Barclays Bank UK PLC
Annual Report

31 December 2025

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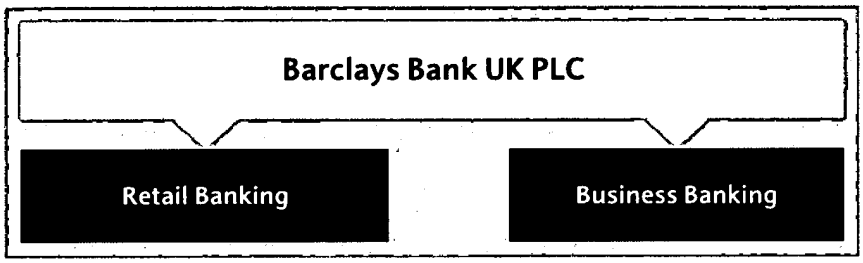
The Strategic Report was approved by the Board of Directors on 9 February 2026 and signed on its behalf by the Chair.

Overview

Barclays Bank UK PLC (the Company) is a wholly-owned subsidiary of Barclays PLC. The consolidation of Barclays Bank UK PLC and its subsidiaries is referred to as the Barclays Bank UK Group. The term Barclays refers to Barclays PLC, or depending on context the Barclays Group, and the term Barclays Group refers to Barclays PLC, together with its subsidiaries.

Barclays Bank UK PLC is the ring-fenced bank within the Barclays Group. The Barclays Bank UK Group contains the majority of the Barclays Group's Barclays UK division, apart from the Barclays Partner Finance business.

Our structure



Barclays Bank UK PLC contains the Barclays ring-fenced UK retail banking division, and is one of the UK's leading financial brands, trusted by over 20 million customers. Barclays Bank UK PLC includes Retail Banking which helps customers with their day-to-day banking needs, and Business Banking which serves business clients.

Barclays Bank UK Group's 2024 financial results comprised the reporting segments Personal Banking, Barclaycard Consumer UK, Business Banking and Head Office. During H1 2025 Barclays Bank UK Group revised its internal reporting structure to align with strategic changes and allocation of resources. As a result, a new reportable segment of Retail Banking has replaced the previously reported Personal Banking and Barclaycard Consumer UK segments. These changes amend segmental reporting disclosures (as provided in Note 2 - Segmental reporting) but do not impact Barclays Bank UK Group's overall financial results. The Barclays Bank UK Group now comprises the following business divisions, in addition to Head Office:

Retail Banking
Offers retail solutions to help customers with their day-to-day banking needs and comprises Personal and Premier banking, Mortgages including Kensington Mortgage Company, Barclaycard UK, Savings and Tesco Bank.

Business Banking
Serves business clients, from high-growth start-ups to SMEs, with banking solutions and specialist advice. It is also where the Education, Social Housing and Local Authority (ESHLA) loan portfolio is held.

Barclays Bank UK PLC is supported by the Barclays Group service company, Barclays Execution Services Limited (BX), which provides technology, operations and functional services to businesses across the Barclays Group.

The world in which we operate

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

We regularly review our operating environment for emerging trends and adapt to address them. We are cognisant of those trends 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. Barclays' three-year plan is designed to remain resilient amid ongoing volatility and uncertainty, while meeting the needs of our wider stakeholders - including customers, clients, regulators and shareholders.

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

Focus areas

- improving customer experience
- creating opportunities to deepen relationships with our customers and clients
- growing lending market share
- delivering operational efficiencies to facilitate investment in growth

Year in review

Barclays Bank UK PLC is committed to putting customers first – powered by the expertise and passion of our people, and strengthened by technology. Our multi-brand proposition - which includes Barclaycard, Tesco Bank, Kensington Mortgages and relationships with Amazon and IAG Loyalty (to offer Avios benefits) - reflects the broad range of solutions we offer customers. Our 2025 performance demonstrates Barclays Bank UK PLC's strength, delivering Profit before tax of £3,325m.

Customers and clients remain at the heart of everything we do. This year, we enhanced experiences and deepened relationships. We extended opening hours across 86 branches, adding c33,500 hours per year of in-branch availability to support customers at times that work for them. A significant increase in our channel transactional Net Promoter Score (tNPS) - which measures customer satisfaction across our retail colleague-led channels – since 2023 reflects the high level of support our colleagues give our customers. This now stands at +61 for branch servicing.

Technology and digitisation play an important role in helping us better serve our customers and clients. Within Barclays Bank UK PLC, a significant amount of innovation is driven by our teams, leading to faster response times provided by the tools and technology our colleagues use every day.

We have also used technology to make it easier for our customers to save. We redesigned our Savings Hub, making it simpler to find and choose the right products. Our customers can now digitally provide instructions on maturing bonds through the app in just a few minutes.

A key focus for Barclays Bank UK PLC is to grow lending to individuals and businesses, and we have continued to make progress.

We are making our mortgage application process simpler and helping more customers achieve home ownership. We relaunched Mortgage Boost, enabling customers to support family members to get onto the property ladder beyond just helping with a deposit – another option alongside our Family Springboard offering. Ahead of the 1 April 2025 stamp duty changes, we processed over 14,000 mortgage completions in March alone. In total we supported 146,000 mortgage completions, the highest since 2021 and an increase of 42% on 2024.

Loans acquisitions have increased 4% year-on-year driven by more relevant, in-the-moment marketing and improved decisioning capabilities.

For the second year running, we have onboarded over one million new Barclaycard UK customers and provided existing customers with improved journeys and capabilities, including the option to switch to the Amazon Barclaycard.

One year since the Tesco Bank acquisition, we are making good progress on the integration and at the same time have grown credit card and personal loan balances by continuing to offer value to customers through Clubcard.

Business Banking contributed to the UK business landscape by lending £3bn to small businesses. We also celebrated 10 years of Eagle Labs, which has supported almost 20,000 businesses that have collectively secured over £5bn in investment and created more than 50,000 jobs[1] over the course of a decade.

Note:
1 Source: Beanhurst for businesses supported by Eagle Labs between December 2015 to September 2025

Looking ahead

We remain focused on improving our products and services to deliver a world-class experience for customers and clients. We will continue to enhance how customers interact with us, making banking simpler and more intuitive across personal and business channels. Technology and innovation will play a key role, helping us to streamline processes, strengthen resilience, offer a better experience on our digital channels and support colleagues in providing exceptional service.

We see opportunities to grow deposits, lending and business banking by deepening engagement and relationships, and building stronger propositions. In particular, we are focused on growing our Premier customer base. Completing the Tesco Bank integration will allow us to broaden our reach and create greater value for customers. We are also committed to helping people manage their money better to achieve their goals, and are focused on building people's financial confidence across the UK.

Financial performance measures

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

Income statement

Barclays Bank UK Group results for the year ended 31 December	2025 £m	2024 £m
Total income	**8,811**	8,423
Operating costs	**(4,959)**	(4,412)
UK regulatory levies	**(85)**	(78)
Litigation and conduct	**(49)**	(21)
Total operating expenses	**(5,093)**	(4,511)
Profit before impairment	**3,718**	3,912
Credit impairment charges	**(393)**	(352)
Profit before tax	**3,325**	3,560
Taxation	**(731)**	(940)
Profit after tax	**2,594**	2,620
Attributable to:		
Equity holders of the parent	**2,380**	2,422
Other equity instrument holders	**214**	198
Profit after tax	**2,594**	2,620

Income statement commentary

Profit before tax decreased to £3,325m (2024: £3,560m)

Total income increased 5% to £8,811m (2024: £8,423m). Net Interest Income (NII) increased 15% to £7,765m (2024: £6,737m) as higher structural hedge income and the impact from Tesco Bank were partially offset by retail deposit dynamics. Net fee, commission and other income decreased 38% to £1,046m (2024: £1,686m) primarily driven by the non-repeat of the day 1 gain from the acquisition of Tesco Bank.

Total operating expenses increased 13% to £5,093m (2024: £4,511m) driven by Tesco Bank run and integration costs, and inflation. Ongoing efficiency savings continue to be reinvested, to drive sustainable improvement to the cost: income ratio.

Credit impairment charges of £393m (2024: £352m) were underpinned by balance growth and stable credit performance. Retail credit cards 30 and 90 day arrears rates were 0.8% (Q4 2024: 0.7%) and 0.2% (Q4 2024: 0.2%) respectively. The total coverage ratio for Retail credit cards reduced to 4.3% (2024: 4.8%), driven by resilient customer behaviour.

The effective tax rate (ETR) was 22.0% (2024: 26.4%). The 2025 ETR includes an adjustment in respect of prior years in relation to a portion of the gain on the acquisition of Tesco Bank being treated as non-taxable.

Balance sheet information

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

As at 31 December	2025 £m	2024 £m
Assets		
Debt securities at amortised cost	**13,492**	17,983
Loans and advances at amortised cost to banks	**228**	281
Loans and advances at amortised cost to customers	**215,634**	206,435
Financial assets at fair value through other comprehensive income	**31,572**	27,045
Cash and balances at central banks	**21,208**	29,819
Liabilities		
Deposits at amortised cost from customers	**244,666**	244,376

Balance sheet commentary

Loans and advances at amortised cost to customers increased 4% to £215.6bn, primarily driven by growth in mortgages and credit cards lending in Retail Banking, partially offset by continued repayment of government scheme lending in Business Banking.

Deposits at amortised cost from customers remained broadly stable to £244.7bn, driven by an increase in Retail Banking deposits partially offset by a decrease in Business Banking current accounts.

The Barclays Bank UK PLC liquidity pool assets (which include cash and balances at central banks) decreased to £56bn (31 December 2024: £67bn) driven by repayment of TFSME (Term Funding Scheme with additional incentives for SMEs) and continued asset growth.

Capital and other metrics[1]

As at 31 December	2025	2024
Common equity tier (CET1) ratio[1]	**14.5%**	14.2%
Total risk weighted assets (RWAs)	**£85.1bn**	£83.6bn
UK leverage ratio	**5.2%**	5.3%
Liquidity coverage ratio[2]	**187%**	202%
Net stable funding ratio[3]	**152%**	159%

The Barclays Bank UK Group CET1 ratio as at 31 December 2025 was 14.5%, which exceeds the CET1 regulatory capital minimum requirement of 12.6%.

As a CRR firm, Barclays Bank UK PLC is required to disclose Return on Assets[4], which was 0.9% in 2025 (2024: 0.9%). The Barclays Bank UK Group Return on Assets was also 0.9% in 2025 (2024: 0.9%).

Non-financial performance measures

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

Barclays Bank UK PLC has addressed the Non-Financial Reporting requirements contained in sections 414CA and 414CB of the Companies Act 2006 (the Act) through the disclosure contained in the Barclays PLC Annual Report 2025 on pages 44 to 47.

Notes
1 2024 comparatives for Capital, RWAs and leverage are calculated applying the IFRS 9 transitional arrangements in accordance with the CRR. Effective from 1 January 2025, the IFRS 9 transitional arrangements no longer applied.
2 Represents the average of the last 12 spot month-end ratios.
3 Represents the average of the last four spot quarter-end positions.
4 Return on Assets is calculated as profit after tax divided by total balance sheet assets at the balance sheet date.

Managing risk

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

Enterprise Risk Management Framework

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

The ERMF governs the way in which the Barclays Bank UK Group identifies and manages its risks. The ERMF is approved by the Barclays PLC Board on the recommendation of the Barclays Group Chief Risk Officer; it is then adopted by the Barclays Bank UK Group with minor modifications where needed.

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

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 Barclays Bank UK Group and reinforce independent assessment, management and oversight of financial crime risk.

The Barclays Bank UK Group is now subject to pension risk, which is included under the Treasury and Capital principal risk. The UK Retirement Fund (UKRF) became a sectionalised scheme with effect from 1 July 2025. From that date, Barclays Bank UK PLC solely participates in the Barclays UK Section and is responsible for funding that section, which is for current eligible employees of Barclays Bank UK PLC only. The defined benefit part of this section comprises a cash balance element that is accrued each year and revalued until Normal Retirement Age in line with the Retail Price Index (subject to a 0% floor and up to a maximum of 5% per annum). Life expectancy is not a risk for this section as the benefit at retirement is a cash lump sum not a pension for life. The sectionalisation of the UKRF means that the Barclays Bank UK Group is separated from any exposure to the Barclays Bank Section of the UKRF, for which Barclays Bank PLC is responsible as principal employer.

Risk appetite

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

The Barclays Bank UK Group may choose to adopt a lower risk appetite than allocated to it by the Barclays Group but cannot approve a higher risk appetite limit than determined by the Barclays PLC Board without its approval.

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 Barclays Bank UK PLC Board and the Barclays Bank UK PLC Executive Committee on the effectiveness of governance, risk management and control over current, systemic and evolving risks.

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

Monitoring the risk profile

Together with a strong governance process, using business and Barclays Bank UK Risk Committees as well as Board level forums, the Barclays Bank UK Board receives regular information in respect of the risk profile of the Barclays Bank UK Group. Information received includes measures of risk profile against risk appetite as well as the identification of new and emerging

risks, which are derived by mapping risk drivers, identified through horizon scanning, to risk themes, and similar analysis. For further details of monitoring risks please refer to page 53.

In 2025, Barclays conducted an internal macroeconomic stress test under a severe 'Global Fragmentation' scenario, reflecting heightened US protectionism, inflationary pressures, and climate-related shocks. The exercise evaluated resilience to a UK recession, US economic contraction, and climate risks, testing vulnerabilities such as credit impairments, net interest income margin compression, and trading losses. The assessment confirmed the Barclays Bank UK Group's resilience across capital, liquidity, and profitability, ensuring continued viability under adverse conditions.

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

For further detailed analysis of approach to risk management and risk performance see the full Risk review on pages 48 to 184.

The Enterprise Risk Management Framework defines ten Principal Risks			
		Risks are classified into principal risks, as below	**How risks are managed**
Principal Risk	Climate risk	The risk of financial losses arising from climate change through, physical risks and risks associated with transitioning to a lower carbon economy.	A risk management framework has been implemented for managing financial and operational risks from climate change across The Barclays Bank UK Group's first and second line activities. The Barclays Bank UK Group has enhanced its capabilities for identifying, assessing and quantifying the impact of climate physical and transition risks in the financed portfolios. Climate-related scenario analysis forms a key part of the Barclays Bank UK Group's approach to assessing and quantifying the impact of both physical and transition risks. In addition, climate-related risk management activities are performed which includes setting risk appetite, monitoring key risk drivers, applying limits and controls to to stay within appetite, and undertaking relevant reporting.
	Credit risk	The risk of loss to the Barclays Bank UK Group from the failure of clients, customers or counterparties (including sovereigns), to fully honour their obligations to the Barclays Bank UK 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 Barclays Bank UK 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 market risk exposures. These risks are measured, limited and monitored by market risk specialists. The first line conduct their activities within the risk appetite and all mandate & scale limits set by the second line.
	Treasury and Capital risk	Liquidity Risk: The risk that the Barclays Bank UK 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.	Treasury and Capital risk is identified and managed by specialists in capital, liquidity and asset and liability management risks. A range of risk management approaches are used such as limits, plan monitoring and stress testing. The first line conduct their activities within the risk appetite and all mandate & scale limits set by the second line. 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. CSRBB assessment must use earnings and value type metrics and it must take into account market liquidity spread, market credit spread and other spread components which impact the
		Capital Risk: The risk that the Barclays Bank UK 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 includes risks related to Barclays Bank UK Group's defined benefit pension scheme following sectionalisation from Barclays Group UK Retirement	
		Interest Rate Risk in the banking book (IRRBB): The risk that the Barclays Bank UK 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 Barclays Bank UK Group is exposed to capital or income volatility because of changes in credit spreads on its (non-traded) assets and liabilities.	
	Operational risk	The risk of loss to the Barclays Bank UK 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. 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.

The Enterprise Risk Management Framework defines ten Principal Risks			
		Risks are classified into principal risks, as below	**How risks are managed**
Principal Risk	**Model risk**	The potential for adverse consequences from decisions based on incorrect or misused model outputs and reports.	Model risk is managed in accordance with the Model Risk Management Framework supported by the Model Risk Policy and associated Standards. Model risk management applies a set of controls to identify and mitigate model risk within the Bank's approved risk appetite which are centred around independent model validation. Model risk appetite is managed by residual risk tolerances, where applicable, commensurate with the nature and type of models used.
	Compliance risk	The risk of poor outcomes for, or harm to, customers, clients and markets, arising from the delivery of the Barclays Bank UK Group's products and services (also known as 'Conduct Risk') and the risk to Barclays, its clients, customers or markets from a failure to comply with the laws, rules and regulations applicable to the Barclays Bank UK 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 Bank UK's businesses, providing advice and challenge
	Financial crime risk	The risk that the Barclays Bank UK Group and its associated persons (employees or third parties) commit or facilitate financial crime, and/or the Barclays Bank UK 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 Barclays Bank UK 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.
	Reputation risk	The risk that an action, transaction, investment, event, decision, or business relationship will reduce trust in the Barclays Bank UK Group's integrity and/or competence.	Reputation risk is managed in accordance with the Group-wide Reputation Risk Management Framework (RRMF) supported by Reputation Risk Policies and associated Standards. Each business assesses reputation risk using standardised tools and the governance is fulfilled through management committees and forums, with clear escalation and reporting lines to the Barclays Bank UK Group Board.
	Legal risk	The risk of loss or imposition of penalties, damages or fines from the failure of the Barclays Bank UK Group to meet applicable laws, rules and regulations or contractual requirements or to assert or defend its intellectual property rights.	Legal risk is managed by the identification and management of legal risks by the Legal function and the escalation of legal risk as necessary. The Barclays Bank UK 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.

Note
The ERMF defines ten Principal Risks. For further information on the how these Principal Risks apply specifically to Barclays Bank UK Group, please see pages 74 to 88.

Customers and Clients

The following sub-sections include a summary of the Barclays Bank UK Group items with references to Barclays Bank UK Group referring to the businesses of the Barclays Bank UK Group and its subsidiaries. For further details, refer to the Customer and Clients section of the Barclays PLC Annual Report 2025.

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 supporting them to achieve their own ambitions.

Engaging with customers and clients

Barclays Bank UK PLC 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.

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

Barclays Bank UK PLC runs on average 20 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 an opportunity for colleagues to hear directly from our customers on important topics and are driving the evolution of our customer journeys and experience.

In 2025, we collected over 1.2 million pieces of customer feedback. Customers told us they wanted their experiences with Barclays to feel more personalised, including more use of their transactional data to provide relevant guidance and support with their everyday money management.

In response we have further improved the app to ensure every new or updated customer experience feels better.

Our efforts to improve customer and client service through better channel experiences such as extended opening hours and reduced waiting times for appointments, as well as enhancements to the Premier proposition and creating a better experience across our customer journeys, have resulted in significant improvements in customer satisfaction scores.

When issues do occur our Complaints team works alongside customer-facing colleagues to investigate and provide timely resolution. In January 2025, an IT incident impacted many of our customers, and resulted in a significant increase in our complaints for the year. At the time, we mobilised quickly to support affected customers and we were committed to ensure that those impacted were not left out of pocket. Our app is essential for customers and we typically have high availability across all channels.

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. Working in partnership with UK neurodiversity charities, this year we introduced Quiet Hour in our branches, designed to support neurodiverse customers by providing a calmer, more comfortable banking environment. During this time, we minimise the lights and switch off the televisions to help reduce sensory overload and promote a peaceful atmosphere.

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 which represents the largest customer base for which we serve customers throughout their financial lives.

How we performed

We improved Barclays UK main current account NPS to+25[1], our highest score since we began tracking in 2013, and an increase of eight on December 2024. This uplift was broadly across customer segments. Premier NPS was a significant driver alongside improvements to customer service across channels and journeys.

Barclays UK complaints

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

Material increase in complaints year on year was driven by the IT incident on 31 January 2025. Excluding this, complaints reduced by 2%.

Note
1.© Ipsos 2025, Financial Research Survey (FRS), 12 months ended December 2025 (Dec 2024). Results based on a sample of 7,546 (6,646) Barclays main current account customers and 1,028 (865) Barclays Premier main current account customers. Total sample of ~50,000 GB adults (aged 16+) a year, weighted to align with overall profile of GB population.

Our colleagues

The following sub-sections include a summary of the Barclays Bank UK Group items from the Barclays PLC Annual Report 2025. For full details, refer to the Colleagues section of the Barclays PLC Annual Report 2025. Figures mentioned are for the Barclays Group, other than where specifically mentioned.

At the heart of achieving our plan to make Barclays Simpler, Better and More balanced are our 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.

Engaging with colleagues

Sharing our strategy with colleagues – and explaining how they can contribute towards its delivery – has been a key part of our 2025 engagement. Regular, two-way dialogue helps us 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 events, focus groups and surveys. Through our bi-annual Your View survey, our people can share their feedback on working at Barclays. We are committed to a respectful and inclusive environment where everyone feels safe to speak up. Our processes for raising concerns and whistleblowing provide channels for anonymous colleague feedback.

Our longstanding partnership with Unite in the UK offers further insight into the views of our people. We continue to consult with Unite on major change programmes to minimise job losses and prioritise reskilling and redeployment.

Embedding a consistently excellent standard

A consistently excellent standard is what we expect of ourselves – and what our customers, clients and all our stakeholders trust us to deliver. This continues to be an integral part of our culture and a key enabler of our three-year plan. Our consistently excellent culture-change programme continued to embed these standards across the organisation. Throughout 2025, local initiatives across divisions and functions supported Group-wide efforts to simplify processes, strengthen risk and control, and drive efficiency.

A consistently excellent standard is now embedded in HR tools, processes and products from hiring and induction, to performance management, promotions and development programmes. – helping to reinforce a strong risk and control environment. In 2025, workshops were delivered to our colleagues globally, creating strong understanding across the organisation of what it means to deliver to a consistently excellent standard.

We also launched the Risk and Control Digital Credential (RCDC) – Barclays' first Group-wide, externally accredited online learning programme, certified by the Institute of Risk Management. The RCDC equips colleagues with the knowledge and skills to proactively manage risk and strengthen controls. This initiative marked a significant step in our ongoing commitment to strong risk management and delivering to a consistently excellent standard.

Investing in our talent

Our talent ambition is to help our colleagues grow, develop and thrive at every level of our organisation and building a strong talent pipeline for the future. In 2025, we strengthened how we identify, assess and develop high-potential talent, introducing greater rigour and consistency, through implementing our Talent Management Standards including a consistent definition of potential, approach to talent reviews and calibration. We delivered accelerator programmes and sponsorship initiatives and continued our Evolution leadership development programme. We also offered senior leaders a suite of practical tools, targeted workshops, and resources to develop their skills.

In 2025, we continued hiring of interns, graduates and apprentices, and continued building on our relationships with key partners to support inclusive access to all our opportunities. Barclays won the National Graduate Recruitment Award for Most Popular Graduate Recruiter in Banking, Insurance and Financial services and was ranked in the top 20 in The Times Top 100 Graduate Employers list – recognising our focus on our Early Careers population as a key talent pipeline for the future.

