives are re-presented to align to the segmental reporting under the new operating divisions announced as part of the 20 February 2024 Investor Update. The Goodwill in Barclays UK Private Bank and Wealth Management and Barclays US Consumer Bank was previously disclosed under Consumer Cards and Payments.

Notes to the financial statements (continued)

Assets at amortised cost and other investments

Critical accounting estimates and judgements

Goodwill

Testing goodwill for impairment involves a significant amount of judgement. Goodwill is allocated to CGUs for the purpose of impairment testing. The review of goodwill for impairment involves calculating a value in use (VIU) valuation which is compared to the carrying value of a CGU associated with the goodwill to determine whether any impairment has occurred. This includes the identification of independent CGUs across the organisation and the allocation of goodwill to those CGUs.

The calculation of a value in use contains a high degree of uncertainty in estimating the future cash flows and the rates used to discount them. Key judgements include determining the carrying value of the CGU, the cash flows and discount rates used in the calculation.

- The cash flow forecasts used by management involve judgement and are based upon a view of the prospects of the business and market conditions at the point in time the assessment is prepared, including the potential effect of climate change. The estimation of cash flows is sensitive to the periods for which detailed forecasts are available and to assumptions regarding long-term sustainable cash flows.
- The discount rates applied to the future cash flows also involve judgement. The discount rates used are compared to market participants to ensure that they are appropriate and based on an estimated cost of equity for each CGU.
- The choice of a terminal growth rate used to determine the present value of the future cash flows of the CGUs is also a judgement that can impact the outcome of the assessment. The terminal growth rate and discount rates used may vary due to external market rates and economic conditions that are beyond management's control, including the potential effect of climate change.

Further details of some of the key judgements are set out below.

2024 impairment review

The 2024 impairment review was performed during Q4 2024, with the approach and 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 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 consider 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 CGUs have been aligned to the changes in business operating segments announced in the 20 February 2024 Investor Update and the 2023 comparatives represented.

Cash flows

The five-year cash flows used in the calculation are based on the formally agreed medium-term plans approved by the Board. These are prepared using macroeconomic assumptions which management consider reasonable and supportable, and reflect business agreed initiatives for the forecast period. The macroeconomic assumptions underpinning the medium-term plan were determined during 2024 and management has considered whether there are subsequent significant changes in those assumptions which would adversely impact the results of the impairment review.

As required by IAS 36, estimates of future cash flows exclude cash inflows or outflows that are expected to arise from restructuring initiatives where a constructive obligation to carry out the plan does not yet exist.

In line with prior year treatment, the Education, Social Housing and Local Authority (ESHLA) portfolio has been excluded from the Business Banking CGU cash flows. This is a legacy loan portfolio which was previously within the Non-Core bank and was not part of the business to which the goodwill relates. As such, the cash flows relating to this portfolio have been excluded from the Business Banking VIU calculation.

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 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 rate has been calculated. The cost of equity rate used for all CGUs in this year's calculation has increased driven by a rise in the risk free rate as measured by the 30 year gilt rate and an increase in the observed market return. The range of equivalent pre-tax discount rates applicable across the CGUs range from 14.7% to 19.2% (2023: 14.7% to 18.5%).

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 Group operates. Inflation rates are used as an approximation of future growth rates and form the basis of the terminal growth rates applied. The terminal growth rate used is 2.0% (2023: 2.0%).

Notes to the financial statements (continued)

Assets at amortised cost and other investments

Outcome of goodwill and intangibles review

The Personal Banking and Business Banking CGUs carry the majority of the Group's goodwill balance, predominantly as a consequence of the Woolwich acquisition. The goodwill within Personal Banking was £3,064m (2023: £3,064m), of which £2,501m (2023: £2,501m) was attributable to Woolwich, and within Business Banking was £629m (2023: £629m), fully attributable to Woolwich.

The largest portion of the Group's intangible assets sits within the Barclays Investment Bank CGU, with an allocation of £1,902m (2023: £1,274m).

The recoverable amount for both Personal Banking and Business Banking have decreased in comparison to the 2023 impairment review, reflective of changes in the interest rate and macroeconomic outlook.

Based on management's plans and assumptions the value in use exceeds the carrying value of the CGUs and no impairment has been indicated in 2024. In 2023, an impairment of £33m of goodwill and £257m of intangible assets was identified and recognised for the year, fully impairing the goodwill and intangibles of the Merchant Acquiring CGU.

The outcome of the impairment review for Personal Banking, Business Banking, Barclaycard Consumer UK and Barclays US Consumer Bank are set out below:

Cash generating unit	Tangible equity	Goodwill	Intangibles	Carrying value	Value in use	Value in use exceeding carrying value 2024	Value in use exceeding carrying value 2023
	£m	£m	£m	£m	£m	£m	£m
Personal Banking	7,702	3,064	691	11,457	13,107	1,650	2,361
Business Banking	1,940	629	199	2,768	5,965	3,197	3,286
Barclaycard Consumer UK	1,891	179	142	2,212	2,487	275	26
Barclays US Consumer Bank[1]	2,763	415	517	3,695	4,175	480	1,175
Total	14,296	4,287	1,549	20,132	25,734	5,602	6,848

Note
1 The 2023 comparatives are represented to align to the segmental reporting under the new operating divisions announced as part of the 20 February 2024 Investor Update.

All CGUs with exception of Barclays UK Corporate Bank and Barclaycard Consumer UK have seen a reduction in value in use in the period which is mainly attributable to the increase in the discount rates.

Sensitivity of key judgements

The CGUs are sensitive to possible adverse changes in the key assumptions that support the recoverable amount:

Cash flows: The medium-term plans used to determine the cash flows used in the VIU calculation rely on macroeconomic forecasts, including interest rates, GDP and unemployment, and forecast levels of market and client activity. Interest rate assumptions impact planned cash flows from both customer income and structural hedge contributions and therefore cash flow expectations are highly sensitive to movements in the yield curve. The cash flows also contain assumptions with regard to the prudential and financial conduct regulatory environment which may be subject to change. Given the current level of economic uncertainty, a 10% reduction in cash flows has been provided to show the sensitivity of the outcome to a change in these key assumptions.

Discount rate: The discount rate should reflect the market risk-free rate adjusted for the inherent risks of the business it is applied to. Management have identified discount rates for comparable businesses and consider these to be a reasonable estimate of a suitable market rate for the profile of the business unit being tested. The risk that these discount rates may not be appropriate is quantified below and shows the impact of a 100bps change in the discount rate.

Terminal growth rate: The terminal growth rate is used to estimate the cash flows into perpetuity based on the expected longevity of the CGU's businesses. The terminal growth rate is sensitive to uncertainties in the macroeconomic environment. The risk that using inflation data may not be appropriate for its determination is quantified below and shows the impact of 100bps change in the terminal growth rate.

Allocated capital rate: Tangible equity is allocated based on the level of risk weighted assets (RWAs) and capital required to be deployed in the CGU which is dependent on the relative risk of businesses. The capital ratio used in determining the level of tangible equity allocated to the CGU and its capital cash flows could move over time. The impact of a 50bps increase in capital ratio is quantified below.

The sensitivity of the value in use to key judgements in the calculations for certain CGUs holding goodwill balances is set out below:

						Reduction in headroom				Change required to reduce headroom to zero			
Cash generating unit	Carrying value	Value in use	Value in use exceeding carrying value	Discount rate	Terminal growth rate	100 bps increase in the discount rate	100 bps decrease in terminal growth rate	50 bps increase to allocated capital rate	10% reduction in forecasted cash flows	Discount rate	Terminal growth rate	Allocated capital rate	Cash flows
	£m	£m	£m	%	%	£m	£m	£m	£m	%	%	%	%
Personal Banking	11,457	13,107	1,650	19.2	2.0	(1,106)	(759)	(352)	(1,513)	1.6	(2.4)	2.3	(10.9)
Barclaycard Consumer UK	2,212	2,487	275	18.1	2.0	(220)	(148)	(79)	(279)	1.3	(2.0)	1.7	(9.8)
Barclays US Consumer Bank	3,695	4,175	480	17.0	2.0	(531)	(402)	(234)	(657)	0.9	(1.2)	1.0	(7.3)
Total	17,364	19,769	2,405										

Accruals, provisions, contingent liabilities and legal proceedings

The notes included in this section focus on the 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.

22 Other liabilities

	2024	2023
	£m	£m
Accruals and deferred income	**4,479**	4,315
Other creditors	**4,828**	6,638
Items in the course of collection due to other banks	**99**	89
Lease liabilities (refer to Note 20)	**1,205**	971
Other liabilities	**10,611**	12,013

23 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 25 for more detail of legal, competition and regulatory matters.

	Redundancy and restructuring	Customer redress	Legal, competition and regulatory matters	Onerous leases	Sundry provisions	Total
	£m	£m	£m	£m	£m	£m
As at 1 January 2024	**397**	**295**	**99**	**—**	**289**	**1,080**
Additions	**317**	**121**	**106**	**14**	**144**	**702**
Amounts utilised	**(405)**	**(162)**	**(132)**	**—**	**(50)**	**(749)**
Unused amounts reversed	**(95)**	**(20)**	**(15)**	**—**	**(53)**	**(183)**
Exchange and other movements[1]	**(1)**	**65**	**1**	**—**	**29**	**94**
As at 31 December 2024	**213**	**299**	**59**	**14**	**359**	**944**
Undrawn contractually committed facilities and guarantees[2]						
As at 1 January 2024						**504**
Net change in expected credit loss provision and other movements						**(65)**
As at 31 December 2024						**439**
Total provisions						
As at 1 January 2024						**1,584**
As at 31 December 2024						**1,383**

Note:

1 Included within Exchange and other movements is an amount of £62m related to indemnified provisions arising from the acquisition of Tesco Bank. Further details regarding the nature of these indemnities are disclosed in Note 41 - Business Acquisitions.

2 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 312.

Provisions expected to be recovered or settled within no more than 12 months after 31 December 2024 were £1,192m (2023: £1,357m).

Notes to the financial statements (continued)

Accruals, provisions, contingent liabilities and legal proceedings

Redundancy and restructuring

These provisions comprise the estimated cost of restructuring, including redundancy costs where an obligation exists. For example, when the 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 Group's business activities.

In light of recent legal and regulatory developments in the UK, including the Court of Appeal judgment in October 2024 against other lenders in three motor finance commissions cases (subject to appeal to the Supreme Court, which is scheduled to be heard in early April 2025), and the ongoing FCA review into historical motor finance commission arrangements and sales, Clydesdale Financial Services has recognised a provision of £90m (2023: £nil). Taking into account the information currently available, Barclays has estimated the potential impact of these matters by considering the potential basis for and timing of redress, which complaints may be valid or invalid, and the potential level of such complaints. All these assumptions are subject to significant uncertainty and will be monitored and updated if any significant new information becomes available. The legal and regulatory outcomes and the nature, extent and timing of any remediation action if required remain uncertain and, as a result the ultimate financial impact could be materially different to the amount provided. The FCA plans to set out the next steps of its review in May 2025. Under the FCA's rules, Barclays' obligation to respond to motor finance commission complaints is paused until after 4 December 2025. Barclays ceased operating in the motor finance market in late 2019, although historical operations before this time may be in scope of any potential FCA consumer redress scheme.

Legal, competition and regulatory matters

The 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, refer to Note 25.

Onerous leases

Onerous leases provisions comprise an estimate of the unavoidable costs involved with fulfilling the terms and conditions of contracts net of any expected benefits to be received.

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 page 312.

24 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:

	2024 £m	2023 £m
Guarantees and letters of credit pledged as collateral security	**16,713**	17,353
Performance guarantees, acceptances and endorsements	**8,633**	7,987
Total contingent liabilities and financial guarantees	**25,346**	25,340
Of which: Financial guarantees and letters of credit carried at fair value	**988**	1,266
Documentary credits and other short-term trade related transactions	**1,433**	2,352
Standby facilities, credit lines and other commitments	**421,716**	388,085
Total commitments[1]	**423,149**	390,437
Of which: Loan commitments carried at fair value	**15,350**	15,203

Note:
1 Includes exposures relating to financial assets classified as assets held for sale.

Provisions for expected credit losses held against contingent liabilities and commitments equal £439m (2023: £504m) and are reported in Note 23. Further details on contingent liabilities relating to legal and competition and regulatory matters can be found in Note 25.

Notes to the financial statements (continued)

Accruals, provisions, contingent liabilities and legal proceedings

25 Legal, competition and regulatory matters

The 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 judgements in accordance with the relevant accounting policies applicable to Note 23, Provisions. We have not disclosed an estimate of the potential financial impact or effect on the 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 Group's potential financial exposure in respect of those matters.

Matters are ordered under headings corresponding to the financial statements in which they are disclosed.

1. Barclays PLC and Barclays Bank PLC

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 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 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 referred the RDC's findings to the Upper Tribunal for reconsideration. In November 2024, Barclays PLC and Barclays Bank PLC withdrew the reference to the Upper Tribunal and agreed a settlement with the FCA for a combined penalty of £40m without accepting the FCA's findings. This matter is now concluded.

Other proceedings

In 2023, Barclays Bank PLC 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 Bank PLC is defending these claims.

Civil actions related to LIBOR and other benchmarks

Various individuals and corporates in a range of jurisdictions have threatened or brought civil actions against the Group and other banks in relation to the alleged manipulation of LIBOR and/or other benchmarks.

US civil actions related to LIBOR

Multiple civil actions have been filed in the US against the Group and other banks alleging manipulation of USD LIBOR, Sterling LIBOR and the LIBOR benchmark that was administered by the Intercontinental Exchange Inc. and certain of its affiliates (ICE LIBOR).

With respect to USD LIBOR, two actions alleging that 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 remain pending in the Southern District of New York (SDNY). Both seek unspecified damages. Barclays Bank PLC has moved for summary judgment in these actions, and briefing on that motion was completed in January 2025. Barclays Bank PLC has settled two other actions asserting substantially similar claims in 2023 and 2024. The financial impact of these settlements is not material to the Group's operating results, cash flows or financial position.

With respect to Sterling LIBOR, consolidated class actions filed in the SDNY against Barclays Bank PLC, BCI and other Sterling LIBOR panel banks alleging, among other things, manipulation of the Sterling LIBOR rate in violation of the Antitrust Act, CEA and RICO, were dismissed in 2018. Oral argument on the plaintiffs' appeal of that dismissal was heard by the US Court of Appeals for the Second Circuit (Second Circuit) in April 2024.