We simplified and personalised learning for colleagues and invested in technology to support our People Leaders' development. For example, by piloting virtual coaching for our People Leaders and newly promoted Managing Directors (MDs) and expanding the deployment of our 360-feedback tool.

In 2025, we focused on enhancing our core alumni proposition – including by launching a differentiated experience for our Executive Alumni. Our Barclays PLC CEO hosted our first-ever MD alumni networking event in London, attended by members of the Executive Committee and Board.

Our colleagues

Our inclusive culture

We are evolving our approach to Inclusion and Opportunity with a focus on empowering our colleagues and leaders, engaging our communities and driving company success – cultivating high-performing teams and providing rich opportunities for colleagues to progress, while aspiring to hire from the broadest global talent pools. We are committed to creating a workplace where everyone feels valued and respected, within a culture of belonging and equal opportunity for all.

Supporting our workforce

Helping our people perform at their best remains a priority. Barclays provides a range of support for colleagues through its policies covering annual leave, life events, health issues, family and caring and flexible working.

We support colleague wellbeing with data-driven campaigns that encourage healthy habits and a positive culture - supported by our mental health awareness eLearning and our 'Be Well' online wellbeing portal. We also continued to enhance our provision for colleagues in the UK with an updated Employee Assistance Programme providing additional mental health support to their family members.

Rewarding our colleagues

We offer eligible colleagues the opportunity to acquire Barclays shares on beneficial terms. In recognition of colleagues' collective effort towards delivering our three-year plan and the effort that is still required, in February 2025 we granted colleagues a share award and in 2026 we will grant a similar colleague share award, for a second successive year.

In July 2025, all UK colleagues were given access to Barclays Premier Banking, which offers a suite of exclusive products, services and benefits.

Enhancements to policy provisions

In 2025, we focused on improving the colleague experience by aligning to our global policies to better support our colleagues and People Leaders in managing their work life at Barclays. In November, we announced our paternity leave policy in the UK will increase from two weeks to 16 weeks. Effective from 1 January 2026, this update aims to help new parents spend more time with their families and support colleagues in balancing work and personal life.

Our people policies

Equal opportunities for all

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 reviewed and updated regularly to ensure they remain aligned with our broader people strategy.

Fair Pay

As part of the Barclays Fair Pay Agenda, we are committed to paying our colleagues fairly and appropriately relative to their role, seniority, skills, experience and performance. We pay at least a living wage in all our locations and provide colleagues with resources to ensure everyone has equal opportunity to progress.

Note:
1 Our policies reflect relevant employment law, including the provisions of the Universal Declaration of Human Rights and the International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work

Strategic Report
Society

The following sub-sections include a summary of the largely the Barclays Bank UK Group items from the Barclays PLC Annual Report 2025. For full details, refer to the Society section of the Barclays PLC Annual Report 2025.

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. Further information on Climate can be found in the Climate Report in the Barclays PLC Annual Report 2025 and the Climate and Sustainability Report from page 19 to 24.

Communities

The Barclays Bank UK Group seeks to make a positive impact in the communities where we operate by striving to help people build the skills and confidence they need to progress and by supporting businesses to grow.

Based on data and insight from our community partners, and aligned to business priorities, we evolve our programmes to help ensure they deliver meaningful and measurable benefit.

Skills and employability

A skilled workforce is essential for business growth and community prosperity – and supports a vibrant economy. Our programmes help people develop skills, confidence and connections.

For more than a decade, Barclays LifeSkills has been a catalyst for positive change, giving millions of people the employability and financial skills they need to succeed at work and better manage their money. This year, we focused on developing confidence with numbers and partnered with National Numeracy to help lay the foundations for better financial confidence.

In an increasingly digital world, we are helping people manage their money online. Our Digital Eagles initiative has reached 416,884 people this year, helping boost their digital confidence and keep them safe online.

Through Military and Veterans Outreach, as part of the Barclays Group, Barclays Bank UK PLC helps members of the Armed Forces community take steps towards building careers beyond the military as they transition to civilian life.

We continued our work to engage and strengthen communities through sport, investing £5m annually to empower people with lifelong skills through grassroots sport. In 2025, we expanded our football fund to include tennis and cricket. The Barclays Community Sport Fund now offers £1.4m a year in grants, support and exclusive ticketing offers to community groups that improve access to football, tennis and cricket for women and girls in the most deprived areas of the UK.

Our partnership with the Marylebone Cricket Club Foundation aims to engage 10,000 young people with cricket by 2028. Together, we launched the new Barclays Knight-Stokes Cup – an annual cricket tournament for state-school students, with 1,000 teams from 750 schools already registered to take part. And, through the Barclays Girls' Football in Schools network, we've helped achieve equal access to football in physical education for girls aged 7 to 14 in 90% of schools across England – a goal we set in 2019 and reached three years early.

Sustainable growth

Barclays understands that communities around the world rely on businesses to drive innovation and sustainable growth. Leveraging our resources, networks, and expertise, we offer comprehensive support to help businesses grow – from idea to IPO – through the programmes, dedicated workspaces and investment opportunities we provide.

Our Unreasonable Impact programme supports high-growth ventures, helping them scale and address global issues by offering a network, resources and mentorship – including coaching by Barclays colleagues.

Our Eagle Labs network, which celebrated its 10th anniversary in 2025, further enables entrepreneurs to launch and scale their businesses by providing expertise, mentoring and networking. We support founders from various backgrounds, including those from the armed forces community, who can access a range of resources through our Veteran and Military Spousal Founders programme.

Charitable giving and investment in our communities

Barclays Bank UK PLC encourages colleagues to support the causes they care about by using matched funding from Barclays to amplify their fundraising and personal donations to their chosen charities and through our UK Payroll Giving programme. We also invest directly in our communities by providing funding and sharing our skills with trusted charities, non-governmental organisations and social enterprises.

Suppliers

The Barclays Group engages with Third-Party Service Providers (TPSPs), seeking to integrate sustainability considerations across our supply chain. For further information please see our Barclays Code of Conduct for Third Party Service Providers (TPSP CoC) and page 209 of Barclays PLC Annual Report 2025, explaining our approach to operational and reputational risk management with respect to our TPSPs.

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 shareholder, 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 Barclays Bank UK Group's operations on key stakeholders, as well as their interests and views. This includes meeting with customers and clients, colleagues, key regulators, 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, supports the Directors in complying with their legal duty under Section 172(1).

For more information on the Company's key stakeholder groups and how we listen and respond to them, please refer to the "Customers and clients", "Our Colleagues" and "Society" sections of the Strategic Report. Further relevant information regarding the Barclays Group's key stakeholder groups and how we listen and respond to them can be found in the "Our Stakeholders" section of the Barclays PLC Annual Report 2025.

You can find out more about how the Directors have had regard to the matters set out in Section 172(1) when discharging their duty, and the effect of those considerations in reaching certain decisions below and in the "Principal activities of the Board in 2025" section of the Governance Report.

During 2025 the Board considered (i) the evolution of the bank's digital transformation plans in order to both protect the bank and its clients and customers and to support the Barclays Bank UK Group's aim to deliver a best in class customer experience; (ii) the ongoing work seeking to ensure continued operational and cyber resilience and meet regulatory expectations; and (iii) the Board's approach to the oversight of the Barclays Bank UK Group's strategy.

Driving digital transformation and evolution of the Barclays Bank UK Group technology strategy

Digital transformation and innovation is an imperative for financial services businesses in keeping pace with rapidly changing customer expectations, in a highly regulated, competitive and complex environment where customer experience is key, and the use and protection of customer data is paramount. Reflective of this, throughout 2025, the Board remained focused on the continued development of the Barclays Bank UK Group's technology strategy and ambitions. This included monitoring and overseeing the progress of technology initiatives by way of regular updates from the Chief Operating Officer, Chief Information Officer, and business heads, with interactive sessions on automating customer journeys and improving operating effectiveness, the responsible adoption of artificial intelligence (AI), and spotlights on the implementation of the product, data, and servicing platform strategies.

Understanding how technology can help Barclays Bank UK Group's customers and clients by making things simpler and safer, and building and maintaining trust and confidence has also been an area of ongoing interest for the Board. The Board supported the steps taken as part of the Barclays Group's 'Simpler, Better and More balanced' strategy focused on customer service transformation, including evaluation of performance against the aligned Key Performance Indicators (KPIs).

The Board regularly reviewed customer data metrics, including NPS, complaints and other non-financial KPIs to champion best in class customer service and continued good customer outcomes. In July, the Board agreed that the role of the Consumer Duty Board Champion should be retained for the time being to support continued oversight of the ongoing embedment of the Consumer Duty across the Barclays Bank UK Group. The Board also approved a regulatory Consumer

Duty report, which indicated that the Barclays Bank UK Group is continuing to deliver good outcomes for its customers, consistent with the Consumer Duty. Refer to page 179 for further information on Consumer Duty.

The Board considered how the Barclays Bank UK Group is fostering the development of the capabilities and talent that are essential for supporting the Barclays Bank UK Group's digital agenda. Driving digital transformation is key both to the delivery of the products and services customers expect from us and to supporting the work of Barclays Bank UK Group's colleagues. In April, the Board Chair visited India, alongside certain members of the Barclays Board to meet with colleagues working on automation (including the use of AI responsibly) and digitisation of customer journeys to see end-to-end how processes are designed with a customer mindset. This insight was supplemented in May, when the Board met with colleagues in Glasgow and separately, in September with colleagues at Radbroke (near Manchester), Barclays' largest technology centre in the UK. Such engagement enabled the Board to better understand work underway to automate and digitise customer initiatives, and the enhancements we are making to improve the customer experience (for example, transaction monitoring for fraud, the Barclays app refresh and relaunched mortgage application experience for brokers). Reflective of this, the Board has also regularly considered key non-financial KPIs to assess whether Barclays Bank UK Group is creating the right operating environment to make it simpler and more straightforward for colleagues to get things done.

Barclays Execution Services Limited (BX) serves as the central operational and execution support company for Barclays Group, including the Barclays Bank UK Group. During the year the Company's representative Non-Executive Director on the BX Board, in conjunction with the Chief Operating Officer, regularly reported to the Board on the work of the BX Board. This was complemented by the Co-CEOs of BX presenting to the Board on how BX supports the Barclays Bank UK Group's digital transformation, including updates on the new target digital architecture and alignment of accountability and resource.

Ensuring the Board continues to have the right technology and digital expertise to challenge and contribute to the Barclays Bank UK Group's technology strategy will remain an area of focus within Board succession planning.

Focus on operational and cyber resilience

The Board's focus on technology transformation included, in conjunction with the Board Risk Committee, oversight of operational and cyber resilience matters and technology infrastructure. This involved an evaluation of the wide range of risks associated with the scale of change required in response to an ever-evolving cyber threat landscape. The Board Risk Committee on behalf of the Board provided oversight and challenge of the completeness and effectiveness of the Group-wide programme of work, as it pertains to the Barclays Bank UK Group, to enhance cybersecurity capabilities and drive long-term resilience. The Board Risk Committee has also explored the cyber threat landscape and AI risks and safeguards. The Board, in conjunction with the Board Risk Committee, has continued to critically assess the risks associated with technology and digital transformation, including cybersecurity, operational resilience and data privacy, factoring ethical and reputational considerations in conjunction with regulatory expectations, and ensuring the Barclays Bank UK Group has the necessary capabilities to support a digitally driven agenda.

Following the 31 January 2025 IT incident that impacted Barclays' business and customers in the UK, the Board and Board Risk Committee maintained close oversight of the incident review. The Board was kept informed of the approach to customer support and remediation and discussed with management the lessons that could be learned from the incident to improve the overall operational resilience of the Barclays Bank UK Group. Considering the broader threat landscape, the Board monitored high profile cyber security breaches in 2025 across banks, payment systems, retail and government institutions, using these as opportunities to further assess the resilience of the Barclays Bank UK Group's systems and potential responses, including participation by the Board Chair in a Barclays crisis simulation exercise to test the Group's response to a serious cyber breach of the Barclays Group's systems.

This ongoing oversight was key to supporting the Board's approval of the Barclays Bank UK Group elements of the Operational Resilience Self-Assessment in March.

Oversight of delivery and continued evolution of Barclays Bank UK Group's strategy

The Barclays PLC Annual Report 2024 set out the Barclays Group's three-year plan to create a 'Simpler, Better and More balanced bank' to improve our operational and financial performance, and total shareholder returns.

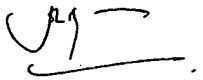
During 2025 the Board has overseen and evaluated the Barclays Bank UK Group's delivery of the strategy with regular updates covering matters including financial performance, customer/client service experience and propositions (including improvements made), strategic technology investment, talent development and growing lending market share, particularly in business banking as well as secured and unsecured lending.

The Board, in conjunction with the Board Risk Committee and Board Audit Committee, has spent considerable time overseeing the activity post-acquisition of Tesco Bank's retail banking business (which completed in November 2024), including the design and execution of a 'best of both' integration approach to deliver the strategic benefits of the acquisition whilst mitigating customer and operational risks, as well as the commercial performance and opportunities of that business

and accounting considerations of the acquisition. The Board held a dedicated Board offsite in Edinburgh in May with Tesco Bank colleagues to better understand the Tesco Bank business, its products, and customers (including customer experience).

In approving the Barclays Bank UK Group's medium-term plan, the Board balanced the need for financial strength, consistent performance, prudent risk management and ongoing investment in support of the pursuit of operational excellence.

Building on our progress to date, the Board has considered with management how the Barclays Bank UK Group's strategy will continue to evolve to enable it to deliver more for our customers and clients, and to continue to invest further to improve customers' experience and deepen relationships, while harnessing new technology, including AI, to improve efficiency and build segment-leading businesses, and drive further growth. This was reflected in the Board overseeing and ultimately endorsing in early February 2026, new Barclays Bank UK Group targets to 2028.



Sir John Kingman
Chair – Barclays Bank UK PLC
9 February 2026

Embedding Barclays' climate strategy within Barclays Bank UK

The following sub-sections include a summary of the Barclays Bank UK Group specific items from the Barclays PLC Annual Report 2025 with references to Barclays Bank UK Group referring to the businesses of Barclays Bank UK PLC and its subsidiaries. The content has been included to the extent this relates to Barclays Bank UK PLC as a subsidiary of the Barclays Group. For full details on targets and ambitions, refer to the Climate and Sustainability Report in the Barclays PLC Annual Report 2025.

The aim with the disclosures within this Annual Report is to outline the progress we have made over the past year in relation to climate and sustainability.

Climate related risks

The Barclays climate strategy is underpinned by the way the bank assesses and manages exposure to climate-related risk. 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 hurricanes and floods. Longer-term shifts in climate patterns (chronic hazards) arise from sustained higher temperatures that may cause rises in sea levels, changing precipitation patterns or heat stress.

- Transition risk is defined by Barclays as the risk of financial losses caused by the changes driven by the economy shifting to a lower carbon basis, including for example changes in policy, technology and consumer and investor sentiment

Physical and transition risks can have varying degrees of impact on Barclays and our 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 lower carbon economy.

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.

For further detail on risk management framework for climate risk refer to Principal Risk Management Section on page 74 .
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.

Update on progress against targets and convergence points

UK Housing

In 2025, the UK Housing portfolio intensity metric has been re-baselined to reflect an updated methodology which now considers sensitivities to energy consumption patterns using publicly available data which has a two-year lag. Despite the lag, the additional information helps to better reflect actual consumption trends.

Our UK Housing portfolio financed emissions intensity has cumulatively decreased by 3% from our 2023 baseline, which was re-baselined in 2025. We continue to make 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 51.4% by the end of 2025.

UK Agriculture

Our UK Agriculture portfolio absolute financed emissions have cumulatively decreased by 13% from our 2023 baseline.

For more information about reducing our financed emissions and future target progress, please refer to Reducing our financed emission section of the Barclays PLC 2025 Annual Report.

Barclays UK sustainability strategy

In 2025, we continued to support the transition in our home market by helping households and businesses make more sustainable choices. Working across our UK focused businesses, we worked to address common barriers, facilitated access

to practical industry insight and peer-to-peer learning opportunities. We have also evolved our products and propositions to contribute to our progress towards Barclays Group's $1 trillion Sustainable and Transition Finance target.

Working with clients on their transition

Retail Bank

Sustainability Hub
In 2025, we launched our in-app Sustainability Hub for current account customers providing information on our financial products, services, informative content and partner offers that may support them in making more sustainable choices.

Greener Home Reward
A key factor in decarbonising the UK Housing sector is improving the energy efficiency of the housing stock. Through our financial products and partner offers, we support our retail mortgage customers in retrofitting their properties and helping reduce their energy consumption.

In 2025, we continued to support existing eligible residential mortgage customers in installing eligible energy-efficiency-related measures in their homes through our Greener Home Reward offer, providing a cash reward of up to £2,000. We supported more than twice as many customers as in any previous year, bringing the total reward payments since launch to £3 million. From January 2025, we expanded the offer to include Microgeneration Certification Scheme (MCS) accredited installers focussed on small scale renewable energy technologies. Since the launch of the Greener Home Reward, more than 90% of customers installed renewable energy technologies, with 60% of reward payments attributed to installations of solar panels and solar battery storage, followed by 31% for low-carbon heating.

All of our sustainable products and offers remain under review as we consider how we best support our customers and clients in making more sustainable choices.

Business Bank

We recognise the importance and opportunities as businesses transition to a low-carbon economy. Within Business Banking we continue to actively engage and support our Small and Medium Sized Enterprises (SME) clients, including Agriculture and Real Estate.

Barclays co-chaired the independent, government-backed Willow Review, which explored how UK SMEs can benefit financially from sustainability. The Willow Review was launched in 2025, and the UK Government formally responded to its recommendations in December. In line with the Review's recommendations for financial services, we have introduced a range of initiatives for our Business Banking clients, including SME Workshops, dedicated mentors and Eagle Labs modules focused on the business case for sustainability. The review also highlighted an important insight: access to finance was a key obstacle preventing SMEs from investing in sustainable practices. Building on the findings of the Willow Review, we published a policy snapshot[1] on access to sustainability grants.

We understand from industry reports and Barclays' own research that barriers to action for clients and customers also include a lack of awareness of trusted information sources and understanding what actions they can take. Noting these challenges, we have collaborated with SaveMoneyCutCarbon (SMCC) to provide SME clients the opportunity to have carbon mentor calls, which helps in identifying practical steps to reduce energy consumption and operating costs, supporting measurable progress toward their sustainability goals.

We recognise that a successful transition relies on businesses remaining profitable, resilient and innovative. Within our Innovation Banking community, we are exploring how Climate Tech solutions can solve for real-world challenges that SMEs experience. We appreciate that some clients like to learn from each other - to encourage peer-to-peer learning, we have launched monthly Sustainability Breakfasts at Barclays Innovation Hub to convene businesses and industry experts on topics such as supply chains and the business case for sustainability. Our customer research and industry events help us develop policy positions and thought leadership, such as our 'Agritech: supporting the future of farming' report.

For our Agriculture clients, Barclays research showed that >70% of our UK farming customers had witnessed the effect of climate change on their farms. It highlighted the importance of developing practical steps to help farms adopt innovative and more sustainable farming practices. In response, we worked with farmers, multinationals and other stakeholders to pilot a new model for supporting farmers to adopt regenerative practices through the Sustainable Markets Initiative's 'Routes to Regen' project. The pilot offered simplified support through a menu of options, on-farm guidance, technical assistance, peer-to-peer learning and financial support. The results of the pilot showed that 57% of participants reported that they were more likely to farm more regeneratively as a result, and 82% rated the multi-company collaboration as important in their decision to take part.

Note:
1 Policy Snapshot: home.barclays/insights/2025/10/making-sustainability-grants-work-for-SMEs/

Our Farm2Farm network was established in 2023 to enable farmers to learn from one another and share practical insights. We continue to facilitate gatherings that support peer-to-peer learning, assist with farmers' daily banking needs, and facilitate climate and sustainability discussions to help them navigate their transition to more sustainable farming practices.

In 2025, we built on this and launched a collaboration with Dyson Farming to bring technology and engineering into farming. Through this, we connect farmers and Agritech founders to explore new technologies and learn about innovation trials and research that could be considered for implementation on their farms.

Nature markets, such as the Biodiversity Net Gain (BNG) scheme in England, are opening potential new revenue streams and the opportunity to better utilise areas of unproductive land for landowners. We continue to provide support for our landowner clients through our collaboration with Environment Bank.

To help clients across Business Banking access information and share insights we have co-hosted regional roundtables with the British Chambers of Commerce and participated in various industry forums including Icebreaker One's Perseus and UK Business Climate Hub. In addition to this engagement we've produced a series of Thought Leadership reports for clients and wider industry stakeholders, highlighting potential barriers and opportunities in our customers' and clients' transition journeys.

Financing clients' transition

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. In 2025, we broadened our Green Home Mortgage range, now supporting more customers by offering LTVs from 60% to 90%. Our Green Home Mortgage has performed strongly, with £2.4bn lent to Green Home Mortgage customers in 2025. Since inception, Barclays UK has lent over £7.1bn to Green Home Mortgage customers.

Greener Home Loan

In 2025, we continued our Greener Home Loan pilot, offering a cashback of up to £250 for eligible current account customers who take out a loan and use the money for qualifying energy-efficiency home improvements. We continue to monitor take-up and retrofit type, with solar being the most popular installation with 59% of claims where cashback payment was made.

In 2026, following the pilot, the Greener Home Loan will be considered for inclusion within our full product range to continue supporting our customers in making home energy-efficiency improvements.

Business Bank

In 2025, uptake of Green Loans for Business continued to grow, supporting more customers than in any previous year to adopt eligible green assets.

Our research showed that 48% of those of our UK farmers surveyed want products and services which incentivise them to farm more sustainably. In 2025, we launched Farm Transition Finance, which provides lending with discounted interest rates to agricultural businesses demonstrating adoption of more sustainable or regenerative practices. The facility is designed to support those clients making improvements in soil health, biodiversity, water efficiency and emissions reduction, thus supporting farmers and the UK agricultural transition.

Scaling Climate Technology

Climate Tech Escalator

Now in its second year, the Barclays Climate Tech Escalator provides a connected pathway that brings together the business units and partnerships 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. In June we launched our Barclays Innovation Banking proposition within the Business Bank, with Climate Tech as one of the four core sectors. Innovation Banking provides support for next-level growth through our dedicated relationship managers, financial products and network of Eagle Labs, including the rebranded Barclays Innovation Hub in Shoreditch.

We continue to recognise the funding challenge inhibiting the success of growth-stage climate tech companies, particularly those at the Series B+ investment stage. In November, we announced our participation in Salica Investments Growth Debt Fund II, to expand the range of venture funding options to high-growth innovation-led businesses in the UK.

The addition of venture funding provides growth stage companies with the opportunity to extend the funding continuum from Business Banking to Corporate Bank and onto Investment Bank as the companies grow.

Climate Tech Partnerships and Initiatives

In 2025, Barclays strengthened its work on climate innovation through strategic partnerships, accelerator programmes and mentoring support.

Our partnership with Sustainable Ventures has expanded to launch a National Climate Tech Accelerator with the Innovation Banking team providing a digital-first programme designed to reach ventures across the UK with support from Barclays Eagle Labs. It combined free access to platforms with enhanced services for Barclays banked customers.

Business Bank Sustainable Finance sponsored Bright Tide to deliver programmes to Climate Tech businesses focused on 'Sustainability and AI' and 'Agriculture and Oceans'. This year also marked the third year of the Carbon 13 Venture Launchpad. These two programmes focused on venture growth, investment and carbon impact for early-stage climate tech startups.

Specialist sustainability mentors have also been added to the existing Eagle Labs mentoring support with a focus on practical, commercially-minded sustainability such as carbon accounting, strategy, circular economy and regenerative agricultural practices.

These initiatives reflect Barclays' ongoing work to help foster innovation and support the UK's climate tech landscape, supported by the launch of Barclays Innovation Banking in Barclays UK.

Information provided in climate and sustainability disclosures/Disclaimers

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, changes in the regulatory landscape, and variations in reporting standards. Our approach to materiality may continue to evolve as our, and the industry's, understanding of climate and sustainability-related risks and opportunities continues to develop.

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.

In preparing the climate and sustainability content within the Barclays Bank UK 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 sustainable and transition financing and sustainability metrics, measurement of climate risk and scenario analysis

- Used climate and sustainability data, models, scenarios and methodologies that we considered appropriate for these purposes at the time of deployment. Some of these were provided by third parties, over whom we have no control, and may have been based on differing or unknown methodologies. The underlying assumptions, interpretations or methodologies may not be independently verifiable and could 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 sustainable and transition 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. 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 'Reducing our financed emissions' section of the Barclays PLC Annual Report highlights where information in

respect of a previous reporting period has been updated. Page 86 sets out the data sourcing and data quality considerations and our approach to reporting financed emissions data.

There are a variety of internal and external factors which may impact our reported metrics and progress against our targets, convergence points and milestones. 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.

Any information contained or referred to in the Annual Report, in relation to any actual or potential climate and sustainability objective, issue or consideration is not intended to be relied upon for EU Sustainable Finance Disclosure Regulation classification purposes, EU Taxonomy Regulation classification purposes, or any other classification regimes.

Governance
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The Board

The Directors who served during the year ended 31 December 2025 are set out in the table below, together with details of the composition of each of the Board Committees.

	Board	Board Audit Committee	Board Nominations Committee	Board Remuneration Committee	Board Risk Committee
Current Directors (all of whom served up to the date of signing this report)					
Sir John Kingman Chair of the Board	C		C		
Andrew Ratcliffe Deputy Chair of the Board and Independent Non-Executive Director	M	C	M		M
Vanessa Bailey Independent Non-Executive Director	M	M	M	M[2]	C
Tracy Corrigan Independent Non-Executive Director	M			M	
Michael Jary CBE Independent Non-Executive Director	M		M	C	M
John Liver Independent Non-Executive Director	M	M			M
Chris Pilling Independent Non-Executive Director	M	M			M
Bernadette Wightman Independent Non-Executive Director	M				
Vim Maru Chief Executive	M				
Claire Peel Chief Financial Officer	M				
Robert Swaak (appointed 1 July 2025) Independent Non-Executive Director	M	M[1]	M		M
Former Directors					
Avid Larizadeh Duggan OBE (resigned 31 December 2025) Independent Non-Executive Director	M			M	

C: Chair of Board or Board Committee.
M: Member of Board or Board Committee.

[1] Robert Swaak will assume the role of Chair of the Board Audit Committee on 1 March 2026
[2] Vanessa Bailey was appointed a member of the Board Remuneration Committee on 1 September 2025

Charter of Expectations

Executive and Non-Executive Directors share the same statutory duties and are subject to the same constraints. The expectations of each Director, including the behaviours and competencies required for each role, are set out in the Company's Charter of Expectations.

Time commitment

The Company's Charter of Expectations also sets out the time commitment for each role. Non-Executive Directors, including the Chair, are informed of the minimum time commitment required prior to their appointment; they must, on appointment and on an ongoing basis, be able to devote sufficient time to the Company to effectively discharge their responsibilities. A Non-Executive Director's preparation for, and attendance at, Board and Board Committee meetings is only part of their role. In addition, Non-Executive Directors are expected to provide effective oversight and scrutiny, strategic guidance and constructive challenge whilst holding the Executive Directors to account against their agreed performance objectives.

The Directors' time commitments are considered by the Board on appointment and are reviewed annually. Before taking on any new external appointment, such appointment must be agreed with the Chair and disclosed to the Board, with an indication of the time involved. During the year, the Board kept under review the number of external directorships held by each Director and considered the limits on the number of directorships imposed by relevant regulations. The Board is satisfied that there are no Directors whose time commitment is considered to be a matter for concern.

Training and development

All new Directors are provided with a comprehensive induction, which is structured around the core components of the Barclays Bank UK Group's strategy and tailored to their specific experience and knowledge. Robert Swaak, who joined the Board on 1 July 2025 as Independent Non-Executive Director and future Board Audit Committee Chair from 1 March 2026, undertook a comprehensive tailored induction programme which provided access to all parts of the business, internal Barclays Group stakeholders and the Company's statutory auditor, to ensure he has a sufficient understanding of the nature of the business and the key issues that the Barclays Bank UK Group faces. As part of medium term succession planning, Vanessa Bailey joined the Board Remuneration Committee as a member on 1 September 2025 and received a tailored induction on matters including Barclays' remuneration framework, the regulatory environment and key aspects of the operation of the Committee.

In order to enable the Directors to discharge their responsibilities and to undertake their roles with due care, the Directors participate in an ongoing programme of briefing sessions, deep dives, and training and development throughout the year. The focus of this programme is key areas of the Barclays Bank UK Group's strategy. This year's programme included deep dives on improving customer experience and service excellence (including deeper understanding of Consumer Duty outcomes and end-to-end walk through of customer journeys), customer segmentation and product propositions, with a particular focus on Premier, to identify opportunities to deepen relationships with customers and clients; growth initiatives (in particular in lending to individuals and businesses); impact of technology and innovation (including the use of AI) on products and services including driving operational efficiencies; and recent developments in payments infrastructure and Barclays' role in digital money. These topics are, where appropriate, brought to life through interactive sessions with colleagues and informed by customer insight. Training topics included fraud risk management, Senior Managers and Certification Regime, Treasury management (including structured risk transfers and securitisations) and recovery and resolution planning.

Our corporate governance principles and how we applied them in 2025

During the year ended 31 December 2025, and up to and including the date of this report, the Company has continued to apply and has complied with its own corporate governance arrangements rather than the UK Corporate Governance Code or the Wates Corporate Governance Principles for Large Private Companies. This is on the basis that the Board continues to believe that the Company's own governance arrangements are the most appropriate for it as a wholly owned subsidiary of a listed company which is also a complex financial institution subject to a comprehensive regulatory regime. This approach is consistent with the approach of other significant subsidiaries in the Barclays Group which are subject to the Companies (Miscellaneous Reporting) Regulations 2018 (2018 Regs).

The primary aim of our governance arrangements remains as stated in the Company's 2024 Annual Report, namely that they:

- are effective, in particular to ensure the safety, independence and soundness of the ring-fenced bank
- provide checks and balances and encourage constructive challenge
- drive informed, collaborative and accountable decision-making
- create long-term sustainable value for our shareholder, Barclays PLC, the ultimate shareholders of Barclays and our wider stakeholders

Set out below are the six principles that underpin our corporate governance arrangements and how these principles have been applied during 2025.

The Barclays Bank UK Group governance framework is set by Barclays and has been designed to enable the effective management of the Barclays Group. This includes the setting of Barclays Group policies and approach in relation to matters such as Barclays Group's Purpose, Values and Mindset, and the Barclays Group Remuneration Policy. Where appropriate, this Corporate Governance Statement makes reference to those Barclays Group-wide policies, which are relevant to the way in which the Company is governed.

Principle One: Board Leadership and Company Purpose

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

The Board is collectively responsible for the overall leadership of the Company. This involves articulating a clear vision for the Company and defining the strategy and culture (aligned with the common purpose of working together for a better financial future) for both the Company and the Barclays Bank UK Group, with a drive to ensure this is embedded throughout the organisation.

The Board's role also involves ensuring that the strategy is supported by a framework of effective controls that are designed to mitigate financial and other risks and to protect the reputation of the business. In addition, to ensure the Company is

managed in accordance with the ring-fencing legislation, that the necessary resources are in place to enable the Company to meet its objectives, and measuring performance against those objectives.

Principal activities of the Board in 2025

Strategic and operational matters

- Overseeing the progress against the targets set out in the Barclays Bank UK Group elements of the Barclays Group's three-year plan to create a "Simpler, Better and More Balanced Bank", as announced in February 2024, (in respect of which further detail can be found in the "Performance review" section of the Strategic Report)
- In monitoring and overseeing execution of the Barclays Bank UK Group strategy during 2025, receiving enhanced reporting on customer experience and growth initiatives across the Barclays Bank UK Group businesses, including in business banking, secured lending, unsecured lending, opportunities to deliver to more customers to meet their wealth management needs, and on the approach to marketing (including multi-brand proposition) and optimisation of multi-channel strategy to meet customer needs and deliver great customer experience
- Receiving updates on the evolving geopolitical, macroeconomic and operational environment and overseeing the Barclays Bank UK Group's ongoing support of customers, clients and colleagues through those lenses
- Considering and, in turn, overseeing Barclays Bank UK Group's technology strategy, including – in conjunction with the Board Risk Committee – the challenges and opportunities that technology presents for banking products and services. This included spotlights on digital and data strategy, AI (including machine learning applications and Generative AI opportunities) and cybersecurity
- Overseeing customer, commercial, conduct, financial, operational, people, regulatory, risk, societal, sustainability and technology matters, with regular updates from the Chief Executive and Executive Committee members on these key aspects of the business, supported by KPIs and other metrics (where considered appropriate)
- Overseeing reputational risk matters, that might have a strategic implication on the Barclays Bank UK Group, including in relation to protest activity from activists
- Overseeing execution of the Barclays Bank UK Group's sustainability strategy including enhancing the suite of sustainability related products and propositions to support UK clients in making sustainable changes
- Overseeing, in conjunction with the Board Audit Committee and the Board Risk Committee, the activity post-acquisition of Tesco Bank including the design and execution of a 'best of both' integration approach to deliver the strategic benefits of the acquisition whilst mitigating customer and operational risks
- Overseeing the continued embedment of the Consumer Duty, including enhancing fair value assessments in accordance with Financial Conduct Authority (FCA) insights, monitoring customer outcomes via the quarterly Customer Outcomes Report (with enhanced metrics, including in connection with Tesco Bank) and, in that context, approving the Barclays Bank UK annual Consumer Duty report
- Receiving updates on developments in UK banking (for example, payments infrastructure) and the evolving legal, political and regulatory landscape (including the Supreme Court's ruling on challenges to motor finance commission payments and the subsequent FCA consultation on a motor finance redress scheme)

Culture, colleagues and inclusion

- Considering the capabilities and skills required to be a higher performing organisation and culture and deliver against customer expectations, including on digital transformation (including raising the standards of performance management)
- Overseeing colleague engagement. Further details can be found in the "Our colleagues" section of the Strategic Report and, separately, in the "Colleagues" section of the Barclays PLC Annual Report 2025
- Receiving regular updates on the Barclays Group-Wide 'consistently excellent' culture-change programme and considering progress on embedment through Your View colleague survey results
- Engaging directly with colleagues at various events, including through town halls, colleague lunches, talent dinners and site visits
- Reviewing updates on Barclays' inclusion and opportunity strategy which seeks to create a workplace where everyone feels valued and respected, within a culture of belonging and equal opportunity, insofar as it relates to the Barclays Bank UK Group
- Overseeing in conjunction with the Board Nominations Committee, our investment in talent to build a strong pipeline for the future. In this regard, the Board met with high-potential senior and junior talent throughout the year (further detail can be found in the "Colleagues" section of Principle Six on page 37)

Finance

- Reviewing and approving the Barclays Bank UK Group's Medium Term Plan (MTP), in which strategy is embedded, together with related funding and capital plans for the Barclays Bank UK Group
- Overseeing the financial performance of the Barclays Bank UK Group and its main businesses through regular reports from the Chief Financial Officer, including insight on competitor performance, and market and investor reaction to the full year and half year financial statements
- On the recommendation of the Board Audit Committee, approving the Barclays Bank UK Group's full year and half year financial statements, and approving the payment of a 2024 full year dividend and the payment of a 2025 half year dividend

- Overseeing, in conjunction with the Board Risk Committee, the results of a range of stress tests to assess capital adequacy and resilience under severe but plausible macroeconomic scenarios
- Confirming the re-appointment of KPMG as the Barclays Bank UK statutory auditor from the 2027 financial year

Risk, control and regulatory matters

- On the recommendation of the Board Risk Committee, approving the adoption of the revised Enterprise Risk Management Framework (ERMF) following its annual refresh, approving the Company's qualitative and quantitative Risk Appetite Statements, and overseeing risk parameters
- On the recommendation of the Board Risk Committee, approving the Barclays Bank UK Group elements of the Barclays Group Recovery Plan and the conclusions of the annual assessment of ring-fencing compliance
- Receiving updates on the Resolvability Assessment Framework, and enhancements made in response to Bank of England feedback. The Board undertook a tabletop simulation exercise to test certain components of the Barclays Resolvability Assessment Framework, including the range of Barclays Bank UK Group recovery options
- Overseeing key risk matters, including themes and emerging risks, through regular updates from the Chair of the Board Risk Committee, annual report from the Chief Risk Officer and separately, from the Barclays Group Chief Risk Officer (in order to better understand the Group risk context)
- Overseeing, in conjunction with the Board Audit Committee and the Board Risk Committee, financial crime activity that impacted the Barclays Bank UK Group in 2025, and the execution of remediation activities, including but not limited to enhancements to the Barclays Bank UK Group's control environment, and transformation activity to reduce financial crime risk
- Overseeing, with the support of the Board Audit Committee, the Barclays Bank UK Group's internal controls framework through regular reports from the Chief Controls Officer
- Overseeing the strengthening of Barclays Bank UK Group's operational resilience, including - in conjunction with the Board Risk Committee - the annual self-assessment of operational resilience
- Overseeing, in conjunction with the Board Audit Committee and the Board Risk Committee, the technology change and services received from BX through - amongst other reports - an annual update from the BX Co-Chief Executives on delivering sustainable growth, resilience and innovation for Barclays

Governance

- Upon the recommendation of the Board Nominations Committee, considering medium term succession planning in respect of those Non-Executive Directors due to retire on conclusion of their tenure in the next twelve to eighteen months, and commencing external searches, and separately approving changes to, the Board and Board Committee membership
- Overseeing with the support of the Board Nominations Committee, the Board Audit Committee Chair succession process, culminating in July with Robert Swaak's appointment onto the Board as Non-Executive Director. Robert is to assume the Board Audit Committee Chair role on 1 March 2026
- Overseeing Directors' time commitments and the management of any Non-Executive Director conflicts of interest
- Overseeing, in conjunction with the Board Nominations Committee, the 2025 internal Board, Board Committee and Non-Executive Director evaluations and monitoring the Board's progress against recommendations arising from the 2024 external evaluations
- Receiving regular updates from the Chairs of the Board Committees on matters discussed at meetings and from the Board's representative on the Barclays Board Sustainability Committee on matters discussed
- Receiving updates on the performance of the Company's material subsidiaries, Barclays Insurance Services Company Limited (including overseeing the transfer of its insurance business to the Company) and Kensington Mortgage Company Limited (including on integration into the Barclays Bank UK Group)
- Approving the Barclays Group Statement on Modern Slavery

Principle Two: Division of Responsibilities

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

Chair responsibilities

There is a clear division of responsibilities between the Chair and the Chief Executive. The Chair is responsible for leading the Board and its overall effectiveness, demonstrating objective judgement and supporting a culture of inclusion and diversity of thought, and facilitating and encouraging constructive challenge and debate between all Directors, and which challenges executives where appropriate. The Chair also facilitates constructive Board relations and the effective contribution of all Non-Executive Directors, and ensures Directors receive accurate, clear and timely information. In addition, the Deputy Chair is available, if needed, to deputise for and support the Chair in respect of the authorities and responsibilities conferred on or delegated to him by the Board from time to time. The Chair also holds private sessions with the Non-Executive Directors when appropriate, to promote independence.

The responsibilities of the Board are executed in part through the Board Committees, which provide oversight and make recommendations on the matters delegated to them by the Board. The Chair of each Board Committee provides a report on Board Committee business at each Board meeting, including any matters being recommended to the Board for approval. Details on the principal Board Committees and their core responsibilities and activities in 2025 are set out in Principles Three to Five on pages 30 to 37.

Chief Executive responsibilities

Responsibility for the day-to-day management of the Company is delegated to the Chief Executive who is supported by the Company's Executive Committee, which meets weekly. The Executive Committee supports the Chief Executive in ensuring that the Company's values, strategy and culture align, are implemented effectively and are communicated consistently to colleagues; for example, through townhalls, skip-level meetings, site visits, leader-led sessions, focus groups and surveys. Further details are set out in the "Our colleagues" section of the Strategic Report.

Accountability

Accountability is driven through routine evaluations of the Board and Board Committees. For an overview of the recent internal evaluation of the Board, Board Committees and Non-Executive Directors (including the Chair), see page 31.

Decision-making and independent challenge

The Board maintains a formal schedule of matters reserved to it in order to ensure that it has control over key decision-making. These decision-making powers include approval of key appointments, strategy, financial statements and any major acquisitions, mergers or disposals. The Board also has the power to approve material non-financial matters impacting the Barclays Bank UK Group including, but not limited to, matters involving material conduct risk and/or reputation risk considerations as well as significant customer remediation matters and strategic business changes.

There are also policies and procedures in place to support effective decision-making and independent challenge, including the Barclays Group Corporate Governance Operating Manual, which sets out how Barclays Group entities and their respective Boards and Board Committees should interact and, where appropriate, escalate issues.

For details of how the Directors have had regard to the matters set out in Section 172(1) of the Act when performing their duty to promote the success of the Company under Section 172, and the effect of those considerations in reaching certain decisions taken by them, please refer to the Section 172(1) Statement on pages 16 to 18 of the Strategic Report.

In accordance with the Act and the Company's Articles of Association, the Board has authority to authorise conflicts of interest, and this ensures that the influence of third parties does not compromise or override the independent judgement of the Board. The Company Secretary maintains a conflicts register, which is a record of actual and potential conflicts, together with any Board authorisation of the conflict. Throughout the year, the Board has authorised a number of potential conflicts and, on occasion, put in place appropriate procedures to manage that potential conflict. Following authorisation, all conflicts - whether actual or potential - are monitored in order to assist the relevant individuals in discharging their duties as a Director.

Principle Three: Composition, Succession and Evaluation

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

Board composition and succession

In anticipation of Andrew Ratcliffe's retirement as independent Non-Executive Director of the Board and Chair of the Board Audit Committee, (his third term on the Board, coming to an end in early 2026) the Board Nominations Committee, led a formal and rigorous Board Audit Committee Chair succession process, with the appointment of Russell Reynolds Associates to lead the external search. The process culminated in the Board Nominations Committee recommending Robert Swaak's appointment to the Board.

Subsequently, and as announced by Barclays, Robert Swaak joined the Board as an independent Non-Executive Director on 1 July 2025 and he will assume the role of Board Audit Committee Chair from 1 March 2026.

Robert brings extensive international financial expertise and regulatory knowledge in both retail and commercial banking, combined with significant leadership and transformation experience over an executive career spanning circa 36 years. As a former auditor, Robert most recently served as Chief Executive Officer of ABN AMRO N.V., stepping down in April 2025,

after a five year term. Prior to that Robert held several leading roles in PwC, including Global Relationship Partner, Vice Chairman Global Clients & Markets and Chief Executive Officer of PwC in the Netherlands.

In respect of other Board changes, in May 2025, the Board approved the renewal of the terms of office of Tracy Corrigan, Vanessa Bailey, Bernadette Wightman and John Liver, all of whom have now served as Directors for three years, for a further three year term. The re-appointment of Andrew Ratcliffe was extended to conclude financial year 2025 year-end matters and enable an orderly succession of the Board Audit Committee Chair role to Robert Swaak.

Avid Larizadeh Duggan stepped down from the Board as Independent Non-Executive Director on 31 December 2025, having served on the Board for 8 years. The Board thanks Avid for her commitment, service and significant contribution to the Barclays Bank UK Group.

The Directors have assessed the composition and size of the Board in light of the above changes and have confirmed that they consider both to be appropriate for a large UK retail bank. This assessment is supported by a skills matrix (refreshed annually), which helps the Directors to evaluate the experience and skills on the Board in order to ensure that there is the necessary expertise and knowledge to support and challenge management in its execution of the strategy. There is currently a good balance between the Executive Directors and independent Non-Executive Directors who, together, have a strong combination of financial, retail banking, risk and technical skills as well as experience in colleague engagement, customer experience, culture, financial regulation, government, communications, consulting technology and transformation.

Succession planning will remain an area of focus in 2026 and beyond in order to ensure that there is the appropriate breadth and depth of talent on the Board. In light of the retirement of Avid Larizadeh Duggan and shortly Andrew Ratcliffe, as well as the respective terms of Michael Jary and Chris Pilling coming to an end in the next twelve to eighteen months, it has provided an opportunity to think strategically about the future composition of the Board to support the evolution of the Barclays Bank UK Group strategy. Russell Reynolds Associates has been appointed to lead an external search, which is ongoing, with the outcome to be disclosed in the 2026 Annual Report. To the extent that any appointment to the Board is made, such appointment will be based on merit, against objective criteria, and having regard to the Board Inclusion and Opportunity Policy.

The Board Nominations Committee will - on behalf of the Board - continue to review the succession plans for key Board positions, including the Chair of the Board Remuneration Committee.

The Board achieved its gender balance ambition - as set out in the Board Inclusion and Opportunity Policy - ensuring that, by 2025, the proportion of women on the Board was at least 40% and at least one of the following senior Board positions is held by a woman: Chair, Chief Executive, or Chief Financial Officer. Following Robert Swaak's appointment in July 2025, and Avid Larizadeh Duggan's retirement from the Board, female representation on the Board as at 1 January 2026, has fallen to 36.4% but will return to 40% upon Andrew Ratcliffe's retirement in the coming months. We are also pleased to report that the Board has achieved its ethnic representation ambition to ensure that at least one Board member is from a minority ethnic background (excluding white ethnic groups) and that, having been met, this is maintained.