With respect to ICE LIBOR, in August 2020, 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 brought an action against Barclays Bank PLC and other financial institutions alleging Antitrust Act violations. The defendants' motion to dismiss the case was granted in 2022. The US Court of Appeals for the Ninth Circuit affirmed the dismissal in December 2024.

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 and Israel relating to alleged manipulation of LIBOR and EURIBOR.

Foreign exchange civil actions

Various individuals and corporates in a range of jurisdictions have threatened or brought civil actions against the Group and other banks in relation to alleged manipulation of foreign exchange markets.

Notes to the financial statements (continued)

Accruals, provisions, contingent liabilities and legal proceedings

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 Group and all other defendants. The plaintiffs filed an amended complaint. The defendants' motion for summary judgment was granted in 2023, dismissing the plaintiffs' remaining claims. The plaintiffs appealed the decision and the dismissal was upheld by the appellate court in May 2024. The plaintiffs' motion for reconsideration was denied. The plaintiffs did not seek US Supreme Court review and the matter is now concluded.

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.

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 second class action has now been discontinued. The CAT refused to certify the remaining claim in 2022 and, in 2023, the Court of Appeal overturned the CAT's decision and found that the claim should be certified on an opt-out basis. Barclays and the other financial institutions involved have obtained permission to appeal this decision to the UK Supreme Court.

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 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 action

There remains one US Residential Mortgage-Backed Securities (RMBS) related civil action 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. Barclays' motion to dismiss the action was denied in 2023. The parties appealed the decision and, in January 2025, the appellate court reversed the lower court's decision and dismissed the action. The plaintiff has the right to request review by the New York State Court of Appeals.

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 2021. The plaintiffs filed an amended complaint. The defendants' motion to dismiss the amended complaint was granted in 2022. The plaintiffs appealed this decision, and in February 2024 the appellate court affirmed the dismissal. The plaintiffs did not seek US Supreme Court review, thereby concluding the matter.

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 Federal Court of Canada in Toronto against Barclays Bank PLC, BCI, BX, Barclays Capital Securities Limited and 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 parties have reached a settlement, which has received final court approval and has been paid. The financial impact of the settlement is not material to the 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. An action in state court has been filed by private plaintiffs on behalf of the state of California and the matter is in discovery. 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 2020 and 2022 and the plaintiffs' motion for class certification was granted in 2023, which means the case may proceed as a class action. The defendants are appealing this decision.

Notes to the financial statements (continued)

Accruals, provisions, contingent liabilities and legal proceedings

Odd-lot corporate bonds antitrust class action

In 2020, BCI, together with other financial institutions, were named as defendants in a putative class action in the US. 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, which the plaintiffs appealed. In July 2024, the Second Circuit vacated the judgment and remanded the case to the SDNY, where the plaintiffs filed a second amended complaint in September 2024. The defendants have filed a motion to dismiss.

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 2023. In January 2024, the SDNY ruled that settlement in an earlier CDS antitrust litigation bars these plaintiffs from asserting claims based on conduct occurring before 30 June 2014. The plaintiffs have appealed to the Second Circuit.

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 parties have reached a settlement of the class action, which received preliminary court approval and has been paid. The financial impact of the settlement is not material to the Group's operating results, cash flows or financial position. The individual claims will proceed separately in the SDNY. 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 2020. Barclays' motion to dismiss all claims was granted in 2023. Tera initially appealed this decision, but in September 2024, Tera declined to pursue its appeal against Barclays. In October 2024, the Second Circuit affirmed the dismissal against the remaining defendants, including Barclays, and the matter is now concluded.

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, 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 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. In 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. In December 2024, the appellate court reversed the trial court's judgment.

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 2023. The plaintiffs' motion to vacate the judgment is fully briefed. 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 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 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 Group. The shareholder plaintiff 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 2021, which BCI and certain other defendants moved to dismiss. The motion to dismiss was granted in 2022. The plaintiff appealed the decision, and the dismissal was unanimously affirmed in 2023 by the First Judicial Department in New York. The plaintiff has appealed 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 High Court in relation to a series of derivative transactions entered into with Barclays Bank PLC between 2008 and 2011, seeking damages of £329m. In May 2024, Barclays Bank PLC reached a settlement whereby Barclays paid €43.5m with no acknowledgement of liability. This matter is now closed.

Notes to the financial statements (continued)

Accruals, provisions, contingent liabilities and legal proceedings

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. The remaining provisions are expected to be utilised during early 2025. This matter is otherwise concluded.

Motor finance commission arrangements

In January 2024, the FCA appointed 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. Barclays is co-operating fully with the FCA's skilled person review, the outcome of which is unknown. This review 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.

In April 2024, CFS filed a judicial review challenge in the High Court against the FOS's decision in relation to commission arrangements and disclosure in the sale of motor finance products. In December 2024, the High Court ruled against CFS. CFS has obtained permission to appeal.

Separately, in October 2024, the English Court of Appeal issued judgment against the lenders in three motor finance commissions cases. CFS is not a party to this litigation. The Supreme Court has agreed to hear an appeal of these cases, which will take place in April 2025. In light of this decision and onward appeal, the FCA has extended its pause on complaints to include all motor finance commissions, not just discretionary commission arrangements. CFS ceased operating in the motor finance market in late 2019. In 2020, CFS was transferred from Barclays Bank PLC to Barclays Principal Investments Ltd (BPIL), another subsidiary of Barclays PLC. Barclays Bank PLC has provided an intragroup indemnity to BPIL in respect of historic litigation and conduct matters relating to CFS.

Over-issuance of securities in the US

In 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.

In 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' motion to dismiss the case was granted in part and denied in part in February 2024. The parties have reached a settlement in respect of such lawsuit, which has received preliminary court approval and has been paid. The financial impact of this settlement is not material to the Group's operating results, cash flows or financial position. In addition, holders of a series of ETNs have brought a purported class action in federal court in New York 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. The plaintiffs were granted leave to amend and filed a new complaint in March 2024. Barclays has filed a motion to dismiss.

In March 2024, a putative class action was filed in federal court in New York against Barclays PLC, Barclays Bank PLC and former and current executives. The plaintiff purports to bring claims on behalf of a class of short sellers, alleging that their short positions suffered substantial losses when Barclays suspended new issuances and sales of VXX ETNs as a result of the over-issuance of securities. Barclays has filed a motion to dismiss.

2. Barclays PLC, Barclays Bank PLC and Barclays Bank UK PLC

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 appealed HMRC's decisions to the First-Tier Tribunal (Tax Chamber) in relation to both the retrospective VAT assessments and the ongoing 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. In respect of the ongoing VAT payments, the court upheld HMRC's denial of the VAT grouping in August 2024. Barclays has appealed this decision to the Upper Tribunal.

FCA investigation concerning financial crime systems and controls and compliance with the Money Laundering Regulations 2007

The FCA is conducting a civil enforcement investigation into Barclays Bank UK PLC's and Barclays Bank PLC's compliance with the Money Laundering Regulations 2007 and the FCA's Principles of Business and Rules relating to anti-money laundering and financial crime systems and controls. The FCA's investigation focuses primarily on the historical oversight and management of certain customers with heightened risk. Barclays has been co-operating with the investigation.

Notes to the financial statements (continued)

Accruals, provisions, contingent liabilities and legal proceedings

UK bank levy

In November 2024, HMRC updated its published guidance on the treatment of beneficiary accounts for the purposes of the exclusion of protected deposits from the UK bank levy charge. HMRC's interpretation of the UK bank levy legislation differs from Barclays' interpretation of the legislation, which has been applied in Barclays' UK bank levy returns and which Barclays continues to consider is correct. In December 2024, HMRC wrote to notify Barclays of its intention to challenge this treatment. Engagement with HMRC is at an early stage and assessments have not yet been issued.

3. Barclays PLC

Civil action in respect of Barclays' statements regarding the relationship between its former CEO and Jeffrey Epstein

In 2023, a purported class action was filed in federal court in California against Barclays PLC and a number of current and former senior executives of Barclays PLC. It was amended in 2024 to assert claims under US and UK securities laws against Barclays PLC and individual defendants. The complaint seeks to hold the defendants responsible for declines in the price of Barclays PLC's American depositary receipts and Barclays' shares, which the plaintiffs claim occurred as a result of alleged misstatements and omissions in Barclays' public disclosures relating to its former CEO's relationship with Jeffrey Epstein. Barclays has filed a motion to dismiss.

Alternative trading systems

In 2020, a claim was brought against Barclays PLC in the UK in the High Court by various shareholders regarding Barclays PLC's share price based on the allegations contained within a complaint by the New York State Attorney General (NYAG) in 2014, which alleged, among other things, that Barclays PLC and BCI engaged in fraud and deceptive practices in connection with LX, BCI's SEC-registered alternative trading system. The NYAG claim was settled in 2016, as previously disclosed. A settlement, which is not material to the Group's operating results, cash flows or financial position, was reached with the claimants in December 2024. This matter is now concluded.

General

The 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 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 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 Group is or has been engaged. The 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 PLC does not expect the ultimate resolution of any of these other matters to have a material adverse effect on the Group's 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 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.

Notes to the financial statements (continued)

Capital instruments, equity and reserves

Capital instruments, equity and reserves

The notes included in this section focus on the 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 Group maintains sufficient capital to meet our regulatory requirements refer to the Capital risk management section.

26 Subordinated liabilities

Accounting for subordinated liabilities

Subordinated liabilities are measured at amortised cost using the effective interest method under IFRS 9.

	2024 £m	2023 £m
As at 1 January	**10,494**	11,423
Issuances	**1,870**	1,523
Redemptions	**(476)**	(2,239)
Other	**33**	(213)
As at 31 December	**11,921**	10,494

Issuances of £1,870m comprise £1,276m EUR 4.973% Fixed Rate Resetting Tier2 Subordinated Callable Notes, £258m AUD 6.158% Fixed to Floating Tier 2 Subordinated Callable notes and £257m AUD Floating Rate Tier 2 Subordinated Callable Notes issued externally by Barclays PLC and £79m USD Floating Rate Notes issued externally by a Barclays subsidiary.

Redemptions of £476m comprise £372m USD 4.375% Fixed Rate Subordinated Notes issued externally by Barclays PLC, £78m USD Floating Rate Notes and £26m JPY Floating Rate Notes issued externally by a Barclays subsidiary,

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

Subordinated liabilities include accrued interest and none of the Group's subordinated liabilities are secured.

Dated subordinated liabilities[1]

	Initial call date	Maturity date	2024 £m	2023 £m
Barclays PLC issued				
4.375% Fixed Rate Subordinated Notes (USD 1,250m)		2024	**—**	380
3.75% Fixed Rate Resetting Subordinated Callable Notes (GBP 500m)	2025	2030	**483**	466
3.75% Fixed Rate Resetting Subordinated Callable Notes (SGD 200m)	2025	2030	**117**	117
5.20% Fixed Rate Subordinated Notes (USD 2,050m)		2026	**1,580**	1,529
1.125% Fixed Rate Resetting Subordinated Callable Notes (EUR 1,000m)	2026	2031	**810**	817
4.836% Fixed Rate Subordinated Callable Notes (USD 2,000m)	2027	2028	**1,535**	1,499
8.407% Fixed Rate Resetting Subordinated Callable Notes (GBP 1,000m)	2027	2032	**1,010**	1,033
5.088% Fixed-to-Floating Rate Subordinated Callable Notes (USD 1,500m)	2029	2030	**1,088**	1,078
3.564% Fixed Rate Resetting Subordinated Callable Notes (USD 1,000m)	2030	2035	**663**	654
6.158% Fixed to Floating Tier 2 Subordinated Callable notes (AUD 500m)	2030	2035	**248**	—
Floating Rate Tier 2 Subordinated Callable Notes (AUD 500m)	2030	2035	**248**	—
4.973% Fixed Rate Resetting Tier 2 Subordinated Callable Notes (EUR 1,500m)	2031	2036	**1,324**	—
7.119% Fixed-to-Floating Rate Subordinated Callable Notes (USD 1,500m)	2033	2034	**1,146**	1,175
3.811% Fixed Rate Resetting Subordinated Callable Notes (USD 1,000m)	2041	2042	**590**	623
Barclays Bank PLC issued				
5.75% Fixed Rate Subordinated Notes		2026	**279**	286
5.4% Reverse Dual Currency Subordinated Loan (JPY 15,000m)		2027	**76**	84
6.33% Subordinated Notes		2032	**45**	45
Subordinated Floating Rate Notes (EUR 68m)		2040	**56**	59
External issuances by other subsidiaries		2033	**623**	649
Total dated subordinated liabilities			**11,921**	10,494

Note:
1 Instrument values are disclosed to the nearest million.

Dated subordinated liabilities

Dated subordinated liabilities are issued by Barclays PLC, 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:

Subordination

Dated subordinated liabilities issued by Barclays PLC ranks behind the claims against Barclays PLC of unsecured unsubordinated creditors but before the claims of the holders of its equity.

Notes to the financial statements (continued)

Capital instruments, equity and reserves

All dated subordinated liabilities externally issued by Barclays Bank PLC rank behind the claims against Barclays Bank PLC of depositors and other unsecured unsubordinated creditors but before the claims of the holders of its equity. The dated subordinated liabilities externally issued by other subsidiaries are similarly subordinated as the external subordinated liabilities issued by Barclays Bank PLC.

Interest

Interest on the Floating Rate Notes is fixed periodically in advance, based on the related market rates.

Interest on Fixed Rate Notes is set by reference to market rates at the time of issuance and fixed until maturity.

Interest on the 4.836% USD Fixed Rate Subordinated Callable Notes, 3.75% SGD Fixed Rate Resetting Subordinated Callable Notes, 3.75% GBP Fixed Rate Resetting Subordinated Callable Notes, 3.811% USD Fixed Rate Resetting Subordinated Callable notes, 1.125% EUR Fixed Rate Resetting Subordinated Callable Notes, 3.564% USD Fixed Rate Resetting Subordinated Callable Notes, 4.973% EUR Fixed Rate Resetting Tier2 Subordinated Callable Notes, and the 8.407% GBP Fixed Rate Resetting Subordinated Callable Notes are fixed until the call date. After the respective call dates, in the event that they are not redeemed, the interest rates will be reset and fixed until maturity based on a market rate. Interest on the 5.088% USD Fixed-to-Floating Rate Subordinated Callable Notes, 6.158% AUD Fixed to Floating Tier 2 Subordinated Callable notes and 7.119% USD Fixed-to-Floating Rate Subordinated Callable Notes are fixed until the call date. After the call date, in the event that they are not redeemed, the interest rate will reset periodically in advance based on market rates.