With regards to independence, the majority of the Board is considered to be independent. Independence is reviewed annually, using the independence criteria set out in the ring-fencing requirements, and the Chair meets privately with the Non-Executive Directors, on a regular basis, in order to promote the required independence.

Board evaluation

During December 2025 and January 2026, an internal evaluation of the Board, Board Committees and Non-Executive Directors (including the Chair) was conducted. Meetings took place with the Directors and certain Executive Committee members to obtain feedback on the effectiveness of the Board throughout 2025. The overall conclusion of the evaluation was that the Board is operating effectively and that the Board Committees are well integrated into overall Board processes. Material progress has been made in addressing the findings of the 2024 external review and the Board continues to be well led, operates at a high standard, and benefits from quality support. However, certain areas were identified for continued focus. These include prioritisation in the Board's work on strategic implementation and associated customer outcomes, greater external input on potentially disruptive forces, and continued focus on non-executive and executive succession. Work is ongoing to progress these matters. The evaluations of the Board Committees and Non-Executive Directors (including the Chair) concluded that they are meeting their required responsibilities and operated effectively during 2025.

Board Nominations Committee

The Board Nominations Committee is comprised solely of independent Non-Executive Directors (see page 26).

Meetings are attended by the Chief Executive and the Human Resources Director, at the invitation of the Committee Chair.

The principal role and responsibilities of the Committee are set out in its terms of reference and include:

- Skills and Diversity - evaluating the balance of skills, knowledge, experience and diversity for the Board and Board Committees and more broadly across the senior management of the business
- Director Appointments - identifying, and recommending to the Board, candidates for appointment to the Board and Board Committees
- Director Independence - considering and assessing the independence of the Non-Executive Directors, including recommendations for any steps to manage actual or potential conflicts of interest
- Board Performance - assessing the performance of the Non-Executive Directors and their annual time requirements
- Board Evaluation - considering actions from the Board and Board Committee evaluation process and, in conjunction with the Board, reviewing the Board's progress against the recommendations arising from the evaluation process
- Board Development - leading the development and effective implementation of policies and procedures for the induction, training and professional development of all members of the Board
- Talent - overseeing the adoption of internal policies and talent progression for senior management

During 2025, the principal activities of the Committee were:

- Reviewing the Board and Board Committees' size, and composition, including the skills and experience of Board and Board Committee members and the independence of the Non-Executive Directors (excluding the Chair)
- Reviewing and making recommendations to the Board on succession plans for the Board and its Committees to ensure the appropriate balance of skills, experience, independence, knowledge and diversity and compliance with ring-fencing requirements. This included Vanessa Bailey, Board Risk Committee Chair, becoming a member of the Board Remuneration Committee in September 2025, ahead of Avid Larizadeh Duggan's retirement from the Board
- Identifying, and nominating to the Board for approval, the appointment of Robert Swaak as a member of the Board and successor to the Board Audit Committee Chair role. Robert joined the Board Audit, Board Risk and Board Nominations Committees upon appointment
- Commencing, on behalf of the Board, the process to identify and appoint Non-Executive Directors to ensure orderly succession planning for those Non-Executive Directors reaching the end of their tenure in the next twelve to eighteen months
- Continuing to support, alongside the Board, the Barclays Group's inclusion and opportunity strategy and recommending to the Board for adoption an updated version of the Board Inclusion and Opportunity Policy in February 2026, to ensure the policy continues to reflect the Group's inclusion and opportunity strategy. You can read more about Barclays' approach to inclusion within the Colleagues section of the Barclays PLC Annual Report 2025
- Reviewing the Company's talent and succession plans at Executive Committee level and one level down on a bi-annual basis and, when required, overseeing Executive Committee appointments
- Recommending the approach to the 2025 Board and Committee effectiveness review to the Board

The Executive Committee

The Board and Board Nominations Committee regularly review the leadership and succession needs of the business, which helps the Directors to understand the breadth and depth of talent at Executive Committee level and one level down. Talent amongst these populations has, once again, been an area of focus during 2025 - Executive Committee members continued to present spotlights on the senior talent within their teams, and the Non-Executive Directors met with Managing Director and Director colleagues to hear their views on challenges and opportunities within the business.

The Board remains comfortable that the Executive Committee has the capabilities and experience required to support the execution of the strategy against the backdrop of a competitive operating environment, with the changes made during the year serving to strengthen the Executive Committee's skill set. Talent and succession at both Executive Committee level and one level down will continue to remain a key focus for 2026 and beyond.

Principle Four: Audit, Risk and Internal Control

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

The Company is committed to operating within a strong system of internal controls that enable business to be transacted and risks taken without exposure to unacceptable potential losses or reputational damage. The Principal Risks facing the Barclays Bank UK Group have been identified and robust processes are in place to evaluate and manage such risks including regular reporting to, and oversight by, the Board Risk Committee and the Board. A key component of the risk management framework is the ERMF, which supports the business in its aim to embed effective risk management and a strong risk management culture. The ERMF is designed to identify and set minimum requirements, in respect of the main risks, to achieve the Barclays Bank UK Group's strategic objectives and to provide reasonable assurance that internal controls are effective. Further detail on the Principal Risks and management of them can be found in the "Managing risk" section of the Strategic Report.

The Board has overall responsibility for ensuring that management maintains an effective system of risk management and internal controls 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. However, the effectiveness of the risk management and internal controls system is also reviewed regularly by the Board Risk Committee and the Board Audit Committee. Details of the role, responsibilities and activities of both Committees are set out below.

The Board receives reports from the Chairs of the Board Risk and Audit Committees, at its meeting following the Committee meeting, highlighting key audit, risk and control matters and material discussions concerning the same. Separately, in respect of risk matters, the Board receives updates and deep dives on material risk areas, identified from time to time, e.g. financial crime risk reduction and remediation, alongside the annual update from the Chief Risk Officer on risk themes, which includes strategic and emerging risks. This is supplemented by regular reporting on reputational risk matters, including those matters arising from within the broader Barclays Group, which may strategically impact the Barclays Bank UK Group reputation.

Board Audit Committee

The Board Audit Committee is comprised solely of independent Non-Executive Directors (see page 26).

At the invitation of the Committee Chair, meetings are attended by management and others, including the Chief Executive, Chief Financial Officer, Chief Internal Auditor, Chief Risk Officer, Chief Compliance Officer, Chief Controls Officer, Chief Operating Officer, Financial Controller, General Counsel, the Company's statutory auditor, KPMG. Non-Executive Directors who are not members of the Committee who wish to further their knowledge and understanding of audit matters can attend on request, with approval of the Committee Chair.

The Board, together with the Board Audit Committee, is responsible for ensuring the integrity of the financial statements and the independence and effectiveness of the internal audit function and the statutory auditor. The Committee Chair meets regularly with both the Chief Internal Auditor and the Senior Statutory Auditor throughout the year and Committee members meet with each of them separately without management present at least annually.

The Committee is responsible for overseeing financial reporting processes, reviewing the effectiveness of internal controls, considering whistleblowing arrangements and overseeing the work of the internal auditor and the statutory auditor. Throughout the year ended 31 December 2025 and to date, a comprehensive internal controls framework has been in place within the Barclays Bank UK Group that provides reasonable assurance of effective operations covering all controls, including financial and operational controls and compliance with laws and regulations. The Committee receives a quarterly report on the framework's operation (and its continued enhancements). This includes reports from the internal audit function, the statutory auditor (in respect of controls over financial reporting) and the Chief Controls Officer, as well as related plans and management actions to remediate control recommendations raised in those reports.

The principal role and responsibilities of the Committee are set out in its terms of reference and include:

- Financial Reporting - assessing the integrity of the Barclays Bank UK Group's financial statements and examining any significant reporting issues and judgements made
- Internal Controls - examining the operation and effectiveness of the Barclays Bank UK Group's system of internal controls
- Internal Audit - monitoring and examining the operation, effectiveness, independence and objectivity of the internal audit function
- Regulatory Reporting - reviewing arrangements established by management for compliance with regulatory and financial reporting, including compliance with the ring-fencing requirements
- External Audit - reviewing and monitoring the statutory auditor's independence, objectivity and effectiveness, including oversight of the regulatory developments within the delivery of audit services
- Whistleblowing - reviewing the integrity, independence and effectiveness of Barclays Bank UK Group's well-established policies and procedures on whistleblowing
- Material Legal Matters - overseeing significant contentious and non-contentious matters, together with current or emerging legal risks

In discharging its responsibilities, the Committee is to have regard to the interests of Barclays Bank UK Group's stakeholders and shall (where appropriate) consider whether the Company and the Barclays Bank UK Group as a whole are delivering good customer outcomes.

During 2025, the principal activities of the Committee were:

- Reviewing the Barclays Bank UK Group's full year and half year financial statements and recommending to the Board that it approve the same
- Reviewing the Barclays Bank UK Group's Q1 and Q3 2025 results for incorporation into Barclays PLC's Q1 and Q3 2025 results
- Assessing the appropriateness of key management judgements, including consideration of material conduct and litigation provisions (including taxation and other material items) and accounting policy judgements (including expected credit losses, impairment (including the stage migration arising from the Tesco Bank acquisition) effective interest rate and recoverability of goodwill) and other accounting considerations associated with the creation of a Barclays Bank UK Group section of the Barclays defined benefit pension arrangement (the 'UK Retirement Fund') on 1 July 2025 ('Sectionalisation') and the underlying valuation of pension and post-retirement benefits for the first time. The Sectionalisation was required to meet the UK Banking Reform Bill
- Considering finalised accounting matters in relation to the acquisition of Tesco Bank, including the fair value of assets and liabilities acquired and the tax treatment of negative goodwill. Overseeing the implementation of Sarbanes-Oxley Act (SOX) standards and controls across the Tesco Bank processes required for the 2025 audit and management's SOX opinion to be given by Barclays
- Overseeing model development, remediation, and calibration and assessing the accuracy of certain models and appropriateness of associated Post Model Adjustments (PMAs), including the unwind of (PMAs) following the implementation of the new UK Mortgages Generation 3 Model
- Overseeing financial crime activity that impacted the Barclays Bank UK Group in 2025 and the execution of related remediation activities, including but not limited to enhancements to the Barclays Bank UK Group's control environment (for example, through risk reduction plans)
- Overseeing the Company's Money Laundering Reporting Officer's report, regulatory correspondence and related work
- Receiving reports from the General Counsel on litigation matters pertinent to accounting provisions, including developments relating to the Supreme Court's decision challenging certain motor finance commission payments and the subsequent FCA consultation on a motor finance redress scheme. The Committee monitored these developments throughout 2025 for any implications for financial reporting, provisions (for which there were none for Barclays Bank UK Group), or controls
- Receiving reports from management on certain areas of the business where reports from the internal audit function had recommended improvements to existing controls (for example, relating to change management and programme governance, and control practices) or on areas of new risk (for example, in relation to new product offerings)
- Receiving reports from the Chief Controls Officer regarding the internal controls framework, its effectiveness and future requirements, as well as conducting timely reviews of certain internal audits graded "Needs Improvement", including the response from management
- Overseeing the effectiveness of the Barclays Bank UK Group control environment underpinning depositor protection pursuant to the Financial Services Compensation Scheme
- Ensuring appropriate oversight of the BX control environment where it impacts the Barclays Bank UK Group's control environment and - post-acquisition - overseeing the control environment in relation to Tesco Bank
- Receiving the Company's Data Protection Officer's report
- Overseeing the statutory auditor's independence and objectivity and contributing to the Barclays Group's auditor effectiveness exercise
- Recommending to the Board the re-appointment of KPMG as the Company's statutory auditor with effect from the 2027 financial year, following conclusion of a formal audit tender process for the Barclays Group in which the Chair of the Committee participated. Refer to page 41 for further details about the audit tender process
- Overseeing the performance of the internal audit function and approving the 2025 audit plan
- Overseeing the succession of and subsequent appointment of the new Barclays UK Chief Internal Auditor
- Monitoring management progress on the embedding of a Risk Control Self-Assessment framework
- Reviewing and re-adopting the refreshed Barclays Group policy on the provision of non-audit services by the statutory auditor
- Monitoring the whistleblowing programme, including receiving regular whistleblowing metrics as they relate to the Barclays Bank UK Group, and ensuring that the procedures for protection from detrimental treatment of staff who raise concerns continue to be effective
- The Board Audit Committee effectiveness review was internally conducted for 2025 with the results confirming that the Committee is operating effectively

Board Risk Committee

The Board Risk Committee is comprised solely of independent Non-Executive Directors (see page 26).

At the invitation of the Committee Chair, meetings are attended by management, including the Chief Executive, Chief Risk Officer, Chief Compliance Officer, Chief Financial Officer, General Counsel, Chief Internal Auditor, the Company's statutory auditor, KPMG, the Company's Treasurer. Non-Executive Directors who are not members of the Committee who wish to further their knowledge and understanding of risk matters can attend on request, with approval of the Committee Chair.

The Committee is responsible for providing oversight and advice to the Board in relation to current and potential future risk exposures, examining reports covering the Principal Risks including those that would threaten its business model, future performance, solvency or liquidity, as well as reports on risk measurement methodologies and risk appetite.

The principal role and responsibilities of the Committee are set out in its terms of reference and include:

- Risk Appetite and Risk Profile – reviewing and ensuring that the risks undertaken by the business are within the risk appetite of the Company, as set by the Board
- Risk Limits – reviewing and adopting risk limits and mandates for financial and non-financial risk, monitoring the risk profile and receiving and considering reports on key risk issues (including emerging risks)
- Regulatory – reviewing and monitoring the Company's capital and liquidity position including considering both the existing and forecasted Company risk profile and the potential impact of stress
- Internal Control and Risk Control – monitoring the internal control and risk control framework
- Credit Risk – reviewing credit risk performance (including concentration of credit risk and expected credit losses)
- Compliance Risk – reviewing the effectiveness of the management of compliance risk, seeking to ensure fair customer outcomes following the implementation of policies and reviewing the effectiveness of the Compliance Risk Management Framework, as it applies to the Company and its subsidiaries
- Climate Risk – considering matters including the impact on financial and operational risks arising from climate change through physical risks and risks associated with transitioning to a lower carbon economy
- Risk Culture – monitoring to ensure a robust risk culture (relating to risk awareness, risk taking and risk management)
- Ring-fencing – reviewing the ring-fencing requirements (including attestation and ongoing compliance requirements)

In discharging its responsibilities, the Committee is to have regard to the interests of Barclays Bank UK Group's stakeholders and shall (where appropriate) consider whether the Company and the Barclays Bank UK Group as a whole are delivering good customer outcomes.

During 2025, the principal activities of the Committee were:

- Overseeing the first and second line of defence elements of the risks and controls associated with the execution of the Barclays Bank UK Group's strategy
- Recommending to the Board that it adopt the revised ERMF following its annual refresh and approve the qualitative and quantitative Risk Appetite Statements
- Reviewing and adopting the relevant Barclays Group policies, including the Compliance Risk and Reputational Risk Management Frameworks
- Receiving and reviewing regular financial and non-financial risk reporting on each of the Principal Risks (detailed in the "Managing risk" section of the Strategic Report)
- Reviewing emerging risks, including those associated with AI, Cybersecurity and Technology
- Take such steps as are appropriate to satisfy itself that a robust due diligence process has been followed for proposed strategic acquisitions or disposals as well as reviewing the first and second line of defence reports on the risks associated with such transactions
- Monitoring the risks associated with the evolving geopolitical and macroeconomic environment, including but not limited to receiving updates on operational risk, credit risk and market risk exposures (to the extent applicable) as well as a regular focused update on the UK housing and mortgage market and its effect on the Barclays Bank UK Group's mortgage portfolio
- Overseeing the progress of activity and risk considerations associated with execution of the Sectionalisation of the Barclays Bank UK Retirement Fund on 1 July 2025, to create a Barclays Bank UK Group section, (including monitoring performance under volatile market conditions and member communications)
- Reviewing financial crime risk (in light of continued heightened financial crime environment, influenced by external factors such as cyber threats (with enhanced reporting following its elevation to a Principal Risk in January 2025). The Committee's focus has been on risk reduction and the sustainability of remediation actions
- Adopting the 2025 Limits and Mandates and monitoring the risk profile in accordance with the same
- Monitoring compliance with key portfolio metrics
- Overseeing risk resources and the independence of the Risk and Compliance functions
- Reviewing and recommending to the Board that it approve the Barclays Bank UK Group elements of the 2025 Barclays Group Recovery Plan and receiving updates on the Resolvability Assessment Framework, including enhancements in response to Bank of England feedback
- Reviewing and challenging the effectiveness of risk management and internal controls systems, including those risks identified by the findings of internal audits
- Monitoring capital and liquidity levels and approving the Company sections of the Barclays Group 2025 Internal Capital Adequacy Assessment Process and Internal Liquidity Adequacy Assessment Process
- Reviewing and approving the Barclays Bank UK Group's stress testing scenarios and results including the internal macroeconomic stress test under a severe 'Global Fragmentation' scenario, reflecting heightened US protectionism, inflationary pressures, and climate-related shocks

- Monitoring the risks associated with the continued embedment of the Consumer Duty and reviewing the Consumer Duty Annual Assessment and recommending to Board
- Overseeing the challenges and opportunities that technology presents for banking products and services through regular reporting on operations and technology
- Considering regular reports on the Barclays Bank UK Group's operational resilience (including benchmarking analysis on its maturity) and recommending to the Board that it approve the annual 2025 self-assessment. Overseeing the strengthening of the resilience control environment to mitigate the threat of cyber attacks
- Approving material new and amended product approvals, where considered necessary due to risk profile, with a particular focus on ensuring good customer outcomes
- Reviewing the Barclays Bank UK Group's ring-fencing compliance
- The Board Risk Committee effectiveness review was internally conducted for 2025 with the results confirming that the Committee is operating effectively

Principle Five: Remuneration

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

The Barclays Group Remuneration Policy is set by the Barclays Board Remuneration Committee, and reviewed and adopted by the Company's independent Board Remuneration Committee. The policy is designed to promote the long-term success of the Company and ensure that remuneration is aligned to the Barclays Bank UK Group's strategy and risk management approach.

Remuneration for executives and senior management is considered in the context of the wider workforce remuneration and alignment of incentives and rewards with performance and culture. Their remuneration is reviewed annually by the Board Remuneration Committee and the Barclays Board Remuneration Committee, as appropriate. No individual is involved in deciding their own remuneration.

The Barclays Bank UK Group is committed to paying colleagues fairly, with regards to their specific role, seniority, responsibilities, skills and experience and other factors which properly affect pay, in a way that balances the needs of the Barclays Bank UK Group's stakeholders. You can find more information on Barclays' Fair Pay agenda which underpins all remuneration decisions in the Remuneration report section of the Barclays PLC Annual Report 2025. The Barclays Bank UK Group also remains focused on strengthening our inclusive culture with a focus on empowering our colleagues and leaders, engaging our communities and driving company success. You can find more information on our approach to inclusion and opportunity in the Barclays PLC Annual Report 2025. Our UK gender and ethnicity pay gaps are published in the Barclays UK Pay Gaps 2025 disclosure.

Board Remuneration Committee

The Committee is comprised solely of independent Non-Executive Directors (see page 26).

At the invitation of the Committee Chair, meetings are attended by management, including the Chief Executive, Chief Financial Officer, Chief Risk Officer, Human Resources Director and Reward Director. The Barclays Group Human Resources Director and the Co-Heads of Reward and Performance also attend the Committee when requested to provide relevant updates.

The principal role and responsibilities of the Committee are set out in its terms of reference and include:

- Remuneration Policy – setting the over-arching principles and parameters of remuneration policy for the Barclays Bank UK Group, within the parameters set by the Barclays Board Remuneration Committee
- Incentive Pay – considering and endorsing the incentive pool for the Barclays Bank UK Group and its subsidiaries and the remuneration of key BBUK executives and other specified individuals as determined by the Committee from time to time
- Approach to Remuneration – exercising oversight of remuneration issues within the Barclays Bank UK Group

During 2025, the principal activities of the Committee were:

- Reviewing the Barclays Group Reward Policy and confirming its continued adoption.
- Reviewing the Committee's Control Framework, Terms of Reference and receiving updates on the Committee's effectiveness as appropriate

- Reviewing and adopting the methodology and framework for 2025 incentive funding, and reviewing and endorsing the resulting incentive pool, including considering financial performance and risk updates (and the appropriateness of risk adjustments to incentives)
- Considering updates on the review of wider workforce remuneration, performance management and recognition approach, UK pension matters, and UK gender and ethnicity pay gaps
- Considering regular updates on stakeholder matters, regulatory and legal considerations (including remuneration aspects related to the acquisition of Tesco Bank colleagues), and pay round considerations
- Reviewing and approving, as appropriate, specific remuneration proposals for individuals within the Committee's remit
- Considering recommendations of the Remuneration Review Panel, which supports the Committee in overseeing the alignment of remuneration with the conduct expectations of Barclays, its regulators and its stakeholders

Principle Six: Stakeholder Relationships and Engagement

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

Throughout the year, the Board engages directly and indirectly (through regular reports from the Chief Executive and Executive Committee members) with its stakeholders to ensure it has a comprehensive understanding of the impact of the Barclays Bank UK Group's operations on those stakeholders, as well as their interests and views.

Customers and clients

Customers and clients continue to be at the heart of the decisions we make. The Board is committed to ensuring good customer outcomes and that Consumer Duty is demonstrably embedded throughout the organisation.

In 2025, the Board engaged with customers and clients in a wide variety of ways, including: an interactive walk through of certain priority customer journeys to better understand how we are transforming customer experience at pace; a dedicated Board offsite in Edinburgh, following the acquisition of Tesco Bank to better understand the Tesco Bank business, its products, and customers (including customer experience); and deep dives and interactive sessions at the Board offsite in Radbroke, one of our strategic Technology sites, with the teams that developed the app refresh, the relaunched mortgage application experience for brokers, and the use of AI to reshape our approach to customer engagement to better understand how we are meeting the needs of our customers and clients. In addition, the Board received regular updates from the CEO and Head of Customer and Digital, on customer focused initiatives, and heard from each of the businesses on monitoring and enhancing customer outcomes. This reporting was supplemented by customer outcomes data on NPS, complaints, products and services, price and values, consumer understanding and consumer support.

Colleagues

Details of our colleague engagement model can be found in the "Our Colleagues" section of the Strategic Report and, separately, in the "Colleagues" section of the Barclays PLC Annual Report 2025. The model ensures a regular, two-way dialogue with colleagues and, in this respect, there has been a combination of townhalls, skip-level meetings, site visits, leader-led sessions, focus groups and surveys.