Repayment

Those subordinated liabilities with a call date are repayable at the option of the issuer 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. The remaining dated subordinated liabilities outstanding at 31 December 2024 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 require, in the case of Barclays PLC and Barclays Bank PLC, the prior consent of the PRA, or in the case of the overseas issues, the approval 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.

Notes to the financial statements (continued)

Capital instruments, equity and reserves

27 Ordinary shares, share premium, and other equity

Called up share capital, allotted and fully paid

	Number of shares	Ordinary share capital	Ordinary share premium	Total share capital and share premium	Other equity instruments
	m	£m	£m	£m	£m
As at 1 January 2024	**15,155**	**3,789**	**499**	**4,288**	**13,259**
Issued to staff under share incentive plans	**83**	**21**	**82**	**103**	**—**
AT1 securities issuance	**—**	**—**	**—**	**—**	**1,598**
AT1 securities redemption	**—**	**—**	**—**	**—**	**(2,753)**
Repurchase of shares	**(818)**	**(205)**	**—**	**(205)**	
Other movements	**—**	**—**	**—**	**—**	**(29)**
As at 31 December 2024	**14,420**	**3,605**	**581**	**4,186**	**12,075**
As at 1 January 2023	15,871	3,968	405	4,373	13,284
Issued to staff under share incentive plans	121	30	94	124	—
AT1 securities issuance	—	—	—	—	3,140
AT1 securities redemption	—	—	—	—	(3,170)
Repurchase of shares	(837)	(209)	—	(209)	—
Other movements	—	—	—	—	5
As at 31 December 2023	15,155	3,789	499	4,288	13,259

Called up share capital

Called up share capital comprises 14,420m (2023: 15,155m) ordinary shares of 25p each.

Share repurchase

At the 2024 AGM on 9 May 2024, Barclays PLC was authorised to repurchase up to an aggregate of 1,513m of its ordinary shares of 25p. The authorisation is effective until the AGM in 2025 or the close of business on 30 June 2025, whichever is the earlier. During 2024, 818m shares were repurchased with a total nominal value of £205m (2023: 837m shares with a nominal value of £209m).

Other equity instruments

Other equity instruments of £12,075m (2023: £13,259m) include AT1 securities issued by Barclays PLC. 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 2024, there were two issuances of AT1 instruments, in the form of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities, for £1,598m (2023: three issuances for £3,140m) which includes issuance costs of £6m (2023: £10m). There were two redemptions in 2024 totalling £2,753m (2023: two redemptions totalling £3,170m).

AT1 equity instruments

	Initial call date	2024 £m	2023 £m
AT1 equity instruments - Barclays PLC			
5.875% Perpetual Subordinated Contingent Convertible Securities[1]	2024	**—**	1,241
8.000% Perpetual Subordinated Contingent Convertible Securities (USD 2,000m)	2024	**—**	1,509
7.125% Perpetual Subordinated Contingent Convertible Securities	2025	**996**	996
6.375% Perpetual Subordinated Contingent Convertible Securities[1]	2025	**994**	996
6.125% Perpetual Subordinated Contingent Convertible Securities (USD 1,500m)	2025	**1,142**	1,142
8.875% Perpetual Subordinated Contingent Convertible Securities	2027	**1,247**	1,247
8.300% Perpetual Subordinated Contingent Convertible Securities (SGD 450m)	2027	**264**	264
4.375% Perpetual Subordinated Contingent Convertible Securities (USD 1,500m)[1]	2028	**1,078**	1,077
7.300% Perpetual Subordinated Contingent Convertible Securities (SGD 400m)	2028	**248**	248
9.250% Perpetual Subordinated Contingent Convertible Securities[1]	2028	**1,497**	1,497
8.000% Perpetual Subordinated Contingent Convertible Securities (USD 2,000m)	2029	**1,647**	1,647
9.625% Perpetual Subordinated Contingent Convertible Securities (USD 1,750m)[1]	2029	**1,395**	1,395
5.400% Perpetual Subordinated Contingent Convertible Securities (SGD 600m)[1]	2030	**339**	—
8.500% Perpetual Subordinated Contingent Convertible Securities[1]	2030	**1,228**	—
Total AT1 equity instruments		**12,075**	13,259

Note:
1 Reported net of securities held by the Group.

Notes to the financial statements (continued)

Capital instruments, equity and reserves

The principal terms of the AT1 securities are described below:

- AT1 securities rank behind the claims against Barclays PLC of i) unsubordinated creditors; ii) claims which are expressed to be subordinated to the claims of unsubordinated creditors of Barclays PLC but not further or otherwise; or iii) claims which are, or are expressed to be, junior to the claims of other creditors of Barclays PLC, whether subordinated or unsubordinated, other than claims which rank, or are expressed to rank, pari passu with, or junior to, the claims of holders of the AT1 securities.
- AT1 securities are undated and are redeemable, at the option of Barclays PLC, in whole on (i) the initial reset date, or on any fifth anniversary after the initial reset date or (ii) any day falling in a named period ending on the initial reset date, or on any fifth anniversary after the initial reset date. In addition, the AT1 securities are redeemable, at the option of Barclays PLC, in whole in the event of certain changes in the tax or regulatory treatment of the securities. Any redemptions require the prior consent of the PRA.
- Interest on the AT1 securities will be due and payable only at the sole discretion of Barclays PLC, and Barclays PLC has sole and absolute discretion at all times and for any reason to cancel (in whole or in part) any interest payment that would otherwise be payable on any interest payment date.

28 Reserves

Currency translation reserve

The currency translation reserve represents the cumulative gains and losses on the retranslation of the Group's net investment 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 profit or loss 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 and treasury shares

Other reserves relate to redeemed ordinary and preference shares issued by the Group.

Treasury shares relate to Barclays PLC shares held in relation to the Group's various share schemes. These schemes are described in Note 31. Treasury shares are deducted from shareholders' equity within other reserves. A transfer is made to retained earnings in line with the vesting of treasury shares held for the purposes of share-based payments.

	2024 £m	2023 £m
Currency translation reserve	**3,625**	3,671
Fair value through other comprehensive income reserve	**(1,873)**	(1,366)
Cash flow hedging reserve	**(2,930)**	(3,707)
Own credit reserve	**(1,059)**	(240)
Other reserves and treasury shares	**1,769**	1,565
Total	**(468)**	(77)

Notes to the financial statements (continued)

Capital instruments, equity and reserves

29 Non-controlling interests

	Profit attributable to non-controlling interest		Equity attributable to non-controlling interest		Dividends paid to non-controlling interest	
	2024	2023	2024	2023	2024	2023
	£m	£m	£m	£m	£m	£m
Barclays Bank PLC issued:						
– Preference shares	**41**	40	**529**	529	**41**	40
– Upper Tier 2 instruments	**8**	24	**126**	126	**8**	24
Other non-controlling interests	**—**	—	**5**	5	**—**	—
Total	**49**	64	**660**	660	**49**	64

In 2024, there were no issuances (2023: none) and no redemptions (2023: £312m). Other non-controlling interests relates to the holding in Female Innovators Lab LP, see Note 43 for more details.

Barclays Bank PLC and protective rights of non-controlling interests

Barclays PLC holds 100% of the voting rights of Barclays Bank PLC. As at 31 December 2024, Barclays Bank PLC has in issue preference shares and Upper Tier 2 instruments. These are non-controlling interests to the Group.

A fixed coupon rate is attached to all Upper Tier 2 instruments until the initial call date.

After the initial call date, in the event they are not redeemed, coupon payments in relation to the 6.125% Undated Notes are fixed periodically in advance for five-year periods based on market rates. Coupon payments for all other Upper Tier 2 instruments are at rates fixed periodically in advance based on market rates.

The payment of preference share dividends and Upper Tier 2 coupons are typically at the discretion of Barclays Bank PLC, except for coupon payments that become compulsory where Barclays PLC has declared or paid a dividend on ordinary shares, or in certain cases, any class of preference shares, in the preceding six-month period. Coupons not paid become payable in each case if such a dividend is subsequently paid or in certain other circumstances. No dividend or coupon payments may be made unless Barclays Bank PLC satisfies a specified solvency test. Under the terms of these instruments, Barclays PLC may not pay dividends on ordinary shares until a dividend or coupon is next paid on these instruments or the instruments are redeemed or purchased by Barclays Bank PLC. There are no restrictions on Barclays Bank PLC's ability to remit capital to the Parent as a result of these issued instruments.

Preference share redemptions are typically at the discretion of Barclays Bank PLC and are redeemable in whole, but not in part, at the initial call date and on any dividend payment date after the initial call date, pursuant to their respective terms. Upper Tier 2 instruments 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 Upper Tier 2 instruments 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 or redemptions require the prior consent of the PRA, and in respect of the preference shares, any such redemption will be subject to the Companies Act 2006 and the Articles of Barclays Bank PLC.

	2024	2023
Instrument	£m	£m
Preference Shares:		
US Dollar Preference Shares	**318**	318
Euro Preference Shares	**211**	211
Total Barclays Bank PLC Preference Shares	**529**	529
Upper Tier 2 Instruments:		
5.03% Undated Reverse Dual Currency Subordinated Loan (JPY8bn)	**39**	39
5.0% Reverse Dual Currency Undated Subordinated Loan (JPY12bn)	**53**	53
6.125% Undated Subordinated Notes (£550m)	**34**	34
Total Upper Tier 2 Instruments	**126**	126

Notes to the financial statements (continued)

Employee benefits

Employee benefits

The notes included in this section focus on the costs and commitments associated with employing our staff.

30 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 an award, an individual must have provided service over the vesting period and been employed on the scheduled vesting date or be considered an eligible leaver. The expense for deferred cash and share awards is recognised over the period employees' services contribute to the awards. The Group considers it appropriate to recognise the expense 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 31 and Note 32 respectively.

	2024	2023	2022
	£m	£m	£m
Incentive awards granted:			
Current year bonus	**1,278**	1,202	1,241
Deferred bonus	**636**	543	549
Total incentive awards granted	**1,914**	1,745	1,790
Reconciliation of incentive awards granted to income statement charge:			
Less: deferred bonuses granted but not charged in current year	**(452)**	(384)	(388)
Add: current year charges for deferred bonuses from previous years	**405**	390	399
Other differences between incentive awards granted and income statement charge	**(2)**	(1)	35
Income statement charge for performance costs	**1,865**	1,750	1,836
Other income statement charges:			
Salaries	**4,994**	5,120	4,732
Social security costs	**754**	755	714
Post-retirement benefits[1]	**558**	539	563
Other compensation costs	**587**	555	504
Total compensation costs[2]	**8,758**	8,719	8,349
Other resourcing costs:			
Outsourcing	**693**	601	607
Redundancy and restructuring	**235**	452	(7)
Temporary staff costs	**61**	91	113
Other	**129**	154	190
Total other resourcing costs	**1,118**	1,298	903
Total staff costs	**9,876**	10,017	9,252
Group compensation costs as a % of total income	**32.7**	34.4	33.5
Group staff costs as a % of total income	**36.9**	39.5	37.1

Notes:
1 Post-retirement benefits charge includes £377m (2023: £371m; 2022: £313m) in respect of defined contribution schemes and £181m (2023: £168m; 2022: £250m) in respect of defined benefit schemes.
2 £875m (2023: £860m; 2022: £604m) of Group compensation cost was capitalised as internally generated software and excluded from the Staff cost disclosed above.

Notes to the financial statements (continued)

Employee benefits

31 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		
	2024	2023	2022
	£m	£m	£m
Share Value Plan and Deferred Share Value Plan	**319**	284	295
Others	**178**	191	214
Total equity settled	**497**	475	509
Cash settled	**10**	4	4
Total share based payments	**507**	479	513

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:

	2024				2023			
	Weighted average fair value per award granted in year	Weighted average share price at exercise/ release during year	Weighted average remaining contractual life	Number of options/ awards outstanding	Weighted average fair value per award granted in year	Weighted average share price at exercise/ release during year	Weighted average remaining contractual life	Number of options/ awards outstanding
	£	£	in years	(000s)	£	£	in years	(000s)
SVP and DSVP[1,2]	**1.52**	**1.74**	**1**	**504,825**	1.49	1.68	1	495,724
Others[1,3]	**0.81-2.10**	**1.71-2.12**	**0-3**	**240,029**	0.31-1.69	1.43-1.69	0-3	288,755

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.

Notes to the financial statements (continued)

Employee benefits

Sharesave has a contractual life of 3 years and 5 years, the expected volatility is 30.31% for 3 years and 27.49% for 5 years. The risk-free interest rates used for valuations are 4.09% and 3.97% for 3 years and 5 years respectively. The pure dividend yield rates used for valuations are 2.91% and 3.00% for 3 years and 5 years respectively. The repo rates used for valuations are (0.54)% and (0.61)% 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:

	SVP and DSVP[1,2]		Others[1,3]			
	Number (000s)		Number (000s)		Weighted average exercise price (£)	
	2024	2023	2024	2023	2024	2023
Outstanding at beginning of year/acquisition date	**495,724**	501,454	**288,755**	316,534	**1.06**	0.97
Granted in the year	**224,385**	232,479	**132,013**	198,386	**1.79**	1.17
Exercised/released in the year	**(191,471)**	(196,900)	**(163,322)**	(193,669)	**0.95**	0.88
Less: forfeited in the year	**(23,813)**	(41,309)	**(15,164)**	(29,424)	**1.19**	1.20
Less: expired in the year	**—**	—	**(2,253)**	(3,072)	**1.25**	1.42
Outstanding at end of year	**504,825**	495,724	**240,029**	288,755	**1.19**	1.06
Of which exercisable:	**—**	—	**25,164**	67,967	**1.23**	0.87

Notes:
1 Options/award granted over Barclays PLC shares.
2 Weighted average exercise price is not applicable for SVP and DSVP awards as these are not share option schemes.
3 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 5,343,579). The weighted average exercise price relates to Sharesave.

Awards and options granted under the Group's share plans may be satisfied using new issue shares, treasury shares and market purchase shares. Awards granted under the DSVP may be satisfied using market purchase shares only.

There were no significant modifications to the share-based payments arrangements in 2024 and 2023.

As at 31 December 2024, the total liability arising from cash-settled share-based payments transactions was £11m (2023: £5m).

Holdings of Barclays PLC shares and hedges

Various employee benefit trusts established by the Group hold shares in Barclays PLC to meet obligations under the Barclays share-based payment schemes. The total number of Barclays shares held in these employee benefit trusts at 31 December 2024 was 19m (2023: 19m). Dividend rights have been waived on all these shares. The total market value of the shares held in trust based on the year end share price of £2.68 (2023: £1.54) was £50m (2023: £29m). For accounting of treasury shares, see Note 28.

The Group has entered into physically settled forward contracts to hedge the settlement of certain share-based payment schemes. The fixed forward price to be paid under these contracts is £274m and has been recorded in retained earnings.

Notes to the financial statements (continued)

Employee benefits

32 Pensions and post-retirement benefits

Accounting for pensions and post-retirement benefits

The Group operates a number of pension schemes and post-employment benefit schemes.

Defined contribution schemes – the 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 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 Group, using a methodology similar to that for defined benefit pension schemes.

Pension schemes

UK Retirement Fund (UKRF)

The UKRF is the Group's main scheme, representing 96% (2023: 96%) of the 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 Barclays 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 UK 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 Barclays 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 Barclays 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, Barclays 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 Group.

The Trustee Board comprises six Management Directors selected by Barclays, of whom three are independent Directors with no relationship with Barclays (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 Group's other pension schemes, depending on local legislation.

Notes to the financial statements (continued)

Employee benefits

Amounts recognised

The following tables include amounts recognised in the income statement and an analysis of benefit obligations and scheme assets for all 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 30 Staff costs.

Income statement (credit)/charge

	2024	2023	2022
	£m	£m	£m
Current service cost	**180**	165	227
Net finance (income)/cost	**(154)**	(222)	(122)
Past service cost	**—**	—	20
Other movements	**1**	3	3
Total	**27**	(54)	128

Balance sheet reconciliation

	2024		2023	
	Total	Of which relates to UKRF	Total	Of which relates to UKRF
	£m	£m	£m	£m
Benefit obligation at beginning of the year	**(21,513)**	**(20,618)**	(20,881)	(19,990)
Current service cost	**(180)**	**(155)**	(165)	(141)
Interest costs on scheme liabilities	**(933)**	**(901)**	(959)	(929)
Remeasurement (loss)/gain – financial	**1,794**	**1,797**	(708)	(683)
Remeasurement (loss)/gain – demographic	**12**	**13**	311	310
Remeasurement (loss)/gain – experience	**(55)**	**(54)**	(264)	(260)
Employee contributions	**(6)**	**—**	(5)	(1)
Benefits paid	**1,230**	**1,189**	1,115	1,075
Exchange and other movements	**51**	**—**	43	1
Benefit obligation at end of the year	**(19,600)**	**(18,729)**	(21,513)	(20,618)
Fair value of scheme assets at beginning of the year	**24,914**	**24,234**	25,360	24,680
Interest income on scheme assets	**1,087**	**1,062**	1,181	1,155
Employer contribution	**37**	**22**	54	39
Remeasurement – return on scheme assets (less)/greater than discount rate	**(2,192)**	**(2,184)**	(532)	(548)
Employee contributions	**6**	**—**	5	1
Benefits paid	**(1,221)**	**(1,189)**	(1,115)	(1,075)
Exchange and other movements	**(8)**	**(17)**	(39)	(18)
Fair value of scheme assets at end of the year	**22,623**	**21,928**	24,914	24,234
Net surplus	**3,023**	**3,199**	3,401	3,616
Retirement benefit assets	**3,263**	**3,199**	3,667	3,616
Retirement benefit liabilities	**(240)**	**—**	(266)	—
Net retirement benefit assets	**3,023**	**3,199**	3,401	3,616

Included within the benefit obligation is £695m (2023: £694m) relating to overseas pensions and £175m (2023: £201m) relating to other post-employment benefits.

Barclays has considered the potential implications for the UKRF of the ruling and appeal in Virgin Media v NTL Pension Trustees II Ltd. Activity to date has not identified any relevant amendments to the UKRF (of the nature of that found to have been void in the Virgin Media case) that were not subject to actuarial confirmation. No material additional benefit obligation is expected.

As at 31 December 2024, the UKRF's scheme assets were in surplus versus IAS 19 obligations by £3,199m (2023: £3,616m). During 2024, the decrease in the UKRF surplus was driven by changes in market conditions. Defined benefit obligation reduced due to increases in underlying corporate bond yields, however assets reduced by a higher amount. The UKRF's hedging strategy is more aligned to the funding basis than the accounting basis.

The weighted average duration of the benefit payments reflected in the defined benefit obligation for the UKRF is 11 years (2023: 12 years). The UKRF expected benefits promised to date are projected to be paid out for in excess of 50 years, although 32% of the benefits are expected to be paid in the next 10 years; 33% in years 11 to 20 and 21% in years 21 to 30. The remainder of the benefits are expected to be paid beyond 30 years.

Of the £1,189m (2023: £1,075m) UKRF benefits paid out, £165m (2023: £122m) 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 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 the Group or termination of contributions by the Group. 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.

Notes to the financial statements (continued)

Employee benefits

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.

	2024	2023
Key UKRF financial assumptions	**% p.a.**	**% p.a.**
Discount rate	**5.44**	4.49
Inflation rate (RPI)	**3.32**	3.17

The UKRF discount rate assumption for 2024 was based on a standard WTW RATE Link model. The RPI inflation assumption for 2024 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 2023 core projection model published by the Continuous Mortality Investigation Bureau subject to a long-term trend of 1.25% per annum in future improvements (2023: 1.25% per annum). The table below shows how the assumed life expectancy, for members of the UKRF, has changed since last year:

Assumed life expectancy[1]	2024	2023
Life expectancy at 60 for current pensioners (years)		
– Males	**26.5**	26.5
– Females	**29.4**	29.3
Life expectancy at 60 for future pensioners currently aged 40 (years)		
– Males	**28.0**	28.0
– Females	**30.8**	30.7

Notes:
1 The life expectancies disclosed are in respect of a population of the membership that represents c60% of the Defined Benefit Obligation of UKRF (excluding the Afterwork section which has no post-retirement mortality risk) with the remaining members having life expectancy at age 60 of between 26.3 years and 29.4 years.

Approximately, 70% 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 Barclays expressing any specific view of the probability of such movements happening.

Change in key assumptions

	2024	2023
	(Decrease)/ Increase in UKRF defined benefit obligation	(Decrease)/ Increase in UKRF defined benefit obligation
	£bn	£bn
Discount rate		
0.5% p.a. increase	**(1.0)**	(1.2)
0.25% p.a. increase	**(0.5)**	(0.6)
0.25% p.a. decrease	**0.5**	0.6
0.5% p.a. decrease	**1.1**	1.3
Assumed RPI		
0.5% p.a. increase	**0.7**	0.8
0.25% p.a. increase	**0.3**	0.4
0.25% p.a. decrease	**(0.4)**	(0.4)
0.5% p.a. decrease	**(0.7)**	(0.8)
Life expectancy at 60		
One year increase	**0.5**	0.6
One year decrease	**(0.5)**	(0.6)

Notes to the financial statements (continued)

Employee benefits

Assets

A long-term investment strategy has been set for the UKRF, with its asset allocation comprising a mixture of gilts, 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

	Total				Of which relates to UKRF			
	Quoted £m	Unquoted[1] £m	Value £m	% of total fair value of scheme assets %	Quoted £m	Unquoted[1] £m	Value £m	% of total fair value of scheme assets %
As at 31 December 2024								
Equities	121	—	121	0.5	—	—	—	—
Private equities	—	2,134	2,134	9.4	—	2,134	2,134	9.7
Bonds - fixed government	1,546	—	1,546	6.8	1,306	—	1,306	6.0
Bonds - index-linked government	8,234	—	8,234	36.4	8,214	—	8,214	37.5
Bonds - corporate and other	5,604	717	6,321	27.9	5,395	717	6,112	27.9
Property	19	1,238	1,257	5.6	—	1,238	1,238	5.6
Infrastructure	—	1,388	1,388	6.1	—	1,388	1,388	6.3
Hedge funds	9	1,390	1,399	6.2	—	1,390	1,390	6.3
Derivatives	(7)	(1,799)	(1,806)	(8.0)	(7)	(1,799)	(1,806)	(8.2)
Longevity reinsurance contracts	—	(117)	(117)	(0.5)	—	(117)	(117)	(0.5)
Cash and liquid assets[2]	(454)	2,529	2,075	9.2	(464)	2,529	2,065	9.4
Mixed investment funds	8	—	8	—	—	—	—	—
Other	7	56	63	0.4	—	4	4	—
Fair value of scheme assets	15,087	7,536	22,623	100.0	14,444	7,484	21,928	100.0
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 contract	—	(131)	(131)	(0.5)	—	(131)	(131)	(0.5)
Cash and liquid assets[2]	(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

Notes:

1 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 2024 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 does not believe these valuations will differ materially from the fair value, in the context of the overall UKRF asset size.

2 Cash and liquid assets for the UKRF consists of £404m (2023: £354m) Cash, £80m (2023: £91m) Receivables/payables, £2,529m (2023: £3,036m) Pooled cash funds and £(948)m (2023: £(1,588)m) Repurchase agreements.

Included within the fair value of UKRF scheme assets was nil (2023: nil) relating to shares in Barclays PLC and nil (2023: nil) relating to bonds issued by Barclays PLC. The UKRF also invests in pooled investment vehicles which may hold shares or debt issued by Barclays PLC.

At 31 December 2024, 38% 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.

Notes to the financial statements (continued)

Employee benefits

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 70% of the current pensioner liabilities. The contracts provide income to the UKRF if pensions are paid out for longer than expected. At 31 December 2024, the combined value of the contracts was £(117)m (2023: £(131)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 epa.towerswatson.com/accounts/barclays/public/barclays-bank-responsible-investment-policy/.

Triennial valuation

The UKRF annual funding update as at 30 September 2024 showed a funding surplus of £1.75bn compared to £2.02bn at 30 September 2023. The main reasons for the decrease were the impact of investment returns relative to liabilities and benefit accrual exceeding contributions received.
The main differences between the funding and accounting assumptions are a different approach to setting the discount rate and a more conservative life expectancy 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, so no regular employer contributions are required for 2025.

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 2015, currently Barclays Bank UK PLC is a participating employer in the UKRF and will remain so during a transitional phase as set out in a deed of participation. Barclays Bank PLC, a fellow subsidiary of Barclays PLC, is the principal employer of the UKRF. 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). To meet the requirements of the Financial Services and Markets Act 2000 (Banking Reform) (Pensions) Regulations 2015 it is Barclays' intention to sectionalise the UKRF in July 2025, creating two separate sections – the Barclays Bank Section and the Barclays UK Section (with Barclays Bank UK PLC participating in the Barclays UK Section only). This will not change the financial position of the UKRF from a consolidated Group perspective, and members' benefits will be unchanged as a result of the actions Barclays is taking to meet its regulatory obligations.

Defined benefit contributions paid to the UKRF were £22m (2023: £39m).

There were nil (2023: nil) Section 75 contributions included within the Group's contributions paid as no participating employers left the UKRF in 2024.

The Group's expected contribution to the UKRF in respect of defined benefits in 2025 is £47m. In addition, the expected contributions to UK defined contribution schemes in 2025 is £18m to the UKRF and £302m to the BPSP.

Notes to the financial statements (continued)

Scope of consolidation

Scope of consolidation

The notes included in this section present information on the Group's investments in subsidiaries, joint ventures and associates and its interests in structured entities. Detail is also given on securitisation transactions the Group has entered into and arrangements that are held off-balance sheet.

33 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 PLC, investments in subsidiaries are stated at cost less impairment.

Principal subsidiaries for the Group are set out below. This includes those subsidiaries that are most significant in the context of the 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 PLC	United Kingdom	Banking, holding company	**100**	**1**	**—**
Barclays Bank UK PLC	United Kingdom	Banking, holding company	**100**	**—**	**—**
Barclays Bank Ireland PLC	Ireland	Banking	**100**	**—**	**—**
Limited	United Kingdom	Service company	**100**	**—**	**—**
Barclays Capital Inc.	United States	Securities dealing	**100**	**—**	**—**
Limited	United Kingdom	Securities dealing	**100**	**—**	**—**
Limited	Japan	Securities dealing	**100**	**—**	**—**
Barclays US LLC	United States	Holding company	**100**	**—**	**—**
Barclays Bank Delaware	United States	Credit card issuer	**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. Refer to Note 29 for more information.

Determining whether the 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 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 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 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 Group has control of an entity. Until 25 October 2024 Palomino Limited was excluded from consolidation despite the Group holding 100% of the voting rights as it was managed by an external counterparty and the Group was not exposed to its variable returns. Following the termination of the management agreement, as from 26 October 2024 the entity is now fully consolidated.

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	—	—

Interests relating to the entity are included in Note 34 for the year ended 31 December 2023.

Significant restrictions

As is typical for a group of its size and international scope, there are restrictions on the ability of Barclays PLC to obtain distributions of capital, access the assets or repay the liabilities of members of its 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

Barclays' principal subsidiary companies have assets and liabilities before intercompany eliminations of £2,015bn (2023: £2,022bn) and £1,919bn (2023: £1,927bn) respectively. Certain of these assets and liabilities are subject to prudential regulation and regulatory capital requirements in the countries in which they are regulated. These require entities to maintain minimum capital levels which cannot be returned to the parent company, Barclays PLC, on a going concern basis.

Notes to the financial statements (continued)

Scope of consolidation

In order to meet capital requirements, subsidiaries may issue certain equity-accounted and debt-accounted financial instruments and non-equity instruments such as Tier 1 and Tier 2 capital instruments and other forms of subordinated liabilities. Refer to Note 26 and Note 27 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 Group are required to meet applicable PRA or local regulatory requirements pertaining to liquidity. The regulated subsidiaries include Barclays Bank PLC and Barclays Capital Securities Limited (which are regulated on a combined basis under a Domestic Liquidity Sub-Group (DoLSub) arrangement), Barclays Bank UK PLC, Barclays Bank Ireland PLC, Barclays Capital Inc. and Barclays Bank Delaware. Refer to the Liquidity risk section for further details of liquidity requirements, including those of the Group's significant subsidiaries.