In 2025, direct engagement between the Board and colleagues included the Directors: having regular meetings with senior management; participating in colleague events (such as the Exceptional Achievement Awards); providing mentoring; and visiting branches, and operational and strategic sites across the UK. The Board participated in two-day offsite meetings held in Edinburgh, Glasgow and Radbroke, including a Townhall, fireside chats, colleague lunches with high performing talent, meeting Tesco Bank colleagues, and participating in the Colleague Development Week, which allows technology colleagues to collaborate across the business globally and dedicate time to their ongoing development. The Non-Executive Directors also met with two cohorts of Managing Director and Director colleagues during the year over dinner, which allowed them to hear a broad range of colleague opinions on challenges and opportunities within the bank.

The Board receives feedback from colleagues on a variety of topics via the bi-annual Your View surveys, which - together with the aforementioned direct engagement, both inside and outside of the boardroom - enables the Board to take colleagues' views into account when making decisions likely to affect their interests.

Suppliers

For information on our engagement with suppliers, please see page 40 of the Directors' Report.

Communities and society

The Board has continued to engage with both the Barclays Group and management in relation to the Barclays Group's climate and sustainability strategy and how the Barclays Bank UK Group can play its part in supporting Barclays in achieving

its ambition to be a net zero bank by 2050 and supporting our clients' and customers' transition. The Board, in conjunction with the Board Risk Committee, has overseen the enhanced suite of sustainability products and propositions to support UK clients in making sustainable changes. The Board's representative on the Barclays Board Sustainability Committee has also provided the Board with critical insight into the Barclays Board's oversight of climate and sustainability matters and to represent the retail bank in that forum.

As part of its visit to the Radbroke campus, the Board heard from colleagues on the steps being taken to drive site sustainability, including sustainable infrastructure and refurbishment activities.

For more information on our role in society, please refer to the Society section of the Barclays PLC Strategic Report and the Barclays PLC Climate and Sustainability Report for further information on our ambition to be a net zero bank by 2050.

Shareholder

Finally, the Board is committed - in accordance with each Director's duty under Section 172(1) of the Act - to promoting the success of the Company thereby creating and delivering long-term, sustainable value for its sole shareholder, Barclays. This was one of the key considerations when the Board was overseeing the shaping of and providing input into the evolution of the Barclays Bank UK Group elements of the Barclay's Group's strategy.

The Board regards engagement with the Company's sole shareholder as being crucial to its ongoing understanding of the Barclays Group's expectations and priorities. With that in mind, and akin to previous years, the Board was pleased to welcome both the Barclays Group Chairman and the Group Chief Executive to meetings in 2025 - as well as certain Barclays' Executive Committee members - in order to discuss Barclays Group matters and for those individuals to gain a better understanding of the opportunities and risks of the retail bank. The Chair's position on the Barclays Board also ensures the views of the Barclays Bank UK Group are represented at the Barclays Group level. The Directors believe that this engagement model continues to work well and intend to use it again in 2026, supported by any informal engagement opportunities that may arise during the course of the year.

For more information about the Barclays Bank UK Group's key stakeholders, how management and/or the Directors engaged with them, the key issues raised and actions taken, please refer to the Section 172(1) Statement on pages 16 to 18 of the Strategic Report.

The Directors present their report together with the audited accounts for the Company for the year ended 31 December 2025.

Section 414A of the Act requires the Directors to present a Strategic Report in the Annual Report. The information can be found on pages 2 to 18.

The Company has addressed the Non-Financial Reporting requirements contained in sections 414CA and 414CB of the Act through the disclosure contained in the Non-Financial and Sustainability Information Statement in the Barclays PLC Annual Report 2025. In addition, the Company has chosen, in accordance with section 414C(11) of the Act, and as noted in this Directors' Report, to include certain matters in its Strategic Report that would otherwise be disclosed in this Directors' Report:

- an indication of likely future developments can be found in the Strategic Report
- the particulars of important events affecting the Company since 31 December 2025 can be found in the Strategic Report and Note 24 (Legal, competition and regulatory matters) to the financial statements.

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

	Page(s)
Performance measures	4 to 5
Managing risk, including Principal Risks	6 to 9
Society	14 to 15
Climate and Sustainability Report	19 to 24
Governance Report	26 to 38

Disclosures required pursuant to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (2008 Regs) as updated by the 2018 Regs can be found on the following pages:	
Engagement with employees (Sch.7 Para 11 and 11A 2008/2018 Regs)	12
Financial Instruments (Sch.7 Para 6 2008 Regs)	224 to 242
Hedge accounting policy (Sch.7 Para 6 2008 Regs)	225

Profits and dividends

The results of the Barclays Bank UK Group show statutory profit after tax of £2,594m (2024: £2,620m). The Barclays Bank UK Group had net assets of £20,278m at 31 December 2025 (2024: £18,585m).

The Company will pay a £1,400m dividend to its parent, Barclays PLC. Further details on dividends on ordinary shares paid in 2025 are set out in Note 10 to the financial statements.

Share capital

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

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

The powers of the Directors are determined by the Act and the Company's Articles of Association. No shares were repurchased in 2025.

Directors

The list of current Directors of the Company can be found in the Corporate Governance Statement on page 26. Changes to Directors during the year and up to the date of signing this report are set out below.

Name	Role	Effective date of appointment / resignation
Robert Swaak	Non- Executive Director	Appointed 1 July 2025
Avid Larizadeh Duggan	Non-Executive Director	Resigned 31 December 2025

Directors' indemnities

Qualifying third party indemnity provisions (as defined by section 234 of the Act) were in force during the course of the financial year ended 31 December 2025 for the benefit of the then Directors of the Company and the then Directors of certain of the Company's subsidiaries and, at the date of this report, are in force for the benefit of the Directors of the Company and the Directors of certain of the Company's subsidiaries in relation to certain losses and liabilities which they may incur (or have incurred) in connection with their duties, powers or office. The Barclays Group also maintains Directors' and Officers' Liability Insurance which gives appropriate cover for legal action brought against the Company's Directors.

Political donations

The Barclays Bank UK Group did not give any money for political purposes in the UK, or outside the UK, nor did it make any political donations to political parties or other political organisations, or to any independent election candidates, or incur any political expenditure during the year. Details of any political contributions made by the wider Barclays Group can be found in the Barclays PLC Annual Report 2025.

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

Barclays' commitment to inclusion includes ensuring 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.

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

The Barclays Group asks its TPSPs to (i) make responsible decisions that, where relevant, take our stakeholders' needs into account in both the short and long term and (ii) to comply with all applicable laws, rules and regulations within the geographies in which they operate.

The Barclays Group's standard approach[1] to TPSP onboarding and contract renewal begins by assessing the inherent risk associated with the goods and/or services being provided in-line with Barclays' TPSP risk assessment process. TPSPs that are assessed as being above a low risk of exposure from a business risk perspective are subject to the Barclays Group's Supplier Control Obligations (SCOs). Prior to contractual agreement and service go-live, these TPSPs are required to confirm adherence to the SCOs (subject to negotiation) and the TPSP CoC.

TPSPs to whom the SCOs apply will be actively managed and subject to controls assurance on an annual basis to assess whether the control requirements and expectations outlined within the TPSP CoC are being met. Where TPSPs are unable to meet our expectations defined within the SCOs and the TPSP CoC, the issue will be managed, as appropriate, in-line with the Barclays Group's Issue Management Standard. The TPSP CoC and SCOs are published on the Barclays Group public website for all new and existing TPSPs to view and are refreshed at least annually to help ensure the Barclays Group expectations continue to be met.

Note

[1] Where financial institutions and market counterparties provide services to the Barclays Group, the nature of the services leveraged, may require an alternate onboarding approach and as such some control expectations may not be applicable. This is assessed at the point of onboarding.

Country-by-Country Reporting

The Barclays Bank UK Group operates through branches, offices and subsidiaries in the UK.

The Company is exempt from publishing information required by The Capital Requirements (Country-by-Country Reporting) Regulations 2013 as the information is published by its parent, Barclays PLC. This information is available at home.barclays/annualreport.

Research and development

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

Statutory auditor

The Barclays Board Audit Committee reviews the appointment of the Barclays Group statutory auditor, as well as their relationship with the Barclays Group, including monitoring the Barclays Group's use of the statutory auditors for non-audit

services and the balance of audit and non-audit fees paid to them. The Company's Board Audit Committee also monitors the use of the statutory auditor for non-audit services within the Barclays Bank UK Group.

In our 2024 Annual Report, we disclosed Barclays' intention to conduct a formal tender process for the role of the Barclays Group statutory auditor (including the Company). The audit tender process was conducted in early 2025 and overseen by the Barclays Board Audit Committee (with support from the Board Audit Committee). Following conclusion of the audit tender process in May 2025, upon recommendation from the Board Audit Committee, the Board confirmed the re-appointment of KPMG as the Company's statutory auditor with effect from the financial year ending 31 December 2027. For more information on the audit tender process, please refer to the report of the Barclays Board Audit Committee in the Barclays PLC Annual Report 2025.

Disclosure of information to the auditor

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

Directors' responsibilities

The following statements, which should be read in conjunction with the auditor's report set out on pages 186 to 196, are made with a view to distinguishing for shareholders the respective responsibilities of the Directors and of the auditor in relation to the financial statements.

Going concern

In preparing the Barclays Bank UK Group's financial statements, the Directors are required to:

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

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

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

Preparation of accounts

The Directors are required by the Act to prepare the Company and the Barclays Bank UK Group accounts for each financial year and, with regard to Barclays Bank UK 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) International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), including interpretations issued by the IFRS Interpretations Committee. Pursuant to the Act, the Directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Barclays Bank UK Group and the Company and of their profit or loss for that period.

The Directors consider that, in preparing the financial statements, the Barclays Bank UK Group and 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 the Company's sole shareholder to assess the Barclays Bank UK Group and the Company's position and performance, business model and strategy.

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

Directors' responsibility statement

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

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

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

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

The current Directors, whose names and functions are set out on page 26, confirm to the best of their knowledge that:

(a) the financial statements, prepared 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, 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 the Directors' Report, includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

By order of the Board

KJ Marshall

Katie Marshall
Company Secretary
9 February 2026

Barclays Bank UK PLC
Registered in England. Company No. 9740322
Registered office: 1 Churchill Place, London E14 5HP

Managing data privacy, security and resilience

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

Data privacy

Many of the jurisdictions in which the Barclays Bank UK Group 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 the Barclays Bank UK Group 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 Policy and associated Standards set out what is expected of all Barclays Bank UK Group businesses and functions when collecting, using and sharing personal information.

To promote clear accountability, the Data Privacy Policy and associated Standards include responsibilities for the Business Senior Manager who has ultimate responsibility for the processing of personal data within that business. An agreed assurance programme measures compliance with the Data Privacy Policy and associated Standards. Barclays Bank UK Group colleagues must complete annual data privacy training which is reviewed and refreshed each year, with additional tailored training provided as necessary. The Group Data Protection Officer (GDPO) 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 upon. When we receive complaints, we seek to address these 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 Bank UK Group provides a publicly accessible mailbox and secure channels via its website to enable individuals to make their privacy requests and receive responses from a dedicated team.

Barclays Bank UK Group 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 contracts, 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 Information Security Office operates 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 of 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. The nature of such controls is described in further detail below.

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 and evolve 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

The stability and resilience of our systems, workforce and premises, and the continued provision of third-party services, all have a direct impact on the quality of our service.

Resilience and security are key priorities 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 people and premises. Recovery plans and business response plans have been developed for a range of different disruption events, such as cyber or data integrity disruptions, technology failures, or the unavailability of our colleagues. 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 which is underpinned by a Policy, Standards, methodologies and procedures, and is aligned to the requirements and expectations defined by our regulators. Our Operational Resilience Framework is integrated with Barclays' Enterprise Risk Management Framework (ERMF) and sets the tone from the top. The Standards are embedded within the Barclays Controls Framework and provide a consistent approach across the Group.

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 are the responsibility of everyone within the Group. All permanent employees are required to complete annual mandatory training on these topics.

Chief Information Security Office

Barclays' Chief Information Security Office exists to keep the bank, its customers, clients, and colleagues safe and secure, and to support the resilience of our operations. It supports Barclays' ability to operate in a protected and secure environment, and actively promotes a culture of security as everyone's responsibility.

The Group Chief Information Security Officer (CISO) heads Barclays' Chief Information Security Office. Barclays' Group CISO reports directly to the Group Co-Chief Operating Officers (members of the Group Executive Committee). Barclays' Group CISO is responsible for assessing and managing Barclays' risks from cybersecurity threats, and overseeing key areas that include cybersecurity operations (including cyber threat intelligence), proactive defence (which includes penetration testing and vulnerability management), security architecture and engineering, cyber posture and assurance (which includes third-party security management), data security, and identity and access management. The Group CISO is also supported by a team of CISOs and BISOs (Business Information Security Officers) for business units, regions 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 has more than 25 years of experience managing cybersecurity for global financial institutions, leading large-scale initiatives across all cybersecurity domains, including cyber defence, application security, vulnerability assessment, data protection, third party risk, cyber resilience, and security engineering. 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 health care, telecommunications and financial institutions. They are supported by teams of subject matter experts and analysts in a variety of specialisations.

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 12 Standards supporting the Group Information and Cybersecurity Policy (as more fully described below). These Cyber Control Standards Councils feed into the Cybersecurity Risk Category Controls Forum, the Group Controls Committee, the Group Risk Committee, and ultimately the Board Risk Committee. In addition, the Group Co-Chief Operating Officers hold business reviews that include management updates on the status of cybersecurity across the Group, and a standalone Chief Operating Office 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' ERMF, there is an Information and Cyber Security Policy supported by 12 Standards which define the minimum requirements for cybersecurity matters across the Barclays Group.

The Policy is embedded into the Group's ERMF with standards to implement cybersecurity risk management. 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, Third Party Information and Cyber Security, 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 Barclays Group Board Risk Committee, within its oversight of Operational Risk as a principal risk, is responsible for overseeing risks arising from cybersecurity threats. In 2025, the Group CISO provided updates to the Barclays Group 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 cyber attack scenario, Barclays' vulnerability management, privileged access to Barclays' systems, and regulatory developments. In addition, the Group Co-Chief Operating Officers provided updates to the Board detailing the progress being made to strengthen cybersecurity capabilities and reduce risk across the organisation as the threat environment continues to evolve.

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 2025, individual testing activities were undertaken as part of the Chief Information Security Office's threat led assurance model to assess Barclays' cyber defence capabilities.

Barclays also engages and 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, threat intelligence, fraud prevention, and industry benchmarking.

An important part of Barclays' security and cybersecurity environment is its Joint Operations Centres (JOCs), which operate 24/7 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 escalating, significant incidents, the Barclays Crisis Management Team monitors the response by Incident Management Teams, Resilience Leads, and others, and will invoke the relevant Barclays Crisis Leadership Teams (CLTs) if the severity of the incident so requires. 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 parties and their respective suppliers and partners 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 parties and their respective suppliers and partners, limiting the Group's ability to effectively protect and defend against certain threats.

Certifications

Barclays holds four ISO27001 certifications (i.e., the international standard on how to manage information security), the 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.

Financial crime

The Barclays Bank UK Group is committed to conducting its global activities with integrity and respecting its regulatory, ethical, and social responsibilities to:

- Protect customers, employees, and others with whom we do business, and
- Support governments, regulators, and law enforcement in wider financial crime prevention.

The Barclays Bank UK Group has no appetite for Financial Crime Risk issues and events that are material, systemic, not promptly remediated, not reported to regulators in a timely manner where required, and/or are likely to result in regulatory enforcement.

The Financial Crime Risk Management Framework (FCRMF) outlines how the Barclays Bank UK Group manages Financial Crime risk. The Group Chief Compliance Officer is accountable for developing, maintaining and overseeing the Group wide FCRMF.

The Financial Crime Risk Management consists of processes and tools under three categories:

- Risk identification, assessment and testing,
- Risk mitigation and management, and
- Risk monitoring and reporting.

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:

- Improperly obtaining or retaining business;
- Improperly securing a business or personal advantage;
- Inducing another person to perform their role in breach of an expectation of good faith, impartiality or trust;
- Using entrusted authority or power for personal/third party gain, to trade influence or to obtain any other unethical or illegal benefit.

The Barclays Bank UK Group 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 Bank UK Groups 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, the processing of assets derived from criminal activity, and terrorist financing have been identified as major threats to the international financial services community and therefore to the Barclays Bank UK Group. The Financial Crime Policy includes the requirement for the Barclays Bank UK Group's businesses and legal entities to have adequate systems, procedures, and controls in place to manage the risk of the Barclays Bank UK Group 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 takes 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. The Barclays Bank UK Group 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. The Barclays Bank UK Group 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 or the United Nations, (including but not limited to the proliferation of nuclear, chemical, or biological weapons). In order to protect its reputation and other legitimate business interests, in certain circumstances Barclays' sanctions risk appetite may be more conservative than its legal obligations.

The Financial Crime Policy is designed to ensure that the Barclays Bank UK Group and its employees know how to identify and manage the risks associated with sanctions, including the risk that activity is undertaken through the Barclays Bank UK Group in breach of sanctions regulations.

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The Barclays Bank UK Group's risk management strategy

This section introduces Barclays Bank UK 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 Barclays Bank UK 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 Barclays Bank UK Group. It is approved by the Barclays PLC Board on recommendation of the Barclays Group Board Risk Committee and the Barclays Bank UK Group Chief Risk Officer (CRO). The Barclays Bank UK PLC Board then approves its adoption on the recommendation of its Risk Committee, with modifications where needed.

The ERMF sets out:

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

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

Tesco Bank

On 1 November 2024, the Barclays Bank UK Group completed the acquisition of Tesco Bank. Following the acquisition, the Tesco Bank business has begun to transition across to the Barclays Bank UK Group risk framework, with dispensations in place for material divergences from existing Barclays Bank UK Group policy requirements. Full alignment and changes to the Tesco Bank risk approach are part of the wider integration programme and activities.

Principal risks

The ERMF identifies ten principal risks (see managing risk in the strategic report section) namely: climate risk, credit risk, market risk, treasury and capital risk, operational risk, model risk, compliance risk, financial crime risk, reputation risk and legal risk.

Each of the principal risks is overseen by an accountable executive at the Barclays Group level who is responsible for overseeing and/or assigning responsibilities for the framework, policies and standards, which set out risk management requirements.

The Barclays Bank UK Group is now subject to pension risk, which is included under the Treasury and Capital principal risk. The UK Retirement Fund (UKRF) became a sectionalised scheme with effect from 1 July 2025. From that date, the Barclays Bank UK Group solely participates in the Barclays UK Section and is responsible for funding that section, which is for current eligible employees of the Barclays Bank UK Group only. The defined benefit part of this section comprises a cash balance element that is accrued each year and revalued until Normal Retirement Age in line with the Retail Price Index (subject to a 0% floor and up to a maximum of 5% per annum). Life expectancy is not a risk for this section as the benefit at retirement is a cash lump sum not a pension for life. The sectionalisation means that the Barclays Bank UK Group is not exposed to the liabilities of the Barclays Bank Section of the UKRF, to which it had contingent exposure prior to 1 July 2025.

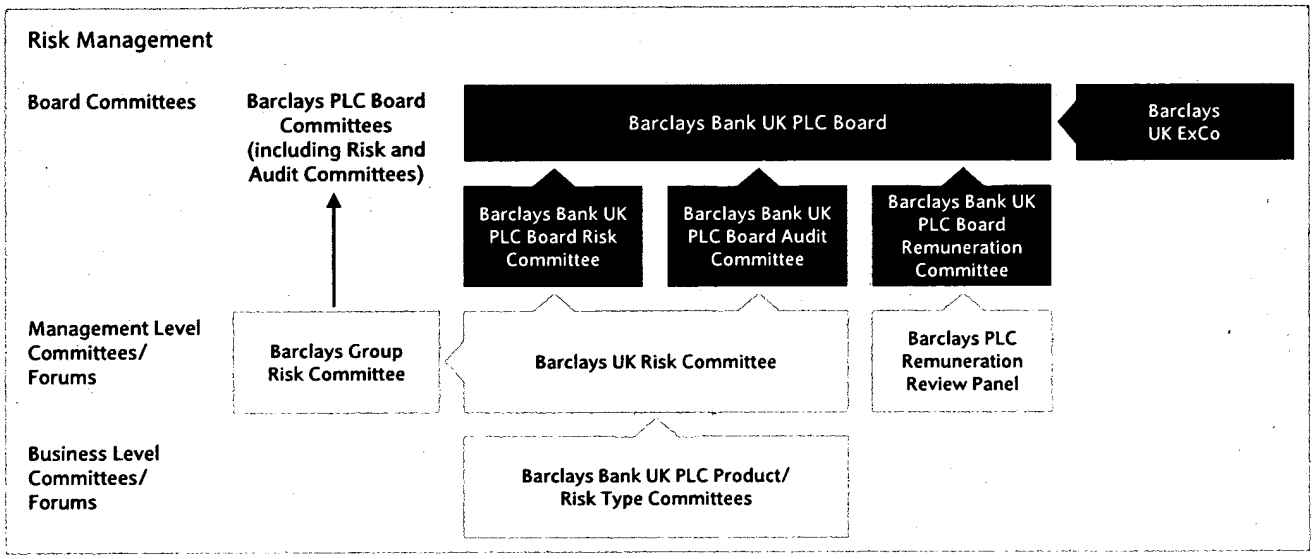
Risk appetite

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

Risk appetite is approved by the Barclays PLC Board in aggregate and disseminated across legal entities and businesses, including the Barclays Bank UK Group. The Barclays Bank UK Board cannot approve a higher risk appetite than that determined by the Barclays PLC Board without the approval of the Barclays PLC Board, but may choose to operate at a lower level of risk appetite than that approved by the Barclays PLC Board. The Barclays Group total risk appetite and its allocation to the Barclays Bank UK Group are supported by limits to enable and control specific exposures and activities that have material concentration risk implications.

Risk committees

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



The Barclays UK Risk Committee is the most senior executive body responsible for reviewing and monitoring the risk profile of the Barclays Bank UK Group. This includes coverage of all principal risks and any other material risks, to which the Barclays Bank UK Group is exposed. The Barclays UK Risk Committee reviews and recommends the proposed risk appetite and relative limits to the Barclays Group Risk Committee and the Barclays Bank UK PLC Board Risk Committee.

The Barclays Group Risk Committee receives regular updates on the risk profile of the Barclays Bank UK Group and will approve the risk appetite and limits for consideration by the Barclays PLC Board Risk Committee.

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

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

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

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

- **The Barclays Bank UK 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.

Key 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 alongside

the key 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 key theme definition in the future. The inventory of key themes is updated regularly with key changes presented to the BRC. The BRC reviews and discusses a report entitled 'Key Risk Themes and Management Actions ' on a quarterly basis.