Statutory requirements

The 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 PLC, the ultimate 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 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 Group. The assets typically affected are disclosed in Note 37.

Other restrictions

The Group is required to maintain cash balances with central banks and other regulatory authorities, and these amounted to £2,945m (2023: £3,758m).

34 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. 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 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 Group has contractual arrangements which may require it to provide financial support to the following types of consolidated structured entities:

- Securitisation vehicles: The Group uses securitisation as a source of financing and a means of risk transfer. Where entities are controlled by the Group, they are consolidated. Refer to Note 36 for further detail.
- Commercial Paper (CP) conduits: These entities issue CP and use the proceeds to lend to clients as part of the Group's multi-seller conduit programme. The Group has provided £23.9bn (2023: £22.4bn) in contractual liquidity facilities to the CP conduits that the 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.
- Employee benefit trusts: The Group provides capital contributions to employee benefit trusts to enable them to meet obligations to employees in relation to share-based remuneration arrangements.
- Tender Option Bond (TOB) trusts: During 2024, the Group provided undrawn liquidity facilities of £4.0bn (2023: £3.7bn) 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 Barclays, and are established either by Barclays 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 Group. Such interests include holdings of debt or equity securities, derivatives that transfer financial risks from the entity to the Group, lending, loan commitments, financial guarantees and investment management agreements.

The 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 Barclays investment bank business. Structured entities may take the form of funds, trusts, securitisation vehicles, and private investment companies. The largest transactions for Barclays 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 Group's interests in structured entities is summarised below:

Notes to the financial statements (continued)

Scope of consolidation

Summary of interests in unconsolidated structured entities

	Secured financing	Short-term traded interests	Traded derivatives	Other interests	Total
	£m	£m	£m	£m	£m
As at 31 December 2024					
Assets					
Trading portfolio assets	—	23,941	—	—	23,941
Financial assets at fair value through the income statement	87,546	—	—	1,295	88,841
Derivative financial instruments	—	—	6,540	—	6,540
Financial assets at fair value through other comprehensive income	—	—	—	5,571	5,571
Loans and advances at amortised cost	—	—	—	47,151	47,151
Debt securities at amortised cost	—	—	—	24,331	24,331
Reverse repurchase agreements and other similar secured lending	3,145	—	—	—	3,145
Other assets	—	—	—	—	—
Total assets	90,691	23,941	6,540	78,348	199,520
Liabilities					
Derivative financial instruments	—	—	6,978	—	6,978
As at 31 December 2023					
Assets					
Trading portfolio assets	—	15,482	—	—	15,482
Financial assets at fair value through the income statement	74,551	—	—	1,141	75,692
Derivative financial instruments	—	—	5,685	—	5,685
Financial assets at fair value through other comprehensive income	—	—	—	838	838
Loans and advances at amortised cost	—	—	—	34,316	34,316
Debt securities at amortised cost	—	—	—	18,487	18,487
Reverse repurchase agreements and other similar secured lending	896	—	—	—	896
Other assets	—	—	—	130	130
Total assets	75,447	15,482	5,685	54,912	151,526
Liabilities					
Derivative financial instruments	—	—	6,173	—	6,173

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 2024, Barclays entered into transactions with approximately 5,000 (2023: 6,000) structured entities.

Secured financing

The 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 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 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 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 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 which 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 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.

Notes to the financial statements (continued)

Scope of consolidation

A description of the types of derivatives and the risk management practices are detailed in Note 14. 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 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 Group is mainly exposed to settlement risk on these derivatives which is mitigated through daily margining. Total notional contract amounts were £712,793m (2023: £335,552m).

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 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 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	Lending	Other	Total	Of which: Barclays owned, not consolidated entities[1]
	£m	£m	£m	£m	£m
As at 31 December 2024					
Financial assets at fair value through the income statement	—	27	1,268	1,295	—
Financial assets at fair value through other comprehensive income	—	3,206	2,365	5,571	—
Loans and advances at amortised cost	11,103	36,048	—	47,151	—
Debt securities at amortised cost	—	—	24,331	24,331	—
Other assets	—	—	—	—	—
Total on-balance sheet exposures	11,103	39,281	27,964	78,348	—
Total off-balance sheet notional amounts	11,530	25,737	—	37,267	—
Maximum exposure to loss	22,633	65,018	27,964	115,615	—
Total assets of the entity	41,431	203,723	75,284	320,438	
As at 31 December 2023					
Financial assets at fair value through the income statement	—	38	1,103	1,141	907
Financial assets at fair value through other comprehensive income	—	638	200	838	—
Loans and advances at amortised cost	8,903	25,413	—	34,316	—
Debt securities at amortised cost	—	—	18,487	18,487	—
Other assets	38	88	4	130	—
Total on-balance sheet exposures	8,941	26,177	19,794	54,912	907
Total off-balance sheet notional amounts	11,947	12,600	—	24,547	—
Maximum exposure to loss	20,888	38,777	19,794	79,459	907
Total assets of the entity	35,439	165,319	108,751	309,509	8,704

Note:
1 Comprises of Barclays owned, not consolidated structured entities per IFRS 10 *Consolidated Financial Statements*, and Barclays sponsored entities, Refer to Note 33 Principal subsidiaries for more details on consolidation.

Maximum exposure to loss

Unless specified otherwise below, the 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

Barclays' 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 entities. The 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 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 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

Notes to the financial statements (continued)

Scope of consolidation

property, equipment or other assets. All loans are subject to the 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 period the 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 performance of the fund and trusts held on behalf of beneficiaries with interests restricted to unpaid fees.

Assets transferred to sponsored unconsolidated structured entities

Barclays 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 2024, assets transferred to sponsored unconsolidated structured entities were £890m (2023: £1,420m).

Notes to the financial statements (continued)

Scope of consolidation

35 Investments in associates and joint ventures

Accounting for associates and joint ventures

The equity accounted associates include the Group's investment in the Business Growth Fund £678m 2023: £648m) which has increased due to a fair value gain in its investments by £30m (2023: £(10)m). The joint ventures held at fair value through profit or loss has decreased to £171m (2023: £516m) majorly due to disposal of holdings.

	2024			2023		
	Associates	Joint ventures	Total	Associates	Joint ventures	Total
	£m	£m	£m	£m	£m	£m
Equity accounted	**692**	**199**	**891**	670	209	879
Held at fair value through profit or loss	**—**	**171**	**171**	—	516	516
Total	**692**	**370**	**1,062**	670	725	1,395

Summarised financial information for the Group's equity accounted associates and joint ventures is set out below. The amounts shown are the Group's share of the net income of the investees for the year ended 31 December 2024, 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		
	2024	2023	2022	2024	2023	2022
	£m	£m	£m	£m	£m	£m
Profit/(loss) from continuing operations	**30**	(10)	(21)	**8**	1	26
Other comprehensive income/(loss)	**—**	—	—	**(1)**	(3)	1
Total comprehensive income/(loss) from continuing operations	**30**	(10)	(21)	**7**	(2)	27

Unrecognised shares of the losses of individually immaterial associates and joint ventures were £nil (2023: £nil).

The Group has provided guarantees amounted to £nil (2023: £nil) to its joint ventures and associates. The Barclays drawn commitments to finance or otherwise provide resources to its joint ventures and associates are £474m (2023: £474m) The Barclays share of the associates and joint ventures unutilised credit facilities commitments amounted to £1,389m (2023: £1,695m).

36 Securitisations

Accounting for securitisations

The 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 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 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 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 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 Group was party to securitisation transactions involving its credit card balances, personal and mortgage loans.

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 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.

Notes to the financial statements (continued)

Scope of consolidation

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:

	2024				2023			
	Assets		Liabilities		Assets		Liabilities	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
	£m	£m	£m	£m	£m	£m	£m	£m
Loans and advances at amortised cost								
lending	**10,115**	**10,698**	**(2,130)**	**(2,134)**	6,451	6,996	(2,369)	(2,336)
Mortgage assets	**254**	**263**	**(21)**	**(20)**	478	499	(21)	(26)
Financial assets at FVTPL								
Mortgage assets	**576**	**576**	**—**	**—**	452	452	—	—
Assets included in disposal group classified as held for sale								
Personal Loans	**846**	**826**	**—**	**—**	—	—	—	—
Total	**11,791**	**12,363**	**(2,151)**	**(2,154)**	**7,381**	**7,947**	**(2,390)**	**(2,362)**

Balances included within loans and advances at amortised cost represent securitisations where substantially all the risks and rewards of the asset have been retained by the Group and balances included within Financial assets at FVTPL and Assets included in disposal groups classified as held for sale 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 Barclays 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 is recognised to the extent of Barclays' continuing involvement. Total Financial assets of £11,951 (2023: £3,353m) were originally transferred in this manner and the carrying value of the asset representing continued involvement is included in the table above.

For transfers of assets in relation to repurchase agreements, refer to Note 37.

Continuing involvement in financial assets that have been derecognised

In some cases, the 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 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[1]			Gain from continuing involvement	
	Carrying amount	Fair value	Maximum exposure to loss[2]	For the year ended	Cumulative to 31 December
Type of transfer	£m	£m	£m	£m	£m
2024					
Asset backed securities	**53**	**53**	**130**	**1**	**1**
Residential mortgage backed securities	**4,462**	**4,454**	**4,462**	**194**	**261**
Commercial mortgage backed securities	**377**	**334**	**377**	**3**	**21**
Total	**4,892**	**4,841**	**4,969**	**198**	**283**
2023					
Asset backed securities	2	2	2	—	3
Residential mortgage backed securities	1,798	1,796	1,798	49	68
Commercial mortgage backed securities	392	341	392	3	19
Total	2,192	2,139	2,192	52	90

Note
1 Assets which represent the Group's continuing involvement in derecognised assets are recorded in Loans and advances at amortised cost and Debt securities at FVTPL.
2 Maximum exposure to loss includes notional value of undrawn loan commitment, if any.

Notes to the financial statements (continued)

Scope of consolidation

37 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 Group balance sheet, for example because Barclays retains substantially all the exposure to those assets under an agreement to repurchase them in the future for a fixed price.

Assets pledged or transferred as collateral include all assets categorised as encumbered in the disclosure on pages 199 to 203 of the Barclays PLC Pillar 3 Report 2024 (unaudited), other than those held in commercial paper conduits. In these transactions, the Group will be required to step in to provide financing itself under a liquidity facility if the vehicle cannot access the commercial paper market.

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 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:

	2024	2023
	£m	£m
Cash collateral	**76,401**	73,495
Loans and advances at amortised cost	**63,531**	71,018
Trading portfolio assets	**107,368**	117,325
Financial assets at fair value through the income statement	**5,728**	9,847
Financial assets at fair value through other comprehensive income	**20,982**	23,503
Assets pledged	**274,010**	295,188

The following table summarises the transferred financial assets and the associated liabilities. The transferred assets represent the gross carrying value of the assets pledged and the associated liabilities represent the IFRS balance sheet value of the related liability recorded on the balance sheet:

	Transferred assets	Associated liabilities
	£m	£m
As at 31 December 2024		
Derivatives	**75,157**	**(75,157)**
Repurchase agreements	**77,793**	**(53,481)**
Securities lending arrangements	**106,106**	**—**
Other	**14,954**	**(13,580)**
	274,010	**(142,218)**
As at 31 December 2023		
Derivatives	78,390	(78,390)
Repurchase agreements	86,712	(55,006)
Securities lending arrangements	118,632	—
Other	11,454	(10,179)
	295,188	(143,575)

For repurchase agreements the difference between transferred assets and the 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
2024					
Recourse to transferred assets only	**10,369**	**(2,151)**	**10,961**	**(2,154)**	**8,807**
2023					
Recourse to transferred assets only	7,381	(2,390)	7,947	(2,362)	5,585

The Group has an additional £9.5bn (2023: £6.4bn) 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.

Notes to the financial statements (continued)

Scope of consolidation

Collateral held as security for assets

Under certain transactions, including reverse repurchase agreements and stock borrowing transactions, the 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 or transferred to others was as follows:

	2024 £m	2023 £m
Fair value of securities accepted as collateral	**1,318,862**	1,207,697
Of which fair value of securities re-pledged/transferred to others	**1,191,938**	1,105,140

Notes to the financial statements (continued)

Other disclosure matters

Other disclosure matters

The notes included in this section focus on related party transactions, Auditor's remuneration, Barclays PLC (the Parent company) disclosure, Directors' remuneration and Transition disclosures. Related parties include any subsidiaries, associates, joint ventures and Key Management Personnel.

38 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.

Subsidiaries

Transactions between Barclays PLC and its subsidiaries meet the definition of related party transactions. Where these are eliminated on consolidation, they are not disclosed in the Group's financial statements. Transactions between Barclays PLC and its subsidiaries are fully disclosed in Barclays PLC's financial statements. A list of the Group's principal subsidiaries is shown in Note 33.

Associates, joint ventures and other entities

The Group provides banking services to its associates, joint ventures and the Group pension funds (principally the UK Retirement Fund), providing loans, overdrafts, interest and non-interest bearing deposits and current accounts to these entities as well as other services. Group companies also provide investment management and custodian services to the Group pension schemes. All of these transactions are conducted on the same terms as third-party transactions. Summarised financial information for the Group's investments in associates and joint ventures is set out in Note 35.

Amounts included in the Group's financial statements, in aggregate, by category of related party entity are as follows:

	Associates	Joint ventures	Pension funds
	£m	£m	£m
For the year ended and as at 31 December 2024			
Total income	**(2)**	**56**	**2**
Credit impairment charges	**—**	**—**	**—**
Operating expenses	**(21)**	**—**	**(1)**
Total assets	**—**	**1,104**	**—**
Total liabilities	**64**	**—**	**176**
For the year ended and as at 31 December 2023			
Total income	13	70	4
Credit impairment charges	—	—	—
Operating expenses	(20)	—	(1)
Total assets	—	1,254	0
Total liabilities	158	—	144
For the year ended and as at 31 December 2022			
Total income	(2)	91	5
Credit impairment charges	—	—	—
Operating expenses	(15)	—	(1)

Total liabilities includes derivatives transacted on behalf of the pension funds of £100m (2023: £77m).