The Barclays Bank UK Group's risk culture

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

The Barclays Bank UK Group is committed to maintaining a robust risk culture in which:
- management expect, model and reward the right behaviours from a risk and control perspective
- colleagues identify, manage and escalate risk and control matters, and meet their responsibilities around risk management

The Barclays Bank UK Group CEO works with the Executive Management to embed a sound risk culture within the Barclays Bank UK Group, with particular regard to the identification, escalation and management of risk matters, in accordance with the ERMF. This is supported by our Purpose, Values and Mindset, as well by as by setting a standard of consistent excellence. Specifically, all employees regardless of their positions, functions or locations must play their part in the Barclays Bank UK 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/our-sustainability-/sustainability-resource-hub/statements-and-policy-positions/ for more details.

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

The Barclays Bank UK Group has identified a broad range of risks to which its businesses are exposed. Material risks are those to which senior management pay particular attention and which could cause the delivery of the Barclays Bank UK 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 Barclays Bank UK Group faces For example, certain other factors beyond the Barclays Bank UK Group's control, including escalation of global conflicts, acts of terrorism, natural disasters, pandemics and similar events, although not detailed below, could have a similar impact on the Barclays Bank UK Group.

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

i) Business conditions, general economy and geopolitical issues

The Barclays Bank UK Group's operations are subject to changes in global and local economic and market conditions, as well as geopolitical developments, which may have a material impact on the Barclays Bank UK 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 Barclays Bank UK Group and require the Barclays Bank UK 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 Barclays Bank UK 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 2025, global economic conditions have been marked by uncertainty driven by a rapidly developing geopolitical environment, the impact of US trade policies, diverging monetary policies, continued economic slowdown in China and structural economic issues in the UK and the EU. Without limitation, the Barclays Bank UK 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) uncertainty about the impact of trade policies, export controls and tariff implementation across the globe dampening business and customer sentiment and economic activity through constrained consumer spending and business investment outside of sectors such as AI and defence. These factors could lead to economic stagnation or even recessionary dynamics across Europe, the UK and the US which could have a material adverse effect on the Barclays Bank UK Group's results of operations and profitability.

- The UK, which is the Barclays Bank UK Group's main retail banking market, faces a number of structural challenges. While the Labour government has identified economic growth as a priority, growth has so far remained subdued, falling short of market expectations. The adoption of tariffs and other protectionist measures and countermeasures may impact sectors in the UK reliant on exports. Furthermore, the fiscal position of the UK has remained challenging and there are risks of further economic headwinds, such as supply chain disruptions and trade fragmentation leading to higher inflation, which could have a material adverse effect on the Barclays Bank UK Group's results of operations and profitability. The long-term impact of the Labour government's fiscal policy could be detrimental for growth as well as for business and consumer sentiment, with risks to the Group's retail and corporate businesses.

- Weak economic sentiment is also reflected in the market's view of UK assets, widening spreads for UK government and UK corporate debt, softening of the housing market and lowering valuations of UK equities compared with non-UK peers. This may have a material adverse impact on the collateral held by the Barclays Bank UK Group in relation to its secured lending portfolios and may result in higher impairments and capital requirements. The UK stock market in particular continues to face structural headwinds, ranging from economic uncertainty and sectoral concentration to limited domestic capital deployment and regulatory constraints, potentially undermining its competitiveness and investor appeal, leaving the Barclays Bank UK Group, and its large UK corporate clients, indirectly exposed to potential risks relating to capital access and strategic positioning.

- The loss of 'the presumption of conformity' is widely reported to have raised costs for UK customers and clients exporting to the EU as it results in their products no longer being presumed to be in line with corresponding EU rules. This, together with the risk of regulatory divergence between the UK and the EU, has had, and may continue to have, an adverse impact on both the Barclays Bank UK Group's EU and UK operations. Efforts to recalibrate the relationship between both parties are ongoing, with the first review of the EU–UK Trade and Cooperation Agreement (TCA) expected in 2026. The trend for the EU–UK relationship is shifting from a minimalist post-Brexit stance toward structured cooperation on trade, climate, security, mobility and regulatory alignment, but risks to materialisation remain.

A deterioration in the aforementioned economic and business environment could result in (among other things):

- A prolonged slowdown in the markets where the Barclays Bank UK Group operates, with lower economic output, higher unemployment, and depressed property prices, which could lead to increased impairments in relation to a number of Barclays Bank UK Group's portfolios (including, but not limited to, the 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 affect the underlying value of assets held in the banking book including securities held by the Barclays Bank UK 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 Barclays Bank UK Group's liquidity position;

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

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

In addition to weak/unfavourable economic conditions, other risk factors could adversely affect the business environment in which Barclays Bank UK Group operates:

- Economic activity is largely 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 state sponsored actors using asymmetric tactics.

- Financial institutions are often perceived to have a role in global developments or events like geopolitical conflicts, climate change, digitalisation, fraud, money laundering, and sanctions, which give rise to reputational risks which are complicated to navigate.

- Disruptions to global supply chains have underlined the potential for further adverse impacts on the markets in which the Barclays Bank UK Group operates. Further geopolitical deterioration, particularly in Ukraine, the Middle East and/or South China Sea, and trade protectionism related de-coupling of production chains could also have a negative impact on the markets in which the Barclays Bank UK Group operates.

The circumstances mentioned above could have a material adverse effect on Barclays Bank UK 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 Barclays Bank UK Group's customers, clients, employees and suppliers.

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

The impact from changes to the Bank of England base interest rate and swap rates are potentially significant for the Barclays Bank UK Group, especially given the uncertainty as to the size and frequency of such changes.

Interest rate cuts could put pressure on the Barclays Bank UK 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 deposits. In that scenario the maturing structural hedges (portion maturing as part of the amortising structure) will be replenished at lower rates and this could adversely affect the profitability and prospects of the Barclays Bank UK 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 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. This could result in higher credit losses driving increased impairment charges which would most notably impact retail unsecured portfolios and could have a material effect on the Barclays Bank UK 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 Barclays Bank UK Group's liquid asset portfolio. Consequently, this could create more volatility than expected through the Barclays Bank UK Group's fair value through other comprehensive income (FVOCI) reserve and could adversely affect the profitability and prospects of the Barclays Bank UK Group.

iii) Competition in the banking and financial services industry

The Barclays Bank UK 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 Barclays Bank UK Group expects that competition in the financial services industry will remain intense and may have a material adverse effect on the Barclays Bank UK 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 deposit tokenisations and stablecoins) and 'buy now pay later' lending, both of which have been the subject of significant FCA initiatives in recent years, with the FCA starting to regulate 'buy now pay later' lending from 15 July 2026. 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 Barclays Bank UK 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 Barclays Bank UK Group has continued to take steps to expand its investment in and to integrate AI technologies. 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 Barclays Bank UK Group's customers and clients. For related competition risks refer to c) "New and emergent technology" in iv) Operational Risk below.

Ongoing or increased competition and/or disintermediation of banking services may put pressure on the pricing of the Barclays Bank UK Group's products and services, which could reduce the Barclays Bank UK Group's revenues and profitability, or may cause the Barclays Bank UK 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 Barclays Bank UK Group's businesses to meet the expectations of clients and customers, whether due to general market conditions, underperformance, a decision not to offer a particular product or service, branch closures, changes in client and customer expectations or other factors, could affect the Barclays Bank UK Group's ability to attract or retain clients and customers. Any such impact could, in turn, reduce the Barclays Bank UK Group's revenues.

iv) Regulatory change agenda and impact on business model

The Barclays Bank UK Group's business is 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 and, in some cases, other jurisdictions. Some legislative and regulatory changes that are relevant to the Barclays Bank UK 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 because the Barclays Bank UK 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, the

introduction of tax levies and transaction taxes, changes in compensation practices, and more detailed requirements on how business is conducted and customers are treated. Governments and regulators in the UK 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 Barclays Bank UK Group.

Current and anticipated areas of particular focus for the Barclays Bank UK Group's regulators, where regulatory changes could have a material effect on the Barclays Bank UK 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 FCA's ongoing consultation regarding the imposition of a motor finance customer compensation scheme, the consumer duty in the UK and the FCA's 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, and the UK regulators' focus on firms' management of non-financial misconduct matters;

- the introduction of a new regime for public offers and admission to trading of securities in the UK in January 2026 and the UK regulators' strategy for and promotion of competitive markets and growth, both domestically and internationally, including an increasing focus on streamlining and simplifying regulation;

- 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 and IT systems failures) on the UK financial sector, the role of critical third-party service providers to financial institutions, and operational incident and third party reporting requirements;

- the focus globally on technology adoption and digital delivery, including the use of 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 enacted (or to be enacted) 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, implementation of the fundamental review of the trading book (FRTB) proposals, the application of input and output floors and the leverage ratio, as well as reforms to other aspects of prudential regulation, including the large exposures framework, 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 on review and assurance activities, reporting methodology and data quality in relation to these prudential requirements;

- increasing regulatory expectations of firms around governance and risk management frameworks, particularly for the management of climate change and other sustainability-related risks, enhanced sustainability disclosure and reporting obligations, corporate sustainability due diligence obligations, anti-greenwashing rules and requirements to develop and disclose a climate transition plan including taking a different or opposing stance in relation to legislation and rules related to sustainability, and jurisdictional divergence, potentially leading to conflict between initiatives;

- the incorporation of climate change considerations, including transition risks in particular, within the global prudential framework;

- the operation of, and recent and prospective 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 Barclays Bank UK Group's ability to implement globally consistent and efficient operating models;
- financial crime, fraud and market abuse standards and increasing expectations for related control frameworks, to ensure firms are adapting to new threats and are protecting customers from cyber-enabled crime 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 to corporate criminal liability in the Economic Crime and Corporate Transparency Act 2023 in the UK, which also introduced a failure to prevent fraud offence from September 2025, and prospective amendments to further expand the scope of corporate criminal liability;
- the application and enforcement of economic sanctions, including those with extra-territorial effect and those arising from geopolitical tensions;
- individual operating entities within the Barclays Bank UK Group may be required to comply with additional regulatory requirements in order to facilitate the Barclays Group's resolution planning;
- continuing regulatory focus on data privacy, including the processing of personal data, safeguards against unauthorised or improper access or disclosure, adherence to cookie and cookie banner compliance, and the use of personal data in AI systems;
- continuing regulatory focus on policies and procedures for identifying and managing cybersecurity risks, cybersecurity governance and the corresponding disclosure and reporting obligations;
- ongoing requirements to allocate and monitor management accountability within the Barclays Bank UK Group (for example, the requirements of the Senior Managers and Certification Regime in the UK), as well as requirements relating to executive remuneration and, separately, potential reforms to the UK's SMCR; and
- continuing regulatory focus on the effectiveness of internal systems and controls and risk management frameworks.

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

v) Change delivery and execution risks

The Barclays Bank UK 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 Barclays Group's strategy is focused on a plan to become simpler, better and more balanced. This strategy is intended to enable the Barclays 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 Barclays Bank UK Group's strategic priorities, involving delivering on both externally driven programmes and key business initiatives to deliver revenue growth, product enhancement and operational efficiency outcomes. The magnitude, complexity and, at times, concurrent demands of the projects required to meet these priorities can result in heightened execution risk.

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

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

The Barclays Bank UK 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 Barclays Bank UK Group may face challenges from changing circumstances and external factors which are beyond the Barclays Bank UK Group's control, including the rapid growth of energy demand, lingering geopolitical uncertainty, and the lack of policy consistency between, and within, jurisdictions. Achieving the Barclays Bank UK Group's climate-related ambitions and targets will also depend on a number of factors outside the Barclays Bank UK 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, progress by clients towards their own net zero goals, and supportive public policies in markets where the Barclays Bank UK Group operates. If there is a lack of progress in the aforementioned areas, the Barclays Bank UK Group may fail to achieve its climate related ambitions and targets, and this could have a material adverse effect on the Barclays Bank UK Group's business, operations, financial condition, prospects and reputation.

vi) M&A and strategic initiatives

The Barclays Bank UK Group may, from time to time, pursue acquisitions, disposals or other strategic initiatives which could subject it to a variety of risks and uncertainties.

In connection with acquisitions, actual results associated with acquired businesses may differ from the anticipated results, including with respect to: (i) overall future performance of the assets and liabilities acquired and the ability to capitalise on anticipated growth opportunities; (ii) level of integration achieved, and the cost and timing of any integration and the resulting ability to realise expected synergies; (iii) failure to retain key employees, customers and suppliers of the acquired business (iv) cost and timing to achieve separation from any legacy businesses; and (v) the extent to which contingent risks arise in the acquired business.

In connection with disposals, the Barclays Bank UK Group may be required to continue to provide transitional services to the transferred business for a period of time.

In respect of transactions announced but not yet completed, it may be necessary to obtain regulatory and other approvals, or satisfy other conditions, before completion can occur, and there can be no assurance that such approvals will be obtained or such conditions satisfied (either at all or on terms which are acceptable to the Barclays Bank UK Group). Transactions that are announced may be subject to lengthy delays or may not proceed to completion.

Strategic activity of this nature is time-consuming and could produce unforeseen regulatory or operating difficulties, cause the Barclays Bank UK Group to incur incremental expenses or require incremental financial, capital, management and other resources. The Barclays Bank UK Group may also be exposed to post-transactional contractual claims in connection with acquisitions, disposals or other strategic activity.

Any of these risks could result in a failure to realise the anticipated benefits of any such strategic activity, or otherwise have a material adverse effect on the Barclays Bank UK Group's results of operations, financial conditions and prospects.

vii) Card Partnerships

The Barclays Bank UK Group maintains several co-branded credit cards and credit card partnership agreements. 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 Barclays Bank UK Group's business, results of operations, financial condition and prospects.

viii) Evolving landscape with respect to artificial intelligence (including generative and agentic artificial intelligence) (AI) and machine learning technologies

The use of rapidly evolving technologies such as AI, by the Barclays Bank UK Group and its third-party service providers, while presenting significant benefits, can also present risks and challenges to the Barclays Bank UK Group's business. Use of AI (and particularly the growing use of agentic AI) may expose the Barclays Bank UK Group to liability, reputational harm, regulatory actions and threats of litigation, particularly if such technology produces errors or hallucinations, or results in output that is biased, harmful, discriminatory or that infringes the intellectual property or data privacy rights of third parties, or otherwise if such technology does not function as intended.

The use of AI by the Barclays Bank UK Group's third-party service providers in their business activities, whether or not disclosed or known to the Barclays Bank UK Group, could also expose the Barclays Bank UK Group to risks. While the

Barclays Bank UK Group believes it conducts appropriate diligence prior to onboarding third-party service providers, the failure of one or more such service provider to meet the Barclays Bank UK Group's expectations may have an adverse effect on the Barclays Bank UK Group's operations or financial condition, result in legal or regulatory violations, jeopardise the Barclays Bank UK Group's intellectual property rights, cause the Barclays Bank UK Group to be in breach of its contracts or give rise to issues pertaining to data privacy and data protection. This may arise as a result of a service provider, including by use of AI tools in contravention of agreements with the Barclays Bank UK Group, inputting the Barclays Bank UK Group's confidential or proprietary information into AI tools, sourcing data for development, training or fine-tuning of the tool from unlawful sources or in an otherwise unlawful manner or implementing the roll-out of new AI tools or functionalities without the Barclays Bank UK Group's approval. See "supplier exposure" for more information regarding risks arising with respect to suppliers.

In addition, laws and regulations focused on the use and provision of AI technologies may impose certain obligations on the Barclays Bank UK Group. For example, emerging AI regulations may require the Barclays Bank Group to conduct complex impact assessments, risk evaluations or other compliance reviews prior to deploying AI tools for certain high-risk applications, including automated decision-making that affects individuals. Such assessments can be resource-intensive, time-consuming and may require input from third party specialist advisers. Any failure to conduct these assessments properly, or at all, could result in regulatory enforcement action, monetary penalties, mandatory cessation of AI system usage, litigation and potential liability, as well as other adverse consequences. Furthermore, the regulatory framework for AI continues to evolve and is largely unsettled and fast-moving to varying extents in the jurisdictions in which the Barclays Bank UK Group operates. Uncertainty in the legal regulatory regime relating to AI may require significant resources to modify and maintain business practices to comply with laws, the nature of which cannot be determined at this time.

Several jurisdictions around the globe, including Europe and certain US states, have already proposed or enacted laws governing AI. While the UK does not currently have in place any general statutory regulation of AI, some form of regulation is anticipated, although its content and timing is currently uncertain.

Other jurisdictions may decide to adopt similar or more restrictive legislation that may render the use of such technologies challenging or risky. Divergence in legislation and regulatory approach across jurisdictions may make it harder for the Barclays Bank UK Group to conduct its business using AI, lead to regulatory fines or penalties, require the Barclays Bank UK Group to change its product offerings or business practices, or limit the Barclays Bank UK Group's use of AI. If the Barclays Bank UK Group use of AI is restricted, it could lead to business disruption and the Barclays Bank UK Group's business may be less efficient or may be at a competitive disadvantage. Replacement of these technologies with compliant alternatives could require substantial capital expenditures or lead to a loss of proprietary data or historical optimisation. Additionally, if new regulations substantially restrict the Barclays Bank UK Group's usage of AI to drive business efficiencies, the Barclays Bank UK Group could face significantly higher operating costs to re-hire personnel or obtain third-party support to perform tasks previously handled by automated systems, requiring costly and time-intensive recruitment, training or outsourcing arrangements. Moreover, the Barclays Bank UK Group's failure, or perceived failure, to comply fully with developing laws and regulations relating to AI or machine learning technologies, or meet evolving and varied stakeholder expectations and industry standards, could harm the Barclays Bank Group's business, reputation, financial condition, and operating results.

See "Processing errors" and "Model risk" for more information regarding the potential consequences of integrating AI into the Barclays Bank UK Group's product or service offerings, "Data management, information protection and AI" for more information relating to risks relating to data protection and compliance with existing and future laws and regulations, and "cyber attacks" for more information on the cybersecurity risks relating to AI technologies.

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. Climate risk is a Principal Risk under Barclays' ERMF. The Climate Risk Policy focuses on managing the impacts of climate change across the Group's' financial and operational risk categories as defined in the Climate Risk Framework. Climate risk may also drive non-financial risks such as reputational and legal risk, which continue to be managed under their respective risk frameworks.

Physical risks, such as acute weather events (e.g. 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 (among other things).

A transition to a lower carbon economy requires policy and regulatory changes, technological innovations, and reshaped consumer behaviour and market sentiment. This can lead to transition risks from increased costs and reduced revenues.

The potential impacts of both physical and transition risks 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 impacts could subsequently effect the business model and profitability of both the Barclays Bank UK Group and its clients. There is significant uncertainty surrounding the timeframes in which both these physical and transition risks may manifest, adding further challenges to the Barclays Bank UK Group in assessing, quantifying and managing the risks associated with climate change within its downstream financed portfolios. Additionally, divergence in climate policies and regulatory standards across different jurisdictions may lead to inconsistencies in reporting, risk assessment methodologies and compliance requirements, making it challenging for the Barclays Group to adopt a unified approach to managing climate risk and meeting regulatory obligations. This fragmentation increases operational complexity and the cost of compliance, and undermines the Barclays Group's ability to effectively manage climate risks, including transition risks associated with high-emitting clients.

In 2025, mounting evidence pointed to a rise in physical risks, with acute events such as wildfires, droughts, and flash floods affecting multiple geographies globally. The UK experienced its hottest summer on record, with temperatures exceeding the long-term average by 1.5°C. There is also evidence of chronic physical risks materialising, with the Met Office's annual State of the UK Climate Report confirming that temperature and rainfall extremes are becoming more prevalent. The intensification of physical risks could increase risks in Barclays portfolios (e.g. UK mortgage portfolio) and also damage the Barclays Bank UK Group's facilities and infrastructure, leading to a potential adverse impact on its financial position.

The Barclays Bank UK Group recognises climate risk as an amplifier of existing risk categories, exerting influence across multiple principal risk types and heightening their severity. The Barclays Bank UK Group's clients that are more susceptible and exposed to climate-related risks may face operational and financial difficulties which in turn may impact their creditworthiness, lowering the Barclays Bank UK Group's profitability through higher impairments. Climate events can also trigger deposit withdrawals impacting liquidity buffers and affecting funding and capital requirements for the Group and its Legal Entities. Climate-related events can disrupt the Barclays Bank UK Group's operations by damaging facilities, interrupting business services, or weakening recovery capabilities, which may lead to an increase in operational risk incidents for the Barclays Bank UK Group.

The Barclays Bank UK Group may face difficulties from changing circumstances and external factors which are beyond its control, which can provide challenges to the Barclays Bank UK Group in meeting its climate-related ambitions and targets. These difficulties include geopolitical issues, energy security and other considerations such as policy environment, technological advancements and market dynamics for a low carbon economy. 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 climate goals and supportive government policies. Furthermore, these issues have led to, and may continue to cause, reputational harm to the Barclays Bank UK Group due to perceptions that its response to climate change is ineffective, insufficient, or otherwise inappropriate, which could result in potential adverse impacts on its financial position.

ii) Credit risk

Credit risk is the risk of loss to the Barclays Bank UK Group from the failure of clients, customers or counterparties, including sovereigns, to fully honour their obligations to the Barclays Bank UK 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 Barclays Bank UK Group's control, including wider economic conditions.

a) Impairment

Impairment is calculated in line with the requirements of IFRS9. Loss allowances, based on ECLs, are measured on a forward-looking basis using a broad range of financial metrics and application of complex judgements. Accordingly, impairment charges are potentially volatile and may not successfully predict actual credit losses, particularly under stressed conditions. Failure by the Barclays Bank UK Group to accurately estimate credit losses through ECLs could have a material adverse effect on the Barclays Bank UK Group's business, results of operations, financial condition, and prospects. For further details, refer to Note 8.

b) Specific portfolios, sectors, and concentrations

The Barclays Bank UK Group is subject to risks arising from changes in credit quality and recovery rates for loans and advances due from borrowers and counterparties. Additionally, the Barclays Bank UK Group is subject to a concentration of those risks where it has significant exposures to borrowers and counterparties in specific sectors, or to particular types of borrowers and counterparties. Any deterioration in the credit quality of such borrowers and counterparties could lead to lower recoverability from loans and advances, and higher impairment charges. Accordingly, any of the following areas of

uncertainty could have a material adverse impact on the Barclays Bank UK Group's business, results of operations, financial condition, and prospects:

- **Consumer affordability**: higher inflation and higher interest rates could increase the cost of living and negatively impact a customer's ability to service debt payments, leading to increased arrears in both unsecured and secured products. The risk is further heightened with uncertainty around global fiscal policy including tariffs and sovereign debt which could increase inflation and weaken economic growth.

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

- **Real Estate**: UK property represents a significant portion of the Barclays Bank UK Group's overall retail credit exposure. The Barclays Bank UK Group remains at risk of increased impairment from a material fall in property prices. The impact of affordability shocks as customers switch from lower to higher rates has continued to decrease during 2025 and arrears rates have stabilised. Any future increase in interest rates, however, would likely lead to an increase in missed payments and reduction in market demand which would put downward pressure on property prices and, in turn, impact the Barclays Bank UK Group's impairment and capital position. Furthermore, certain segments of the housing market could be subject to specific valuation impacts (for example, properties within the Barclays Bank UK Group's residential loan portfolio may be exposed to physical or transition climate risks).

Impact to the creditworthiness of the Barclays Bank UK Group's clients, customers and counterparties (particularly in high carbon sectors), can also arise out of climate-related legal actions or investigations commenced against the Barclays Bank UK 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 the Barclays Bank UK Group portfolios. For further details on the Barclays Bank UK Group's approach to credit risk, refer to the credit risk management and credit risk performance section.

iii) **Treasury and capital risk**

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

a) **Liquidity risk**

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

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

- Impacts of market volatility: adverse market conditions, with increased volatility in asset prices, could: (i) negatively impact the Barclays Bank UK Group's liquidity position through increased derivative margin requirements and/or wider haircuts when monetising liquidity pool securities; (ii) make it more difficult to execute secured financing transactions; and (iii) expose the Barclays Bank UK 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 Barclays Bank UK Group's liquidity position, as cash and liquid assets required for intraday purposes are unavailable to meet other outflows.

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

- Credit rating changes and impact on funding costs: any reductions in a credit rating (in particular, any downgrade below investment grade) may affect the Barclays Bank UK Group's access to money markets and/or the terms on which the Barclays Bank UK Group is able to obtain market funding. For example, this could lead to increased costs of funding and wider credit spreads, the triggering of additional collateral or other requirements in derivative contracts and other

secured funding arrangements, or limits on the range of counterparties who are willing to enter into transactions with the Barclays Bank UK Group.

- Ongoing access to wholesale funding: Barclays Bank UK Group may access the money markets to provide short-term and long-term unsecured 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 Barclays Bank UK Group's unsecured wholesale funding or affect the Barclays Bank UK Group's access to such funding.

b) Capital risk

Capital risk is the risk that the Barclays Bank UK 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 includes risks related to Barclays Bank UK Group's defined benefit pension scheme following sectionalisation from Barclays Group UK Retirement Fund. Key capital risks that the Barclays Bank UK Group faces include:

- **Failure to meet prudential capital requirements**: this could lead to the Barclays Bank UK 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 and/or credit ratings, restrictions on distributions and/or the need to take additional measures to strengthen the Barclays Bank UK Group's capital or leverage position.

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

- **Adverse movements in the pension fund**: adverse movements in pension assets and liabilities for defined benefit pension schemes could result in deficits on a technical provision and/or IAS 19 accounting basis. This could lead to the Barclays Bank UK Group making additional contributions to its pension plans and/or a deterioration in its capital position. The market value of pension fund assets might decline or investment returns might reduce. Under IAS 19, the liabilities discount rate is derived from the yields of high-quality corporate bonds. Therefore, the valuation of the Barclays Bank UK 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 Barclays Bank UK 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 Barclays Bank UK Group is exposed to capital or income volatility because of changes in credit spreads on its (non-traded) assets and liabilities. The Barclays Bank UK 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 sterling interest rates may also compress net interest margins on retail portfolios. In addition, the Barclays Bank UK Group's liquid asset portfolio is exposed to potential capital and/or income volatility due to movements in market rates and prices which may have a material adverse effect on the capital position of the Barclays Bank UK Group.

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

iv) Operational risk

Operational risk is the risk of loss to the Barclays Bank UK 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 Barclays Bank UK 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 Barclays Bank UK Group and across the financial services industry, which has impacted the Barclays Bank UK Group in the

past and may continue to impact the Barclays Bank UK Group in the future, whether arising through failures in the Barclays Bank UK Group's technology systems, cyber and/or data integrity disruptions, unavailability of services supplied by third parties, or unavailability of personnel and premises.

A challenge for the Barclays Bank UK Group, as for all companies, is the ability to recover from and remain within impact tolerance for a pervasive cyber attack which impacts a number of applications, data and infrastructure services, or a third party. Failure to build resilience and recovery capabilities into business processes, or into the services on which the Barclays Bank UK Group's business processes depend, may result in significant customer harm, costs to reimburse losses incurred by the Barclays Bank UK 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) Cyber attacks

Cyber attacks 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 Barclays Bank UK Group experiences numerous attempts to compromise its cybersecurity protections. In 2025, cybersecurity incidents experienced by the Barclays Bank UK Group included phishing and cyber incidents within our supply chain.

The Barclays Bank UK Group cannot provide absolute security against cyber attacks. 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. Additionally, the Barclays Bank UK Group's deployment of agentic AI with access to systems, data and third-party tools creates an expanded attack surface for cyber attacks, as threat actors may exploit inadequate permissioning controls to manipulate agents into executing unauthorised actions, accessing sensitive information or initiating malicious transactions beyond their intended scope, and the autonomous nature of these systems may enable attackers to conduct multi-step attacks that evade traditional security controls before detection occurs.

Cyber attacks can originate from a wide variety of sources and target the Barclays Bank UK Group in numerous ways, including via the Barclays Bank UK Group's networks, systems, applications, devices, or parties such as service providers and other suppliers, counterparties, employees, contractors, customers or clients, presenting the Barclays Bank UK Group with a vast and complex defence perimeter. Moreover, the Barclays Bank UK 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 Barclays Bank UK Group's ability to effectively protect and defend against certain threats. Some of the Barclays Bank UK 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 Barclays Bank UK Group's data and ransomware attacks that disrupted service providers' or suppliers' operations and, in some cases, have had impacts on the Barclays Bank UK Group's operations. Such cyber attacks are likely to continue. Many of the Barclays Bank UK Group's' agreements with third parties include liability or indemnification provisions, but the Barclays Bank UK Group may not be able to recover sufficiently, or at all, under these provisions to adequately offset any losses or other adverse impacts the Barclays Bank UK Group may incur from third party incidents.

Inadequacies in, or failures in the adherence to, the Barclays Bank UK 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 Barclays Bank UK Group's ability to successfully prevent and defend against cyber attacks. Furthermore, certain legacy technologies that are at or approaching end-of-life may not be able to maintain acceptable levels of security.

The Barclays Bank UK Group's assessment of its cybersecurity risk reflects 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 events that could impact the Barclays Bank UK Group directly, or indirectly through its critical suppliers or national infrastructure.

Certain cybersecurity risks to the Barclays Bank UK Group may be unknown to management and therefore not fully accounted for in the Barclays Bank UK Group's cybersecurity assessments, strategy and programme priorities.

The Barclays Bank UK Group uses targeted external independent reviews to help ensure that its assessment of cybersecurity risk is comprehensive and dynamic, and the Barclays Bank UK Group continues to implement enhancements identified through previous cybersecurity testing and reviews.

Common types of cyber attacks 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 cyber attack of any type has the potential to cause serious harm to the Barclays Bank UK 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 Barclays Bank UK Group's brand and reputation, and other financial loss. The impact of a successful cyber attack 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.

While the Barclays Bank UK 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.

A successful cyber attack may result in significant fines and penalties to the Barclays Bank UK Group. In addition, any new regulatory measures introduced to mitigate these risks are likely to result in increased technology and compliance costs for the Barclays Bank UK Group.

For further details on the Bank's approach to cyber attacks, see the Operational risk performance section on page 170. For further details on cybersecurity regulation applicable to the Bank, refer to the supervision and regulation section on page 175.

c) New and emergent technology

Technology is fundamental to the Barclays Bank UK Group's business and the financial services industry. Technological advancements present opportunities to develop new and innovative ways of doing business across the Barclays Bank Group, with new solutions being developed both in-house and in association with third party companies.

The rapid development in AI is an area of technological advancement that the Barclays Bank UK Group is monitoring closely. This includes the identification of potential use cases for responsible adoption of AI in the Barclays Bank UK 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. Additionally, inventions or works of authorship created using AI technologies may be based on, rely on, or contain materials that were used in the training of such technologies and which are subject to third-party intellectual property rights. This could expose Barclays Bank UK Group to claims of intellectual property infringement or misappropriation. Other related risks include exposure to open-source software risks when using AI-based coding tools (that have been developed using vast amounts of open-source software) to write software. The use of copyrighted materials in AI and machine learning technology has not been fully interpreted by courts, creating additional uncertainty regarding potential intellectual property risks.

In addition, while AI can present significant benefits, it also presents significant and evolving risks and challenges to Barclays Bank UK Group's business, such as those related to algorithmic fairness, data life-cycle management, data ethics, data privacy and security and records management (e.g. the risks arising from any failure to appropriately identify and retain prompts, logs, outputs and intermediate artefacts from an AI process in accordance with business needs, as set out in the applicable retention schedule, and data protection laws). AI also poses data sourcing, technology integration and process issues and programme bias in decision-making algorithms. Any of these risks could impair the adoption and acceptance of AI and result in regulatory investigations or actions, litigation, client dissatisfaction, reputational harm and adverse effects on its business and financial condition. These risks may be more significant for certain AI tools (for example, agentic AI has the potential to exacerbate certain risks, such as those relating to data privacy and security, due to its autonomous nature) or if AI is deployed in an uncoordinated but widespread way within the Barclays Bank UK Group (particularly relating to the use of AI agents).

If the output from AI in Barclays Bank UK Group's products, systems or solutions is deemed to be inaccurate or questionable, or if the use of AI does not operate as anticipated or perform as promised (including in relation to confidential information and personal data), the Barclays Bank UK Group may be exposed to additional liability, reputational harm,

potential regulatory enforcement and threats of litigation, as further described at "Evolving landscape with respect to artificial intelligence (including generative and agentic artificial intelligence) (AI) and machine learning technologies," "Model risk" and "Data management, information protection and AI".

Alongside those risks associated with the deployment of AI, risks could also arise from decisions not to deploy the technology. As the adoption of AI quickens, risks arising from competition with Barclays Bank UK Group's peers are intensified. Any failures to adequately leverage AI technologies, or the adoption of an overly conservative approach to AI implementation, could cause Barclays Bank UK Group to miss significant business opportunities, fall behind competitors, and adversely affect its growth prospects and financial performance. Pressure to recruit personnel with specific AI-based skill sets and to upskill existing employees in this context may give rise to significant costs and/or may be difficult to sustain, and such steps do not necessarily mitigate these risks from competitors.

d) Fraud

The nature of fraud is wide-ranging and continues to evolve, as criminals seek opportunities to target the Barclays Bank UK Group's business activities and exploit changes in customer behaviour, product and channel use (such as the increased use of digital products and enhanced online services). Fraud attacks vary, can be highly sophisticated (e.g. leveraging deepfake and automation capabilities), and be orchestrated by organised crime groups or individuals. Bad actors use various techniques to target customers and colleagues directly (i.e. third party fraud) or Barclays Bank UK Group directly (i.e. first party fraud such as, for example, intentionally providing false information to Barclays for personal gain). In the UK, Authorised Push Payment (APP) 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 Barclays Bank UK Group and its customers, loss of business, missed business opportunities and reputational damage, all of which could have a material adverse impact on the Barclays Bank UK Group's business, results of operations, financial condition and prospects.

e) Data management, information protection and AI

The Barclays Bank UK Group holds and processes large volumes of data, including personal information, financial data and other confidential information, and the Barclays Bank UK Group's businesses are subject to complex and evolving laws and regulations governing the privacy and protection of data, including Regulation (EU) 2016/679 (the General Data Protection Regulation as it applies in the EU and the UK). This data could relate to: (i) the Barclays Bank UK Group's clients, customers, prospective clients and customers and their employees; (ii) clients and customers of the Barclays Bank UK Group's clients and customers and their employees (iii) the Barclays Bank UK 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 Barclays Bank UK Group by third-party vendors, partners, or suppliers which therefore exposes the Barclays Bank UK Group to risks from vulnerabilities and non-compliance in its supply chain.

Data, including personal information, is subject to external as well as internal (whether intentional or accidental) security risks. Concerns regarding the effectiveness of the Barclays Bank UK Group's measures to safeguard data, including personal information, or even the perception that those measures are inadequate, could expose the Barclays Bank UK Group to the risk of loss or unavailability of data or data integrity issues and/or cause the Barclays Bank UK Group to lose existing or potential clients and customers, and thereby reduce the Barclays Bank UK Group's revenues. Furthermore, any failure or perceived failure by the Barclays Bank UK Group to comply with applicable privacy or data protection laws and regulations may subject it to potential contractual liability, claims, litigation, regulatory or other government action (including significant regulatory fines) and require changes to certain operations or practices which could also inhibit the Barclays Bank UK Group's development or marketing of certain products or services, or increase the costs of offering them to customers. Any of these events could damage the Barclays Bank UK Group's reputation, subject the Barclays Bank UK Group to material fines or other monetary penalties, make the Barclays Bank UK 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.

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 Barclays Bank UK Group's business, even if unfounded. AI technologies are highly reliant on the collection and analysis of large amounts of data, which may be overbroad, insufficient, or contain biased, inaccurate or incomplete information. There often exists a lack of transparency regarding the sources of data (including personal data) used to train or develop AI technologies or how inputs are converted to outputs and the Barclays Bank UK Group may not be able to fully validate this process and its accuracy (particularly where it is part of a complex, multi-step process and inaccurate or incomplete information may be compounded across many steps, such as in agentic AI systems). This could result in outputs that include or are derived from inaccurate, incomplete or erroneous information, or that include AI bias, AI hallucinations, harmful content, discrimination, violation of privacy law or intellectual property infringement or

misappropriation. Additionally, if the AI model in a tool used by the Barclays Bank UK Group has been trained by a third party in a manner that is not compliant with data protection laws, there is a risk that the Barclays Bank UK Group will be held liable in certain jurisdictions.

For further details on data protection regulation applicable to the Barclays Bank UK Group, refer to the supervision and regulation section and for further detail on the associated risks, refer to the sections entitled "Evolving landscape with respect to artificial intelligence (including generative and agentic artificial intelligence) (AI) and machine learning technologies" and "New and emergent technology".

f) Processing errors

The Barclays Bank UK 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 Barclays Bank 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 Barclays Bank Group works to implement AI technologies into the Barclays Bank 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 Barclays Bank Group's ability to accurately execute, track or report transactions. There can be no assurances that AI usage will enhance the Barclays Bank 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, as further described in c) New and emergent technology and vi) Model risk. Furthermore, events that are wholly or partially beyond the Barclays Bank Group's control, such as a spike in transaction volume, could adversely affect the Barclays Bank Group's ability to process transactions or provide banking and payment services.

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

g) Supplier exposure

The Barclays Bank UK Group depends on suppliers for the provision of many of its services and the development of technology, including AI technology. Whilst the Barclays Bank Group depends on suppliers, it remains fully accountable to its customers and clients for risks arising from the actions of suppliers and may not be able to recover from its suppliers any amounts paid to customers and clients for losses suffered by them. The dependency on suppliers and sub-contracting of outsourced services introduces concentration risk where the failure of specific suppliers could have an impact on the Barclays Bank Group's ability to continue to provide material services to its customers. In addition, the use of third-party AI technologies, and the use of AI by suppliers, may expose the Barclays Bank UK Group to risk, 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. Over-reliance on a small number of suppliers of AI services may create operational resilience and concentration risk, heightening the potential for macro-level disruption if any one provider experiences outage, compromise, or model instability. For further information on AI-related risks, including in connection with suppliers, please see the sections entitled "Evolving landscape with respect to artificial intelligence (including generative and agentic artificial intelligence) (AI) and machine learning technologies", "New and emergent technology", "Data management, information protection and AI," and "Model risk" Failure to adequately manage supplier risk could have a material adverse effect on the Barclays Bank UK Group's business, results of operations, financial condition and prospects.

h) 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. 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 fair value of financial instruments, goodwill and intangible assets, 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 or subsequent feedback from the Barclays Bank UK Group's regulators, this could result in material losses to the Barclays Bank UK Group, beyond what was anticipated or provided for, including as a result of changes to treatments or stated capital or liquidity 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 Barclays Bank UK Group's distribution policy could be impacted and/or additional measures may be required to strengthen the Barclays Bank UK Group's capital or leverage position, which may also lead to the Barclays Bank UK Group's inability to achieve stated targets. Further development of accounting standards and regulatory interpretations could also materially impact the Barclays Bank UK Group's results of operations, financial condition and prospects.

i) **Tax risk**

The Barclays Bank UK Group is required to comply with the tax laws and practice of all countries in which it has business operations. There is a risk that the Barclays Bank UK Group could suffer losses due to additional tax charges, other financial costs or reputational damage as a result of failing to comply with such laws and practice (including where the Barclays Bank UK 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. In addition, increasing tax authority focus on customer tax reporting requirements for UK and international customers and the digitalisation of the administration of tax has potential to increase the Barclays Bank UK 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 Barclays Bank UK Group's tax compliance obligations. This tax regime has required system and process changes that introduce additional operational risks.

j) **Ability to hire and retain appropriately qualified employees**

As a regulated financial institution, the Barclays Bank UK Group requires diversified and specialist skilled colleagues. The Barclays Bank UK Group's ability to attract, develop and retain a diverse mix of talent is key to the delivery of its core business activity and strategy. This is impacted by a range of external and internal factors, such as macroeconomic factors, labour, immigration and related policies in the jurisdiction in which the Barclays Bank UK Group operates, regulatory limits on compensation for senior executives and operational factors. Failure to attract or prevent the departure of appropriately qualified and skilled employees could have a material adverse effect on the Barclays Bank UK 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 Barclays Bank UK Group's approach to operational risk, refer to the operational risk management and operational risk performance sections.

v) Model risk

Model risk is the potential for adverse consequences from decisions based on incorrect or misused model outputs and reports. The Barclays Bank UK 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 Barclays Bank UK Group making inappropriate business decisions and/or inaccuracies or errors in the Barclays Bank UK Group's risk management and regulatory reporting processes. In addition, the rapid development of AI, especially agentic AI creates further challenges due to the unique and heightened risks presented by these model types. This includes risks arising from AI hallucinating and providing false information, the exacerbation of bias and fairness risk due to the automation of outcomes and the absence or insufficiency of human oversight (particularly relating to agentic AI). 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 Barclays Bank UK Group's business, results of operations, financial condition and prospects.

For further details on the Barclays Bank UK Group's approach to model risk, refer to the model risk management and model risk performance sections and the section on "New and emergent technology".

vi) Compliance Risk

Compliance risk is the risk of poor outcomes for, or harm to, customers, clients and markets, arising from the delivery of the Barclays Bank UK Group's products and services (conduct risk) and the risk to the Barclays Bank UK Group, its clients, customers or markets from a failure to comply with the laws, rules and regulations (LRR) applicable to the firm.

Previously, financial crime risk was managed as part of compliance risk, but was elevated to a principal risk in the ERMF, effective from 1 January 2025. Consequently, the Compliance Risk taxonomy was revised to better reflect material and emerging risks. Compliance risks have been categorised into six core areas, including:

a) Wholesale conduct risk

The Barclays Bank UK Group businesses are exposed to risk of detriment to colleagues, customers or market participants as a result of failures to adhere to proper standards of wholesale conduct when carrying out the Barclays Bank UK Group's business activities.

Examples of wholesale conduct which could have a material adverse effect on our business include: (i) undertaking business communications via unauthorised channels and / or inappropriate conduct or behaviour; (ii) business conflicts of interest that lead to the detriment of customers or market participants; (iii) trade lifecycle processes that do not meet regulatory requirements or harm market participants; (iv) the risk of engaging in insider dealing behaviours or breaching of information barriers; and (v) the risk of engaging or attempting to engage in market manipulation.

b) Customer protection risk

The Barclays Bank UK Group must ensure that its customers, particularly those that are vulnerable, are able to make well-informed decisions on how best to use our financial services and understand the protections available to them if something goes wrong. Poor customer outcomes can result from the failure to: (i) design and distribute products and services that deliver good customer outcomes; (ii) remediate, provide redress, or appropriately respond to complaints; (iii) identify and safeguard client money and assets, including deposits; (iv) manage investment products and services in line with customer expectation; and (v) provide customer services that deliver good customer outcomes.

c) Product design and review risk

Products and services must meet the needs of clients, customers, markets and the Barclays Bank UK 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 Barclays Bank UK Group.

d) Regulatory compliance risk

The Barclays Bank UK Group must ensure that business activities, and those carrying them out, observe relevant laws, codes, rules and regulations that are applicable to them. We must also ensure our employees are adequately supervised, manage personal conflicts of interest, and disclose activities which may harm customers, the Group and the markets in which the Barclays Bank UK Group operates.

Regulators around the world continue to emphasise the importance of culture and personal accountability and enforce the adoption of adequate internal reporting and whistleblowing procedures to help to promote appropriate conduct and drive positive outcomes for customers, colleagues, clients and markets. The requirements and expectations of the UK Senior Managers Regime, Certification Regime and Conduct Rules reinforce additional accountabilities for individuals across the Barclays Bank UK Group, with an increased focus on governance and rigor, 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.

e) Data privacy risk

Barclays must ensure that personal data is handled in a way that meets data privacy laws, rules and regulations and the rights and expectations of individuals. We do this by establishing mechanisms to govern and oversee the use of personal data and managing personal data in line with individuals' rights and expectations. Any failure complying with applicable rules, laws and regulations may subject the Barclays Bank UK Group to potential contractual liability, claims, litigation, fines; reputational damage; and cause enhanced regulatory oversight.

f) Laws, rules and regulations risk

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

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

vii) Financial crime risk

Financial crime risk is the risk that the Barclays Bank UK Group and its associated persons (employees or third parties) commit or facilitate financial crime, and/or Barclays Bank UK Group's products and services are used to facilitate financial crime.

Financial crime risk management incorporates anti-bribery & corruption, anti-money laundering (including terrorist financing), tax evasion facilitation and sanctions risks (including proliferation financing). The Barclays Bank UK Group is subject to laws and regulations governing these areas, including "failure to prevent" offences whereby the Bank may be liable for failure to prevent crimes carried out by persons acting on its behalf.

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 Barclays Bank UK 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 Bank to win or retain business; (v) the Barclays Bank UK Group's proprietary investments, joint ventures and mergers and acquisition or (vi) suppliers who act for and on behalf of the Barclays Bank UK Group.

Money laundering, the processing of assets derived from criminal activity, and terrorist financing have been identified as major threats to the international financial services community and therefore to the Barclays Bank UK Group. The UK has legislation designed to manage the risk of money laundering and to combat terrorism (together 'AML') and outlines the offences and penalties for failing to comply. This legislation, together with regulations, rules and industry guidance, forms the cornerstone of AML obligations for UK firms. The requirements of UK legislation apply to Barclays globally and as a transatlantic bank, Barclays AML standards take account of US AML requirements, in addition to the EU and other jurisdictions in which we operate. Barclays also takes account of guidance issued by bodies such as the Wolfsberg Group.