Key Management Personnel

Key Management Personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of Barclays PLC (directly or indirectly) and comprise the Directors and Officers of Barclays PLC, certain direct reports of the Group Chief Executive and the heads of major business units and functions.

The 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

	2024	2023
	£m	£m
As at 1 January	**8.3**	7.5
Loans issued during the year[1]	**11.8**	2.5
Loan repayments during the year[2]	**(2.6)**	(1.7)
As at 31 December	**17.5**	8.3

Notes:
1 Includes loans issued to existing Key Management Personnel and new or existing loans issued to newly appointed Key Management Personnel.
2 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).

Notes to the financial statements (continued)

Other disclosure matters

Deposits outstanding

	2024 £m	2023 £m
As at 1 January	**15.4**	15.2
Deposits received during the year[1]	**176.2**	105.7
Deposits repaid during the year[2]	**(168.3)**	(105.5)
As at 31 December	**23.3**	15.4

Notes:
1 Includes deposits received from existing Key Management Personnel and new or existing deposits received from newly appointed Key Management Personnel.
2 Includes deposits repaid by existing Key Management Personnel and deposits of former Key Management Personnel.

Total commitments outstanding

Total commitments outstanding refers to the total of any undrawn amounts on credit cards and/or overdraft facilities provided to Key Management Personnel. Total commitments outstanding as at 31 December 2024 were £0.6m (2023: £0.5m).

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.

	2024 £m	2023 £m	2022 £m
Salaries and other short-term benefits	**45.0**	33.3	32.4
Pension costs	**0.1**	—	—
Other long-term benefits	**10.5**	7.2	7.8
Share-based payments	**18.1**	10.2	9.8
Employer social security charges on emoluments	**8.7**	6.3	6.7
Costs recognised for accounting purposes	**82.4**	57.0	56.7
Employer social security charges on emoluments	**(8.7)**	(6.3)	(6.7)
Other long-term benefits – difference between awards granted and costs recognised	**6.6**	1.1	—
Share-based payments – difference between awards granted and costs recognised	**7.4**	6.0	6.5
Total remuneration awarded	**87.7**	57.8	56.5

Disclosure required by the Companies Act 2006

The following information regarding the Barclays PLC Board of Directors is presented in accordance with the Companies Act 2006:

	2024 £m	2023 £m	2022 £m
Aggregate emoluments[1]	**10.9**	9.8	9.3
Amounts paid under LTIPs[2]	**—**	—	0.4
	10.9	9.8	9.7

Notes:
1 The aggregate emoluments include amounts paid for the 2024 year. In addition, deferred share awards for 2024 with a total value at grant of £1.8m (2023: £1.5m, 2022: £2.3m) will be made to Directors which will only vest subject to meeting certain conditions.
2 The figure above for "Amounts paid under LTIPs" relates to tranches of prior year LTIP awards that were released to Directors during the year. The LTIP figure in the single total figure table for Executive Directors' 2024 remuneration in the Directors' Remuneration report relates to the 2022-2024 LTIP cycle, the first tranche of which is scheduled to be released following the performance period ending on 31 December 2024.

There were no pension contributions paid to defined contribution schemes on behalf of Directors (2023: £nil, 2022: £nil). There were no notional pension contributions to defined contribution schemes.

As at 31 December 2024, there were no Directors accruing benefits under a defined benefit scheme (2023: nil, 2022: nil).

Directors' and Officers' shareholdings and options

The beneficial ownership of ordinary share capital of Barclays PLC by all Directors and Officers of Barclays PLC (involving 29 persons) at 31 December 2024 amounted to 20,479,846 (2023: 14,833,002) ordinary shares of 25p each (0.14% of the ordinary share capital outstanding).

As at 31 December 2024, Executive Directors and Officers of Barclays PLC (involving 17 persons) held options to purchase a total of 49,911 (2023: 67,319) Barclays PLC ordinary shares of 25p each at a weighted average price of 119p under Sharesave.

Notes to the financial statements (continued)

Other disclosure matters

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 2024 to persons who served as Directors during the year was £0.6m (2023: £0.3m). The total value of guarantees entered into on behalf of Directors during 2024 was £nil (2023: £nil).

39 Auditor's remuneration

Auditor's remuneration is included within consultancy, legal and professional fees in administration and general expenses and comprises:

	2024 £m	2023 £m	2022 £m
Audit of the Barclays Group's annual accounts	**13**	11	10
Other services:			
Audit of the Company's subsidiaries[1]	**58**	53	48
Other audit related fees[2]	**14**	12	11
Other services	**6**	2	2
Total auditor's remuneration	**91**	78	71

Notes:
1 Comprises the fees for the statutory audit of subsidiaries both inside and outside the UK and fees for work performed by associates of KPMG in respect of the consolidated financial statements of the Company.
2 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 2024 audit fee includes £2m (2023: £1m,2022: £2m) relating to the previous year's audit.

Barclays associated pension schemes	2024 £m	2023 £m	2022 £m
Audit fee	**0.3**	0.3	0.3

40 Assets and liabilities included in disposal group classified as held for sale

Accounting for Non-current assets held for sale and associated liabilities

The 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 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 Bank Ireland PLC agreed the sale of its German consumer finance business (comprising credit cards, unsecured personal loans and deposits), currently within Head Office. Barclays has recorded a £9m loss for the disposal group within Head Office for FY24. After the balance sheet date, Barclays announced it had completed the sale as part of our ambition to simplify Barclays and support our focus our key businesses.

Barclays has decided not to bid to become the sole issuer for a co-branded card portfolio in USCB, leading to its transfer in H1 2026. This portfolio held within USCB is expected to be sold at a premium. The extension to the 1 year sale period is aligned to the signed contractual arrangements in place to allow the transition of the portfolio in a controlled and effective manner.

Notes to the financial statements (continued)

Other disclosure matters

The perimeter of the disposal group has been accounted for in line with the requirements of IFRS5 as at 31 December 2024. A detailed analysis of the disposal group is presented below. The 2024 disposal group includes the German Consumer Finance Business within Head Office and the US Cards portfolio within USCB. The 2023 Disposal Group includes the German Consumer Finance Business:

As at 31 December	2024 £m	2023 £m
Assets included in disposal groups classified as held for sale		
Loans and advances to customers	9,544	3,855
Intangible assets	25	15
Property, plant and equipment	24	24
Other assets	260	22
Total assets classified as held for sale	9,854	3,916
Liabilities included in disposal groups classified as held for sale		
Deposits from customers	3,647	3,077
Other liabilities	77	83
Provisions	2	4
Total liabilities classified as held for sale	3,726	3,164
Net assets classified as held for sale	6,128	752

41 Business acquisitions

Accounting for business acquisitions

IFRS 3 establishes principles and requirements for how an acquirer in a business combination:

- recognises and measures in its financial statements the assets and liabilities acquired, and any interest in the acquiree held by other parties;
- recognises and measures the goodwill acquired in the business combination or a gain from a bargain purchase; and
- determines what information to disclose to enable users of the financial statements to evaluate the nature and financial effects of the business combination.

In accordance with IFRS 3, a business consists of inputs and processes applied to those inputs that have the ability to contribute to the creation of outputs.

The core principles in IFRS 3 are that an acquirer measures the cost of the acquisition at the fair value of the consideration paid; allocates that cost to the acquired identifiable assets and liabilities on the basis of their fair values; allocates the rest of the cost to goodwill; and recognises any excess of acquired assets and liabilities over the consideration paid (a 'bargain purchase') in profit or loss immediately. The acquirer discloses information that enables users to evaluate the nature and financial effects of the acquisition.

Acquisition

On 1 November 2024, Barclays Bank UK PLC completed the acquisition of Tesco Bank. The acquired business includes credit cards, unsecured personal loans, deposits and the operating infrastructure (Retail Bank Assets and Liabilities), along with the transfer of c.2,600 employees. The acquisition also includes assets, liabilities, and responsibilities related to a credit card securitisation originated under the Tesco Bank brand. The acquisition of Tesco Bank by Barclays Bank UK PLC did not involve the acquisition of any equity interests.

In addition to the business acquisition, Barclays Bank UK has entered into a long-term, exclusive strategic partnership with Tesco Stores Limited for an initial period of 10 years to market and distribute credit cards, unsecured personal loans and deposits using the Tesco PLC ("Tesco") brand, as well as explore other opportunities to offer financial services to Tesco customers. Partnering with Tesco, the UK's largest retailer which also operates the UK's largest loyalty scheme, represents a key opportunity to further our UK retail banking strategic ambitions. The acquired customer base complements Barclays Bank UK's current business, as well as buildings on its existing UK strategic partnerships with other leading retail, consumer electronics and loyalty programme brands. As costs are incurred under this partnership agreement, these are accounted for in line with Barclays relevant accounting policy for such costs.

The acquisition consisted of £4,051m of gross credit card receivables, £4,034m of gross unsecured personal loans, £6,923m of customer deposits and certain other assets and liabilities for total consideration of £617m in cash. Net assets acquired at completion of the transaction were £1,173m and a gain on acquisition of £556m (£2m in additional costs recognised in Barclays PLC compared with Barclays Bank UK PLC) has been recognised in the income statement. After acquisition, an expected credit loss allowance of £209m has been recognised on credit cards and loan receivables along with the associated impairment expense.

Barclays Bank UK PLC will, in the 12 months following the acquisition, continue to assess the fair values of the acquired balances for any impact of new information regarding conditions that existed as at the acquisition date that would result in a measurement period adjustment.

Notes to the financial statements (continued)

Other disclosure matters

As at acquisition date	**Acquisition of Tesco Bank Retail Bank Assets and Liabilities[1]** **Barclays Group** **£m**
Assets	
Cash and balances at central banks	337
Cash and collateral and settlement balances	50
Loans and advances at amortised cost to customers[2]	8,085
Of which:	
Credit card receivables	4,051
Unsecured loan receivables	4,034
Loans and advances at amortised cost to banks	70
Derivative financial instruments	20
Goodwill and intangible assets[3]	83
Property, plant and equipment	21
Other assets	132
Total assets	8,798
	—
Liabilities	
Deposits at amortised cost from customers	(6,923)
Debt securities in issue	(554)
Other liabilities	(83)
Provisions	(65)
Total liabilities	(7,625)

Notes:

1 This financial information represents the acquisition of the retail banking business of Tesco Bank by the Barclays Bank UK Group as at the acquisition date 1 November 2024.

2 Loans and advances at amortised cost acquired includes total credit cards and unsecured loan receivables of £8,085m, recognised initially at fair value at the point of acquisition and subsequently measured at amortised cost. This represents a gross contractual amount receivable of £8,634m comprising credit cards receivables of £4,323m and unsecured loan receivables of £4,311m. After acquisition an expected credit loss allowance of £209m has been recognised, comprising £133m on credit cards receivables and £76m on unsecured loan receivables along with the associated impairment expense.

3 Intangible assets include £66m of Purchased Credit Cards Receivables (PCCR) and £17m of Core Deposit Intangibles (CDI).

The Barclays Bank UK Group has accounted for the acquisition of Tesco Bank as a business combination using the acquisition method. Consequently, the Barclays Bank UK Group recognised at fair value all identifiable assets, including those not currently on the Tesco Bank balance sheet, and assumed liabilities of Tesco Bank, and the Retail Bank Assets and Liabilities on its consolidated balance sheet. There was no contingent consideration payable in connection with the acquisition. The Barclays Bank UK Group recognised the Retail Bank Assets and Liabilities as financial assets and liabilities, initially at fair value at the point of acquisition and subsequently at amortised cost. Fair valuation was performed based on the discounting of future expected cash flows.

In connection with the acquisition of Tesco Bank, Tesco Personal Finance plc agreed to indemnify Barclays Bank UK PLC for certain matters. An indemnification asset of £91m has been recorded at the acquisition date for this arrangement. Of the £91m balance, £60m relates to exposures transferred to Barclays Bank UK PLC where there is a present obligation, and it is probable there will be an outflow of resources. £31m relates to exposures where there is a present obligation, however, it is not probable an outflow of resources will result. The maximum reimbursement under the indemnity excluding claims relating to PPI is capped at £350m expiring after four years and including claims related to PPI is capped at £600m.

Since the acquisition date, total operating income of £105m and profit before tax of £37m from the retail banking business of Tesco Bank have been recognised within the consolidated income statement and the consolidated statement of comprehensive income for the year ended 31 December 2024. This excludes the gain recognised on acquisition of £556m and expected credit loss allowance of £209m recognised subsequently along with the associated impairment expense on credit cards receivables and unsecured loan receivables.

Had the retail banking business of Tesco Bank been acquired from 1 January 2024, additional income of £420m and profit before tax of £118m would have been recognised. Acquisition-related costs of £18m, mainly attributable to professional and legal fees, have been recognised as an expense in the consolidated income statement mainly within Administrative and general expenses in the year ended 31 December 2024 (2023 : £2m, 2022: £nil).

Notes to the financial statements (continued)

Other disclosure matters

42 Barclays PLC (the Parent company)

Total income

Dividend received from subsidiaries

Dividends received from subsidiaries of £3,087m (2023: £2,818m, 2022: £2,797m) relates to dividends received from Barclays Execution Services Limited £115m, Barclays Principal Investments Limited £215m, Barclays Bank UK PLC £975m and Barclays Bank PLC £1,782m.

Other income

Other income of £1,183m (2023: £1,174m, 2022: £(654)m expense) includes £990m (2023: £985m, 2022: £905m) of income received from gross coupon payments on Barclays Bank PLC and Barclays Bank UK PLC-issued AT1 securities, net fee and commission income from subsidiaries £135m (2023: £139m, 2022: £114m) and foreign exchange and fair value gains of £58m (2023: £50m, 2022: £(1,673)m loss).

Total assets and liabilities

Investment in subsidiaries

The investment in subsidiaries of £63,315m (2023: £64,461m) predominantly relates to investments in the ordinary shares of Barclays Bank PLC of £36,340m (2023: £36,340m) and their AT1 securities of £9,616m (2023: £10,757m), as well as investments in the ordinary shares of Barclays Bank UK PLC of £14,245m (2023: £14,245m) and their AT1 securities of £2,435m (2023: £2,439m). The decrease of £1,146m during the year resulted from net redemptions of AT1 holdings.

Impairment in subsidiaries

At the end of each reporting period an impairment review is undertaken in respect of investment in the ordinary shares of subsidiaries. Where impairment may be indicated a test of the carrying value against the recoverable value is performed; impairment being 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 pre-tax discount rate appropriate to the subsidiary being tested. A terminal growth rate has then been applied to the cash flows thereafter which is based upon expectations of future inflation rates. The 2024 review did not identify any subsidiaries with indicators of impairment.

Loans and advances to subsidiaries

During the year, loans and advances to subsidiaries decreased by £519m to £18,407m (2023: £18,926m). The decrease was largely due to maturities of £416m intra-group loans to Barclays PLC subsidiaries and £172m Nostro positions.This was partially offset by the share allotment receipts in relation to employee share schemes of £104m.

Subordinated liabilities and debt securities in issue

During the year, subordinated liabilities decreased to £9,706m (2023: £10,018m) due to the maturity of USD 487m of Tier 2 Notes. Debt securities in issue of £16,337m (2023: £18,308m) have reduced during the year primarily due to redemption of £1,200m Fixed Rate Senior Notes and EUR 750m Fixed Rate Senior Notes.

Financial assets and liabilities designated at fair value

Financial liabilities designated at fair value of £42,324m (2023: £31,832m) primarily included new senior issuances of £11,632m during the year with principal amounts of EUR 3,250m Fixed Rate Resetting Senior Callable Notes, EUR 750m Floating Rate Senior Notes, £1,000m Fixed-to-Floating Rate Senior Callable Notes and USD 8,250m Floating Rate Senior Notes. Barclays PLC also issued £1,788m of Subordinated Debt in the year with principal amounts of EUR 1,500m of Fixed-to-Floating Rate Resetting Subordinated Callable Notes, AUD 500m of Fixed-to-Floating Subordinated Callable Notes and AUD 500m of Floating Subordinated Callable Notes. The proceeds raised through these transactions were used to invest in subsidiaries of Barclays PLC and are included within the financial assets designated at fair value through the income statement balance of £44,435m (2023: £35,787m). The effect of changes in the liabilities at fair value, including those due to credit risk, is expected to offset the changes in the fair value of the related financial asset in the income statement. The difference between the financial liabilities carrying amount and the contractual amount on maturity is £195m (2023: £1,838m).

Derivative financial instruments

During the year derivative financial liabilities decreased by £57m to £654m (2023: £711m). This is primarily driven by the gain in derivatives due to mark to market movement.

Total equity

Called up share capital and share premium

Called up share capital and share premium of Barclays PLC is £4,186m (2023: £4,288m). The decrease in the year is primarily due to 818m shares repurchased with a total nominal value of £205m. This decrease was partially offset by shares issued under employee share schemes.

Other equity instruments

Other equity instruments of £12,033m (2023: £13,198m) comprises AT1 securities issued by Barclays PLC. 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. During the year there were two AT1 issuances with principal amounts totalling £1,604m (£1,250m and SGD 600m) and redemptions with principal amounts totalling £2,765m (USD 2,000m and £1,250m). For further details, please refer to Note 27.

Notes to the financial statements (continued)

Other disclosure matters

43 Related undertakings

The Group'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 the Group. The information is provided as at 31 December 2024.

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 PLC Country Snapshot provides details of where the Group carries on its business, where its profits are subject to tax and the taxes it pays in each country it operates in.

Wholly owned subsidiaries

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 Barclays PLC. Unless otherwise stated, the Group holds 100% of the nominal value of each share class.

Notes	
A	Directly held by Barclays PLC
B	Partnership Interest
C	Membership Interest
D	Guarantor
E	Preference Shares
F	A Preference Shares
G	B Preference Shares
H	Ordinary/Common Shares in addition to other shares
I	A Ordinary Shares
J	B Ordinary Shares
K	C Ordinary Shares
L	F Ordinary Shares
M	First Preference Shares, Second Preference Shares
N	Registered Address not in country of Incorporation
O	Core Shares, Insurance (Classified) Shares
P	Class B, C, D, E, F, G, H, I, J and K
Q	Non-Redeemable Ordinary Shares
R	Class A, B and C Shares
S	Class A and Class B Shares
T	PEF Carry Shares
U	Not Consolidated (see Note 34 IFRS12 Structured entities)
V	USD Linked Ordinary Shares
W	Redeemable Class B Shares
X	Capital Contribution Shares
Y	Class A Redeemable Preference Shares
Z	Class B Redeemable Preference Shares
AA	First Class Common Shares, Second Class Common Shares
BB	GBP Tracker 1, USD Tracker 1, Euro Tracker 1 Shares
CC	Non-Voting Redeemable Preference Shares
DD	Ordinary "F" Shares - Variable
EE	Class C Preferred Shares and Class D Preferred Shares
FF	Trust Interest
GG	A1 Ordinary Shares (42.85%) and A2 Preference Shares (45.18%)
HH	A2 Ordinary Shares (14.14%) and A3 Ordinary Shares(68.10%)

Wholly owned subsidiaries	Note
United Kingdom	
1 Churchill Place, London, E14 5HP	
Aequor Investments Limited	
Alynore Investments Limited Partnership	B
Ardencroft Investments Limited	
B D & B Investments Limited	
B.P.B. (Holdings) Limited	
Barclay Leasing Limited	
Barclays Aldersgate Investments Limited	
Barclays Asset Management Limited	
Barclays Bank PLC	A, H
Barclays Bank UK PLC	A
Barclays Capital Asia Holdings Limited	
Barclays Capital Nominees (No.2) Limited	
Barclays Capital Nominees (No.3) Limited	
Barclays Capital Nominees Limited	
Barclays Capital Securities Client Nominee Limited	
Barclays Capital Securities Limited	E, H
Barclays CCP Funding LLP	B
Barclays Converted Investments (No.2) Limited	
Barclays Direct Investing Nominees Limited	
Barclays Directors Limited	
Barclays Equity Holdings Limited	
Barclays Execution Services Limited	A
Barclays Executive Schemes Trustees Limited	
Barclays Financial Planning Nominee Company Limited	
Barclays Funds Investments Limited	
Barclays Group Holdings Limited	
Barclays Industrial Development Limited	
Barclays Industrial Investments Limited	
Barclays Insurance Services Company Limited	
Barclays International Holdings Limited	
Barclays Investment Management Limited	
Barclays Investment Solutions Limited	
Barclays Leasing (No.9) Limited	
Barclays Long Island Limited	
Barclays Nominees (George Yard) Limited	U
Barclays OCIO Services Limited	
Barclays Pension Funds Trustees Limited	
Barclays Principal Investments Limited	A, I, J
Barclays Private Bank	
Barclays SAMS Limited	
Barclays Security Trustee Limited	A
Barclays Services (Japan) Limited	
Barclays Shea Limited	
Barclays Term Funding Limited Liability Partnership	B
Barclays UK Investments Limited	
Barclays Unquoted Investments Limited	
Barclays Wealth Nominees Limited	
Barclayshare Nominees Limited	
Barcosec Limited	
Barsec Nominees Limited	
BB Client Nominees Limited	
BMI (No.9) Limited	
BNRI ENG 2014 Limited Partnership	B
BNRI ENG GP LLP	B
BNRI England 2012 Limited Partnership	B
Carnegie Holdings Limited	H, I, J
Chapelcrest Investments Limited	
Clydesdale Financial Services Limited	
Cornwall Home Loans Limited	
CPIA England 2009 Limited Partnership	B
CPIA England No.2 Limited Partnership	B
Dorset Home Loans Limited	
Durlacher Nominees Limited	
Eagle Financial and Leasing Services (UK) Limited	
Finpart Nominees Limited	
FIRSTPLUS Financial Group Limited	
Foltus Investments Limited	
Global Dynasty Natural Resource Private Equity Limited Partnership	B
Globe Nominees Limited	
Hawkins Funding Limited	
Heraldglen Limited	H, M
Isle of Wight Home Loans Limited	
J.V. Estates Limited	
Kirsche Investments Limited	
Leonis Investments LLP	B
Long Island Assets Limited	
Maloney Investments Limited	
Menlo Investments Limited	
Mercantile Credit Company Limited	
Mercantile Leasing Company (No.132) Limited	
MK Opportunities LP	B
Naxos Investments Limited	
North Colonnade Investments Limited	
Northwharf Investments Limited	T
Northwharf Nominees Limited	
Oak Pension Asset Management Limited	U
Radbroke Mortgages UK Limited	
Real Estate Participation Management Limited	
Real Estate Participation Services Limited	
Relative Value Investments UK Limited Liability Partnership	B
Relative Value Trading Limited	

Notes to the financial statements (continued)

Other disclosure matters

Wholly owned subsidiaries	Note
Roder Investments No. 1 Limited	H, BB
Roder Investments No. 2 Limited	H, BB
RVT CLO Investments LLP	B
Surety Trust Limited	
Sustainable Impact Capital Limited	
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	
US Real Estate Holdings No.6 Limited	
Water Street Investments Limited	U
Wedd Jefferson (Nominees) Limited	
Westferry Investments Limited	
Woolwich Homes Limited	
Woolwich Qualifying Employee Share Ownership Trustee Limited	
Zeban Nominees Limited	
C/O Teneo Financial Advisory Limited, 3rd Floor, The Colmore Building, 20 Colmore Circus Queensway, Birmingham, West Midlands, B4 6AT	
Barclays Capital Finance Limited (Dissolved 5 January 2025)	
Barclays Unquoted Property Investments Limited (In Liquidation)	
Barclays Nominees (Branches) Limited (In Liquidation)	
Ascot House, Maidenhead Office Park, Maidenhead, SL6 3QQ	
Kensington Mortgage Company Limited	
Kensington Mortgage Services Limited	
1-4, Clyde Place Lane, Glasgow, G5 8DP	
R.C. Greig Nominees Limited	
50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ	
BNRI PIA Scot GP Limited	
BNRI Scots GP, LLP	B
Pecan Aggregator LP	B
Logic House, Waterfront Business Park, Park, Fleet Road, Fleet, GU51 3SB	
The Logic Group Enterprises Limited	
The Logic Group Holdings Limited	I
9, allée Scheffer, L-2520, Luxembourg	
Barclays Claudas Investments Partnership	B, N
Barclays Pelleas Investments Limited Partnership	B, N
Barclays Blossom Finance Limited Partnership	B, N

Wholly owned subsidiaries	Note
Argentina	
Marval, O'Farrell & Mairal, Av. Leandro N. Alem 882, Buenos Aires, C1001AAQ	
Compañia Regional del Sur S.A.	
Brazil	
Av. Brigadeiro Faria Lima, No.4.440, 12th Floor, Bairro Itaim Bibi, Sao Paulo, CEP, 04538-132	
Barclays Brasil Assessoria Financeira Ltda	
BNC Brazil Consultoria Empresarial Ltda	
Canada	
333 Bay Street, Suite 4910, Toronto ON M5H 2R2	
Barclays Capital Canada Inc.	B, N
Stikeman Elliot LLP, 199 Bay Street, 5300 Commerce Court West, Toronto ON M5L 1B9	
Barclays Corporation Limited	
1 Churchill Place, London, E14 5HP	
CPIA Canada Holdings	B, N
Cayman Islands	
PO Box 309, Ugland House, George Town, Grand Cayman, KY1-1104	
Alymere Investments Limited	F, G,
Analytical Trade UK Limited	
Barclays Capital (Cayman) Limited	
Barclays Securities Financing Limited	F, G ,H
Barclays US Holdings Limited	E, I
Braven Investments No.1 Limited	
Calthorpe Investments Limited	
Capton Investments Limited	
Claudas Investments Limited	H, Y, Z
Claudas Investments Two Limited	
CPIA Investments No.2 Limited	E,H
Gallen Investments Limited	
Hornbeam Limited	U
Mintaka Investments No. 4 Limited	
Palomino Limited	
Pelleas Investments Limited	
Pippin Island Investments Limited	
Razzoli Investments Limited	E, H
RVH Limited	E, H
France	
34-36 avenue de Friedland, 75008, Paris	
Barclays ADF SA	
Germany	
Stuttgarter Straße 55-57, 73033 Göppingen	
Holding Stuttgarter Straße GmbH (In Liquidation)	

Wholly owned subsidiaries	Note
Guernsey	
P.O. Box 33, Dorey Court, Admiral Park, St. Peter Port, GY1 4AT	
Barclays Insurance Guernsey PCC Limited	O
Barclays UKRF No.1 IC Limited	U
Barclays UKRF ICC Limited	U
Barclays UKRF No.2 IC Ltd	U
Hong Kong	
Level 41, Cheung Kong Center, 2 Queen's Road Central	
Barclays Capital Asia Limited	
India	
Nirlon Knowledge Park, Level 9, Block B-6, Off Western Express Highway, Goregaon (East), Mumbai, 400063	
Barclays Securities (India) Private Limited	
Barclays Wealth Trustees (India) Private Limited	
Barclays Investments & Loans (India) Private Limited	E, H
5th to 12th Floor (Part), Building G2, Gera Commerzone SEZ, Survey No.65, Kharadi, Pune, 411014	
Barclays Global Service Centre Private Limited	
Ireland	
One Molesworth Street, Dublin 2, D02 RF29	
Barclays Administration Germany Limited	
Barclaycard International Payments Limited	
Barclays Bank Ireland Public Limited Company	
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, D01 H104	
Erimon Home Loans Ireland Limited	
70 Sir John Rogerson's Quay, Dublin 2, D02 R296	
Barclays Finance Ireland Limited	
Isle of Man	
Eagle Court, Circular Road, Douglas, IM1 1AD	
Barclays Nominees (Manx) Limited	U
Barclays Private Clients International Limited	I, J
2nd Floor, St Georges Court, Upper Church Street, Douglas, IM1 1EE	
Barclays Holdings (Isle of Man) Limited (In Liquidation)	

Notes to the financial statements (continued)

Other disclosure matters

Wholly owned subsidiaries	Note
Japan	
10-1, Roppongi 6-chome, Minato-ku, Tokyo	
Barclays Funds and Advisory Japan Limited	
Barclays Securities Japan Limited	F, H
Jersey	
28 Esplanade, St Helier, JE2 3QA	
Barclays Services Jersey Limited	
5 Espalanade, St Helier, JE2 3QA	
Barclays Wealth Management Jersey Limited	
13 Library Place, St Helier, JE4 8NE	
Barclays Nominees (Jersey) Limited	U
Barclaytrust Channel Islands Limited	U
Estera Trust (Jersey) Limited, 13-14 Esplanade, St Helier, JE1 1EE	
MK Opportunities GP Ltd	
Luxembourg	
9, allée Scheffer, L-2520	
Barclays Bedivere Investments S.à r.l.	
Barclays Cantal Investments S.à r.l.	
Barclays Capital Luxembourg S.à r.l.	S
Barclays Treasury Luxembourg S.à r.l.	
Barclays Claudas Investments S.à r.l.	
Barclays International Luxembourg Dollar Holdings S.à r.l.	
Barclays Luxembourg GBP Holdings S.à r.l.	Q
Barclays Luxembourg Global Funding S.à r.l.	
Barclays Luxembourg Holdings S.à r.l.	H, V
Barclays Luxembourg Holdings SSC	B
68-70 Boulevard de la Petrusse, L-2320	
Adler Toy Holding Sarl	
10 rue du Château d'Eau, Leudelange, Grand Duchy of Luxembourg L-3364	
BPM Management GP SARL	
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)	
Barclays Capital Securities Mauritius Limited	
Fifth Floor Ebene Esplanade, 24 Bank Street, Cybercity 72201 Ebene	
Barclays Mauritius Overseas Holdings Limited	

Wholly owned subsidiaries	Note
Mexico	
Paseo de la Reforma 505, Torre Mayor Floor 41, Colona Cuauhtémoc, 06500, Mexico City	
Barclays Bank Mexico, S.A.	J, L
Barclays Capital Casa de Bolsa, S.A. de C.V.	J, L
Grupo Financiero Barclays Mexico, S.A. de C.V.	J, L
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)	
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.	
BVP Galvani Global, S.A.U. (In Liquidation)	
Switzerland	
Chemin de Grange Canal 18-20, PO Box 3941, 1211, Geneva	
Barclays Bank (Suisse) SA	
Barclays Switzerland Services SA	
BPB Holdings SA	
Taiwan	
19F-1, No. 7, Xinyi Road, Sec. 5, Taipei, A322,	
Barclays Securities Taiwan Limited	
United States	
Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808	
Analytical Trade Holdings LLC	
Barclays Asset Backed Depositor LLC	
Barclays Bank Delaware	
Barclays Capital Derivatives Funding LLC	
Barclays STBT Inc.	
Barclays Capital Equities Trading GP	
Barclays Capital Holdings Inc.	
Barclays Capital Real Estate Finance Inc.	
Barclays Capital Real Estate Holdings Inc.	
Barclays Capital Real Estate Inc.	
Barclays Commercial Mortgage Securities LLC	
Barclays Dryrock Funding LLC	
Barclays Financial LLC	
Barclays Group US Inc.	C
Barclays Lifestyles LLC	E, H
Barclays Oversight Management Inc.	C
Barclays Receivables LLC	
Barclays Services Corporation	B

Wholly owned subsidiaries	Note
Barclays Services LLC	F, G,
Barclays US CCP Funding LLC	
Barclays US Investments Inc.	
Barclays US LLC	
BCAP LLC	C
Gracechurch Services Corporation	C
Lagalla Investments LLC	C
Long Island Holding A LLC	F, H
Marbury Holdings LLC	C
Preferred Liquidity, LLC	
Procella Investments No.2 LLC	C
Procella Investments No.3 LLC	
Relative Value Holdings, LLC	C
Surrey Funding Corporation	C
Sussex Purchasing Corporation	
Sutton Funding LLC	H, EE
US Secured Investments LLC	C
Verain Investments LLC	
Wilmington Riverfront LLC	
	C
100 Bank Street, Suite 630, Burlington, Vermont 05401	
Barclays Insurance U.S. Inc.	I
	C
Corporation Service Company, 80 State Street, Albany, NY, 12207-2543	C
Barclays Equity Holdings Inc.	
Corporation Service Company. Goodwin Square, 225 Asylum Street, 20th Floor Hartford CT 06103	
Barclays Capital Inc.	C
	X
Corporation Service Company, 2626, Glenwood Ave, Suite 550, Raleigh, NC, 27608	
Barclays US GPF Inc.	C
Equifirst Corporation (In Liquidation, Dissolved with State of North Carolina)	
125 S West Street, Wilmington, Delaware 9801	
Curve Investments GP	B
Rodney Square North, 1100, North Market Street, Wilmington, Delaware, 19890	
Barclays Dryrock Issuance Trust	FF

Notes to the financial statements (continued)

Other disclosure matters

Other Related Undertakings

Unless otherwise stated, the undertakings below are included in the consolidation and the share capital held by the Group comprises ordinary and/or common shares, which are held by subsidiaries of Barclays PLC. The percentage of the nominal value of each share class held by the Group is provided below.

Other Related Undertakings	%	Note
United Kingdom		
1 Churchill Place, London, E14 5HP		
Barclaycard Funding PLC	100.00	I
PSA Credit Company Limited (In Liquidation)	100.00	I, U
	100.00	K
Barclays Covered Bonds Limited Liability Partnership	50.00	B
Barclays Secured Funding (LM) Limited	20.00	
BNRI England 2010 Limited Partnership	50.00	B
80 Fenchurch Street, London EC3M 4AE		
Igloo Regeneration (General Partner) Limited	25.00	K, U
3-5 London Road, Rainham, Gillingham, Kent ME8 7RG		
Trade Ideas Limited	20.00	U
50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ		
Equistone Founder Partner III L.P.	20.00	B, U
Enigma, Wavendon Business Park Milton Keynes, MK17 8LX		
Intelligent Processing Solutions Limited	19.50	U
180 Borough High Street, London SE1 1LB		
Protium Green Solutions Limited		U
	42.85	GG
	45.18	GG
13-15 York Buildings, London, WC2N 6JU		
BGF Group PLC	24.62	I, U
Unit 9 Westbrook Court, Sharrowvale Road, Sheffield, S11 8YZ		
Palms Row Healthcare Holdings Limited	100.00	U, CC
3rd Floor 19-20 Berners Street, London, W1T 3NW		
AVFI TIDE I LP	41.30	B, U
Parker Andrew Ltd, 5th Floor, The Union Building, 51-59 Rose Lane, Norwich NR1 1BY		
Fintech for International Development Limited (In Liquidation)	26.37	I, U

Other Related Undertakings	%	Note
	100.00	J
3rd Floor, 19-20 Berners Street, London W1T 3NW		
Female Innovators Lab L.P.	60.00	B
6th Floor 60 Gracechurch Street, London, EC3V 0HR		
BMC (UK) Ltd	49.95	E, I, U
1301 K Street Nw, Washington DC 20005, United States		
Barclays Black Formation Investments I LP	100.00	B, N, U
Barclays Black Formation Investments II LP	100.00	B, N, U
1-4 Clyde Place, Glasgow, G5 8DP		
Buchanan Wharf (Glasgow) Management Limited	78.00	D
The White House, High Street, Dereham, Norfolk, NR19 1DR		
Naked Energy Limited	25.80	G, U
Office 1 Izabella House, 24-26 Regent Place, Birmingham, B1 3NJ		
Outspoken Logistics Ltd	14.14	HH, U
	68.10	HH
C/O A&L Goodbody, 42-46 Fountain Street, Belfast, BT1 5EF		
Reform Clothing Limited	21.40	E, U
Belgium		
Klipperstraat 15 2030 Antwerp		
Euphony Benelux NV (In Administration)	20.00	U
Cayman Islands		
Maples Corporate Services Limited, PO Box 309GT, Ugland House, South Church Street, Grand Cayman, KY1-1104		
Cupric Canyon Capital GP Limited	50.00	U
Newman Holdings Limited (In Liquidation)	96.49	E, U
Southern Peaks Mining LP	54.40	B, U
SPM GP Limited	90.00	U
Korea, Republic of		
18th Floor, Daishin Finance Centre, 343, Samil-daero, Jung-go, Seoul		
Woori BC Pegasus Securitization Specialty Co. Ltd	70.00	AA
Luxembourg		
9, allée Scheffer, L-2520, Luxembourg		
Barclays Alzin Investments S.à r.l.	100.00	R
Barclays Bordang Investments S.à r.l.	100.00	S

Other Related Undertakings	%	Note
Barclays Lamorak Investments S.à r.l.	27.18	Q
BNRI Limehouse No.1 S.à r.l.	51.84	P
Preferred Funding S.à r.l.	100.00	W
Preferred Investments S.à r.l.	33.00	W
Netherlands		
Alexanderstraat 18, The Hague, 2514 JM, Zuid-Holland		
Tulip Oil Holding BV	34.47	I, U
	22.98	K
Sweden		
c/o ForeningsSparbanken AB 105 34 Stockholm		
EnterCard Group AB	100.00	J, U
United States		
1415 Louisiana Street, Suite 1600, Houston, Texas 77002		
Sabine Oil & Gas Holdings, Inc.(In Liquidation)	22.12	U

Joint Ventures

The related undertaking below is dealt with as a Joint Venture[1] in accordance with s.18, Schedule 4, The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 and is proportionally consolidated. The proportion of the capital of the related undertaking held by the Group is stated below.

Joint Venture	%	Note
United Kingdom		
All Saints Triangle, Caledonian Road, London, N1 9UT		
Vaultex UK Limited	50.00	

Joint management factors

The Board of Directors of the above Joint Venture comprises two Barclays representative Directors, two JV partner Directors and two non-JV partner Directors. The Board of Directors are responsible for setting the Company strategy and budgets.

The last financial year of the above JV ended on 6 October 2024 and the average number of monthly employees reported in the accounts was 1,216.

Notes:

1 This is distinct to how the term "joint venture" may be used for the purposes of IFRS.

Notes to the financial statements (continued)

Other disclosure matters

Notes

The terms Barclays or Group refer to Barclays PLC together with its subsidiaries. Unless otherwise stated, the income statement analysis compares the year ended 31 December 2024 to the corresponding twelve months of 2023 and balance sheet analysis as at 31 December 2024 with comparatives relating to 31 December 2023. The abbreviations '£m' and '£bn' represent millions and thousands of millions of Pounds Sterling respectively; the abbreviations '$m' and '$bn' represent millions and thousands of millions of US Dollars respectively; and the abbreviations '€m' and '€bn' represent millions and thousands of millions of Euros respectively.

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

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

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 sec.gov.

Barclays is a frequent issuer in the debt capital markets and regularly meets with investors via formal roadshows and other ad hoc meetings. Consistent with its usual practice, Barclays expects that from time to time over the coming quarter it will meet with investors globally to discuss these results and other matters relating to the Group.

Non-IFRS performance measures

Barclays' management believes that the non-IFRS performance measures included in this document provide valuable information to the readers of the financial statements as they enable the reader to identify a more consistent basis for comparing the businesses' performance between financial periods and provide more detail concerning the elements of performance which the managers of these businesses are most directly able to influence or are relevant for an assessment of the Group. They also reflect an important aspect of the way in which operating targets are defined and performance is monitored by Barclays' management. However, any non-IFRS performance measures in this document are not a substitute for IFRS measures and readers should consider the IFRS measures as well. Refer to pages 412 to 421 for further information and calculations of non-IFRS performance measures included throughout this document, and the most directly comparable IFRS measures.

Forward-looking statements

This document contains certain forward-looking statements within the meaning of Section 21E of the US Securities Exchange Act of 1934, as amended, and Section 27A of the US Securities Act of 1933, as amended, with respect to the Group. Barclays cautions readers that no forward-looking statement is a guarantee of future performance and that actual results or other financial condition or performance measures could differ materially from those contained in the forward-looking statements. Forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements sometimes use words such as 'may', 'will', 'seek', 'continue', 'aim', 'anticipate', 'target', 'projected', 'expect', 'estimate', 'intend', 'plan', 'goal', 'believe', 'achieve' or other words of similar meaning. Forward-looking statements can be made in writing but also may be made verbally by directors, officers and employees of the 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 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, International Financial Reporting Standards (IFRS) 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 IFRS and other accounting standards, including practices with regard to the interpretation and application thereof and emerging and developing ESG reporting standards; the outcome of current and future legal proceedings and regulatory investigations; the Group's ability along with governments and other stakeholders to measure, manage and mitigate the impacts of climate change effectively or navigate inconsistencies and conflicts in the manner in which climate policy is implemented in the regions where the Group operates, including as a result of the adoption of anti-ESG rules; environmental, social and geopolitical risks and incidents and similar events beyond the Group's control; financial crime; 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 the 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, including the impact of the UK, European and US elections in 2024; developments in the UK's relationship with the European Union (EU); the risk of cyberattacks, information or security breaches, technology failures or operational disruptions and any subsequent impact on the Group's reputation, business or operations; the Group's ability to access funding; and the success of acquisitions (including the acquisition of Tesco Bank completed in November 2024), disposals and other strategic transactions. A number of these factors are beyond the Group's control. As a result, the Group's actual financial position, results, financial and non-financial metrics or performance measures or its ability to meet commitments and targets may differ materially from the statements or guidance set forth in the Group's forward-looking statements. In setting its targets and outlook for the period 2024-2026, Barclays has made certain assumptions about the macroeconomic environment, including, without limitation, inflation, interest and unemployment rates, the different markets and competitive conditions in which Barclays operates, and its ability to grow certain businesses and achieve costs savings and other structural actions. Additional risks and factors which may impact the Group's future financial condition and performance are identified in the description of material existing and emerging risks beginning on page 267 of this Annual Report.

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

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BARCLAYS

Our 2024 suite of Reports

Barclays PLC Annual Report 2024
A detailed review of Barclays' 2024 performance with disclosures that provide useful insight and go beyond reporting requirements. The 2024 report integrates our Climate and Sustainability report, incorporating Task Force on Climate-related Financial Disclosures (TCFD) recommendations.

Barclays PLC Pillar 3 Report 2024
A summary of our risk profile, its interaction with the Group's risk appetite, and risk management.

Barclays PLC Fair Pay Report 2024
An overview of our approach to pay, including the principles and policies of our Fair Pay Agenda.

Barclays PLC Country Snapshot 2024
An overview of our global tax contribution as well as our approach to tax, including our UK tax strategy, together with our country-by-country data.

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