Sanctions are restrictions on activity with targeted countries, regions, governments, entities, individuals, and industries that are imposed by bodies such as the European Union (EU), the United Nations (UN), (including but not limited to the proliferation of nuclear, chemical, or biological weapons). As a global financial institution, Barclays Bank UK Group must comply with applicable sanctions laws, rules and regulations in every jurisdiction in which it operates, or which apply to it because of the place of incorporation of its Group members. In order to protect its reputation and other legitimate business interests, in certain circumstances, Barclays' sanctions risk appetite may be more conservative than its legal obligations.

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. Barclays Bank UK PLC may be exposed to facilitation 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.

Failure to appropriately manage these financial crime risks may undermine market integrity and may result in harm to the Barclays Bank UK 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.

viii) Reputation risk

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

Any material lapse in standards of integrity, compliance, customer service or operating efficiency may represent a potential reputation risk. Stakeholder expectations constantly evolve, and so reputation risk is dynamic and varies between geographical regions, groups and individuals. A risk arising in one business area can have an adverse effect upon the Barclays Bank UK Group's overall reputation and any one transaction, investment or event (in the perception of key stakeholders) can reduce trust in the Barclays Bank UK Group's integrity and competence. The Barclays Bank UK Group's

association with sensitive topics and sectors has been, and in some instances continues to be, an area of concern for stakeholders, including: (i) the financing of, and investments in, businesses which operate in sectors that are sensitive because of their relative carbon intensity or local environmental impact; (ii) potential association with human rights violations (including combating modern slavery) in the Barclays Bank UK Group's operations or supply chain and by clients and customers; and (iii) the financing of businesses which manufacture and export military and riot control goods and services.

Reputation risk could also arise from negative public opinion about the actual, or perceived, manner in which the Barclays Bank UK Group (including its employees, clients and other associations) conducts its business activities, or the Barclays Bank UK Group's financial performance, as well as actual or perceived practices in banking and the financial services industry generally.

Modern technologies, in particular online social media channels and other broadcast tools that facilitate communication with large audiences in short time frames and with minimal costs, may significantly enhance and accelerate the distribution and effect of damaging information and allegations. Negative public opinion may adversely affect the Barclays Bank UK 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 Barclays Bank UK Group's business, results of operations, financial condition and prospects. Claims of potential greenwashing arising from sustainability-related statements made by the Barclays 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 Barclays Bank UK Group (refer to 'iv) Operational risk' above).

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

ix) Legal risk and legal, competition and regulatory matters

The Barclays Bank UK Group conducts diverse activities in a highly regulated 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 Barclays Bank UK Group's businesses and business practices. In each case, this exposes the Barclays Bank UK Group and its employees to the risk of investigation or enforcement action, loss or the imposition of penalties, damages or fines from the failure of members of the Barclays Bank UK 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.

The risk of non-compliance with the relevant rules and regulations may manifest itself where regulatory rules take the form of principles or outcome-based regulation. Uncertainty in regulatory expectations (including as a result of interpretation of principles-based regulation) may also lead to the risk that a regulator or another public body may look back at the Barclays Bank UK Group's historical conduct and find that there has been a mismatch between the prevailing market practices at the relevant time and the regulatory expectations, guidance or interpretations that have since developed.

A breach of applicable laws, rules and/or regulations by the Barclays Bank UK Group or its employees could result in criminal prosecution, regulatory censure, withdrawal or restriction of regulatory authorisations, licences and permissions, potentially significant fines, remedial orders and other sanctions. Where clients, customers or other third parties are harmed by the Barclays Bank UK Group's conduct, this may also give rise to civil legal proceedings, including class actions. In this regard, the growing claimant law firm market and the globalisation of class actions have enabled mass tort litigation and multi-claimant litigation on matters relating to competition, data breaches and sustainability. Any such litigation could lead to unmeritorious or speculative claims, inconsistent outcomes and the potential for disproportionate costs and burdens for the Barclays Bank UK Group.

Clients and customers of the Barclays Bank UK Group who qualify as eligible complainants under the Financial Services and Markets Act (as amended) may also bring complaints against the Barclays Bank UK Group before the Financial Ombudsman Service (FOS). As the Ombudsman has a relatively high degree of discretion when adjudicating complaints, dispute resolution through the FOS is inherently more uncertain than adjudication through the courts in traditional civil legal proceedings. FOS decisions have knock-on impacts on the Barclays Bank UK Group, as the Barclays Bank UK Group is required under the relevant regulatory rules to consider and take appropriate measures to provide redress to customers who may have suffered similar detriments but have not complained.

Other legal disputes may also arise between the Barclays Bank UK Group and third parties relating to matters such as breaches or enforcement of legal rights or obligations arising under contracts, statutes or common law. Adverse findings in any such matters may result in the Barclays Bank UK Group being liable to third parties or may result in the Barclays Bank UK Group's rights not being enforced or not being enforced in the manner intended or desired by the Barclays Bank UK Group.

Following the landmark Supreme Court judgment in *Johnson v FirstRand Bank Ltd (London Branch) (t/a MotoNovo Finance) 2025 UKSC 33*, which found that an unfair relationship under the Consumer Credit Act 1974 existed between a motor finance lender and its customer based on the particular facts of that case, the FCA is consulting on an industry-wide compensation scheme for affected motor finance customers. The FCA has stated that, if it introduces a redress scheme, it expects to publish a policy statement and final rules in February or March 2026, with compensation to consumers beginning later in 2026. The nature, extent and timing of any remediation action, if required under the FCA compensation scheme, remain uncertain.

Further details of legal, competition and regulatory matters to which the Barclays Bank UK Group is currently exposed are set out in Note 24. In addition to matters specifically described in Note 24, the Barclays Bank UK Group is engaged in various other legal proceedings which arise in the ordinary course of business.

The Barclays Bank UK Group is also subject to requests for information, investigations and other reviews (including skilled person reviews) by regulators and other public bodies. These may be in connection with business activities in which the Barclays Bank UK Group is, or has been, engaged, or areas of particular regulatory focus, such as financial crime, money laundering or terrorist financing. In addition, regulatory authorities' approaches and expectations, including their policies and priorities for enforcement investigations or actions, may change from time to time. The Barclays Bank UK Group may also (from time to time) be subject to claims and/or legal proceedings and other investigations relating to financial and non-financial disclosures made by members of the Barclays Bank UK Group (including, but not limited to, regulatory capital and liquidity reporting and sustainability disclosures).

Financial institutions, including the Barclays Bank UK Group, may face increasing litigation, conduct, enforcement and contract liability risks related to climate change, environmental degradation and other social, governance and sustainability-related issues as a result of their business activities. There are an increasing number of new climate and sustainability-related laws and regulations. There is growing demand from investors and customers for sustainable products and services as well as greater transparency in respect of business operations. This has been accompanied by increased regulatory and NGO scrutiny which can create litigation or enforcement risk, either for not disclosing relevant information or due to the information disclosed. In particular, there has been an increasing focus on greenwashing, with greater consumer protection powers afforded to the Competition and Markets Authority under the Digital Markets, Competition and Consumers Act 2024 which can be used to tackle greenwashing.

Certain stakeholders have taken legal action (including under "soft law" mechanisms) against the Barclays 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 Barclays Bank UK Group's response to climate change or other sustainability factors is perceived to be ineffective, insufficient or inappropriate. On the other hand, laws, regulatory processes and policies seeking to restrict or prohibit doing certain business with entities identified as "boycotting" or "discriminating" against particular industries or considering sustainability 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 Barclays Bank UK Group is currently exposed and any others which may arise in the future, is difficult to predict (and any provision made in the Barclays Bank UK Group's financial statements relating to those matters may not be sufficient to cover actual losses).

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

Climate risk management

In Barclays' Climate Risk Framework (CRF), 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.

The two main categories of climate risk are physical and transition risk as defined below:

- **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 hurricanes and floods. Longer-term shifts in climate patterns (chronic hazards) arise from sustained higher temperatures that may cause rises in sea levels, changing precipitation patterns or heat stress.

- **Transition risk** is defined by Barclays as the risk of financial losses caused by the changes driven by the economy shifting to a lower carbon basis, including for example changes in policy, technology and consumer and investor sentiment.

Overview

The Barclays Group has developed a Climate Risk Framework (CRF) for managing financial and operational risks stemming from climate change. It is underpinned by the Climate Risk Policy and Climate Risk Standard. The Climate Risk Framework, Climate Risk Policy and Climate Risk Standard are applicable for Barclays' business activities, with a focus on lending.

The Barclays Bank UK Group's approach to managing climate risk is proportionate to the level of risk it faces, with a focus on prioritising and monitoring of material physical and transition risks within the Barclays Bank UK Group's portfolios. The approach is customised to reflect portfolio characteristics, size and exposure to specific climate risk drivers.

Climate risk is recognised as a driver of other existing financial risks (credit, market, treasury and capital) and non-financial risks (including operational and reputational) risks. The reputation risks associated with climate change continue to be managed under their respective frameworks.

To operationalise its Climate Risk Framework, the Barclays Group has and continues to implement new processes, tools, models and data repository as applicable, whilst also enhancing its existing ones. The Barclays Group regularly reviews its approach and practices for alignment with regulatory developments and industry leading practices for climate risk. The Barclays Group has designed and implemented targeted controls to effectively manage climate-related risks.

For the Barclays Bank UK Group, the impacts of climate risks are most pronounced in our 'elevated' portfolios, UK Mortgages and Business Banking Agriculture, through credit risk. These portfolios are therefore the primary focus for scenario analysis and carbon modelling within the Barclays Bank UK Group. In the UK Mortgages portfolio this could materialise as impacts to affordability (i.e. through damage caused by flooding, or high insurance premiums) and devaluation of house prices (i.e. due to poor energy efficiency). Within Business Banking Agriculture, physical risks have the potential to drive declines in yield, whilst transition risks such as emissions taxation have the potential to increase costs, both impacting profitability.

Organisation, Roles & Responsibilities

The Barclays Group Head of Climate Risk is the accountable executive for the management and oversight of Climate Risk. The Barclays Group Head of Climate Risk reports directly to Group CRO.

On behalf of the Board, the BRC plays an important role in overseeing and challenging the Barclays Group's progress towards achieving its climate targets and assessing the impact of climate risks on the Group's overall risk profile and financial position. BUK BRC reviews and oversees the Barclays Bank UK Group's approach to managing climate risk within its organisation.

The Head of the Barclays Bank UK Group Climate Risk chairs the Barclays UK Climate Risk Forum. The Barclays UK Climate Risk Forum oversees the management of climate risk within the Barclays Bank UK Group and undertakes duties such as recommending climate risk mandates and limits, monitoring the Barclays Bank UK Group climate risk profile, adherence with risk appetite, and considering emerging risks or expected trends pertaining to the Barclays Bank UK Group elevated and non-elevated sectors. The Barclays UK Climate Risk Forum also monitors physical and transition risk exposure and reviews risk measurement developments in relation to risk appetite, stress testing, scenario analysis and stress loss

quantification. The Barclays UK Climate Risk Forum escalates to the Barclays UK Risk Committee and also to the Barclays Group Climate Risk Committee (CRC). The Barclays UK Sustainability Oversight Forum was introduced in 2024 to formalise second line oversight of the first line's sustainability strategy and ensure review and challenge of the Barclays UK business' integration of climate risk.

Risk Appetite

The Barclays Group has a defined risk appetite, which serves as a cornerstone for managing and controlling climate risks, guiding our approach and setting clear boundaries within which business lines conduct their activities.

The Barclays Group's approach to setting risk appetite for climate risk is aligned to its ambition to be a net zero bank by 2050 and its commitment to align its financing with the goals and timelines of the Paris Agreement, including working towards its 2030 financed emissions reduction targets. Climate risk considerations have been included in the risk appetite qualitative statements and quantitative constraints.

Appetite for climate risk is managed through risk limits, triggers and indicators set across different Principal Risks (including credit risk, market risk and treasury & capital risk), portfolios, sectors, asset classes and products. Climate risk appetite is reviewed annually and formally approved by the Board.

Please see page 64 of the Barclays Transition Update for further details on Barclays climate risk appetite.

Risk Identification

The Barclays Group employs a multi-layered risk identification approach, beginning with the analysis of transmission channels through which climate risk can amplify risks in Barclays' traditional risk categories.

Horizon Scanning is conducted to identify emerging risk themes, transmission channels and key regulatory updates.

Assessments are performed to identify and analyse the vulnerability of different regions and industry sectors to various physical and transition risk drivers. Economic activities and regions are assessed for their exposure and vulnerabilities to key climate risk drivers. Portfolios and industry sectors judged to be at elevated risk and are subject to heightened risk management. Refer to page 95 for details on sector exposures.

Climate risks identified through these processes guide the Barclays Bank UK Group in defining priorities and focus areas for granular assessment within principal risk categories, such as credit, and operational risk. The below table provides examples of how Barclays' CRF considers potential key effects of climate risk drivers on Barclays' financial and operational 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.

Risk Register and Materiality Assessment

The Barclays Group uses its Risk Register process to assess the potential effects of climate risk drivers on principal risks and its portfolios. The Group Risk Register contains risks 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 a severe but plausible stress scenario. The Risk Register process has been extended to cover materiality assessment over the short, medium and long term for climate risk. Climate risk is assessed as having a higher materiality rating within the Group Risk Register for Credit Risk and Treasury & Capital Risk than across other principal risk categories. The Group Risk Register is refreshed on at least an annual basis and is subsequently used to support strategic planning and risk management activities.

Risk Assessment

The Barclays Group has developed a suite of tools and practices to assess climate risk, leveraging both qualitative insights and quantitative techniques. These tools and practices enable evaluation of potential exposures and vulnerabilities across portfolios of other principal risk types.

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. The outputs from Climate & Environmental lens assessments are used to inform credit decision making for SME clients in the Business Bank.

For the UK Mortgage portfolio, where appropriate, evaluation for climate risks is considered into the property valuation and credit-granting processes. Barclays actively monitor concentrations of physical risk in the BUK Mortgage portfolio and manage these as appropriate - focus to date has been on managing risk across the highest flood risk bands. Assessments also consider potential transition risk via energy efficiency of the buildings.

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). The climate-related risk variables and stress scenarios have been integrated in the Group-wide internal stress testing framework to understand and quantify potential impact on Barclays' capital position. Further, TCR considerations also include the assessment of liquidity and pension risk.

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, the primary objective is to ensure resilience against physical climate-related events. Climate risks are assessed within existing business-as-usual operational risk processes, with climate considerations embedded into premises management and operational recovery planning to strengthen business continuity and response capabilities. Climate risk factors have been integrated into Structured Scenario Assessments, which capture extreme but plausible operational tail risks. In addition to this, Barclays' material third party suppliers' vulnerabilities to physical risk events are assessed, and where appropriate, control requirements are set to manage these risks.

The Barclays Group's 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.

Risk Monitoring and Reporting

The Barclays Group's has adopted an integrated approach to managing and mitigating climate risks, combining continuous monitoring at a portfolio level, and bottom-up transaction-level assessments.

At the portfolio level, the Barclays Group translates its climate risk appetite into a series of limits, triggers, and indicators to control risk-taking across different Principal Risks (including credit risk, market risk and treasury & capital risk), portfolios, material sectors, asset classes and products. For the Barclays Bank UK Group, physical and transition risk mandates are in place for the UK Mortgages and Business Banking Agriculture portfolios. These limits are subjected to regular monitoring and reporting to the relevant governance forums and committees.

At a transaction level, the Barclays Bank UK Group integrates climate considerations into credit decisioning and underwriting processes. Enhanced oversight and additional scrutiny have been introduced for the new deals originated in elevated sectors particularly those with sector targets and subjected to external position statements.

The Barclays Group's 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. Barclays' bespoke tool BlueTrack™ is used for measuring emissions and setting emission reduction sector targets for its financed portfolio. Currently, BlueTrack™ covers nine segments, including BUK Agriculture. Insights from BlueTrack™ further inform key risk management practices, including risk monitoring and setting limits.

For the Barclays Bank UK Group, the Climate Risk Dashboard contains quantitative metrics on the climate risk profile of the Barclays Bank UK Group portfolios. The Barclays UK Climate Risk Dashboard is reviewed at the Barclays UK Climate Risk Forum & Barclays UK Risk Committee on a quarterly basis. This is used to inform progress against sector targets, current exposure to portfolios with high physical and transition risks, concentrations, trends across industry sectors, portfolios and regions.

Stress testing, ICAAP, and ILAAP are essential tools used by the Group to manage and mitigate financial risks. These exercises help the assessment of Barclays' resilience under adverse scenarios, ensuring it maintains sufficient capital and liquidity buffers to withstand shocks.

Climate risk related management information packs, including climate risk dashboards, are produced and reported to various committees and governance forums, including CRC. The oversight by committees within the Barclays Group and its Legal entities ensure proper oversight and monitoring of climate-sensitive exposures.

The Barclays Group continually monitors regulatory developments, including emerging disclosure standards on climate and wider sustainability areas, and builds internal capabilities to meet these new requirements. This also includes strengthening our scenario analysis capabilities and evaluating the feasibility of conducting scenario analysis for longer time horizons. During 2025, the Barclays Group conducted an exploratory exercise to extend climate scenario analysis from a 5 year period to a 10 year period. We continue to reflect on the outcomes of this exercise to deepen our understanding and support the further development of long term assessment capabilities.

Key enhancements

The Barclays Bank UK Group remains committed to maintaining a robust risk management framework for climate risk, with a continued focus on achieving greater maturity and integration across its operational processes. In 2025, notable enhancements and improvements were made in the following key areas:

- The climate risk models within Barclays' capital assessment framework have been further refined and updated in line with the strategic plan to advance modelling capabilities. These models undergo independent model validation to ensure robustness and regulatory alignment.
- The physical risk assessment capabilities have been strengthened to ensure greater consistency in scenario design across diverse hazards and geographies. These enhancements also enable the integration of secondary transmission channels including insurance market dynamics, changes in consumer preferences and additional macroeconomic variables
- The Barclays Bank UK Group has demonstrated strong progress in enhancing its control environment for climate risk by implementing new controls, reinforcing existing ones and developing a comprehensive control library to support consistent monitoring and adherence

Credit risk management (audited)

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

Overview

The credit risk that the Barclays Bank UK Group faces arises from retail and wholesale loans and advances together with the counterparty credit risk arising from derivative contracts with market counterparties; trading activities, including: debt securities, settlement balances with market counterparties, Fair value through other comprehensive income (FVOCI) assets and reverse repurchase loans. Wholesale lending in the Barclays Bank UK Group includes Business Banking and Education, Social Housing and Local Authorities (ESHLA).

Credit risk management objectives are to:

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

Organisation, roles and responsibilities

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

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

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

For wholesale portfolios, credit risk managers are organised in sanctioning teams by client portfolio. In the 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 entrusted with the higher levels of delegated authority. The largest credit exposures require the support of the Senior Credit Officer. For exposures in excess of the Senior Credit Officer's authority, approval by the Barclays Group Senior Credit Officer is also required. Where exposures are also of Barclays Group level significance, the Barclays Group Credit Risk Committee, attended by the Senior Credit Officer, provides a formal mechanism for the Barclays Group Senior Credit Officer to exercise the highest level of credit authority.

Credit risk mitigation

The Barclays Bank UK Group employs a range of techniques and strategies to actively mitigate credit risks. These can broadly be divided into three types:

- netting and set-off
- collateral
- risk transfer

Netting and set-off

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

Collateral

The Barclays Bank UK 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 second lien charges over residential property and finance lease receivables
- **derivatives:** the Barclays Bank UK Group also often seeks to enter into a margin agreement (e.g. Credit Support Annex) with counterparties with which the Barclays Bank UK Group has master netting agreements in place. These annexes to master agreements provide a mechanism for further reducing credit risk, whereby collateral (margin) is posted on a regular basis (typically daily) to collateralise the mark to market exposure of a derivative portfolio measured on a net basis
- **reverse repurchase agreements:** collateral typically comprises highly liquid securities which have been legally transferred to the Barclays Bank UK 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 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 linked notes) issuance. As these are fully funded upfront, they provide for a direct reduction in credit risk exposure on referenced pools

In addition, referenced pools of assets can be securitised with specific tranches of risk sold to investors to provide direct reduction in credit risk exposures.

Market risk management (audited)

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

Overview

Market Risk within the Barclays Bank UK Group arises from the risk management of the assets held within the liquidity pool. As a result, the market risk in the Barclays Bank UK Group is minimal. Transactions carrying market risk are executed by the Barclays Bank UK Group Treasury function.

Organisation, roles and responsibilities

The objectives of market risk management are to:

- understand and control market risk by robust measurement, limit setting, reporting and oversight
- control market risk within the allocated risk appetite

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

The Barclays Bank UK PLC Board Risk Committee recommends market risk appetite to the Barclays Bank UK PLC Board for their approval, within the parameters set by the Barclays PLC Board. The Barclays Bank UK Group CRO confirms the Barclays Bank UK Group market risk appetite with the Barclays Group CRO. The Barclays Group Market Risk Committee (MRC) reviews and makes recommendations concerning the Barclays Group-wide market risk profile to the Barclays Group Risk Committee. This includes overseeing the operation of the Market Risk Framework and associated policies and standards, monitoring market and regulatory changes, and reviewing limit utilisation levels. The committee is chaired by the Market Risk Principal Risk Lead and attendees include the business heads of market risk and business aligned market risk managers.

The Barclays Bank UK Group Treasurer is accountable for all market risks associated with Barclays Bank UK Treasury's activities, whilst the Barclays Bank UK PLC CRO is the senior manager accountable for oversight of market risk, in line with the Barclays Group Framework.

Treasury and capital risk management

This comprises:

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

Capital risk: The risk that the Barclays Bank UK 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 includes risks related to Barclays Bank UK Group's defined benefit pension scheme following sectionalisation from Barclays Group UK Retirement Fund.

Interest rate risk in the banking book: The risk that the Barclays Bank UK 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 Barclays Bank UK Group is exposed to capital or income volatility because of changes in credit spreads on its (non-traded) assets and liabilities.

Barclays Bank UK Group Treasury manages treasury and capital risk exposure on a day-to-day basis with the Barclays Bank UK PLC Asset and Liability Committee (ALCO) acting as the principal management body. The Barclays Bank UK Group 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 Barclays Bank UK 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 55 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 Barclays Bank UK 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 Bank UK 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 Barclays Bank UK Group Treasury and Capital Risk function is responsible for the management and governance of the Liquidity Risk Management Framework, consistent with Barclays PLC Group policies and framework and with Barclays Bank UK CRO mandates.

The Liquidity Risk Management 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 Barclays Bank UK Group's balance sheet, 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 the Barclays Bank UK Group's obligations as they fall due.

The Barclays Bank UK PLC Board approves the Barclays Bank UK Group funding plan, internal stress tests, regulatory stress test results, the Barclays Bank UK Group's contribution to the Barclays Group recovery plan and liquidity risk qualitative statement that supports risk appetite. The Barclays Bank UK PLC ALCO is responsible for monitoring and managing liquidity risk in line with the Barclays Bank UK Group's funding management objectives, funding plan and risk appetite. The Barclays Bank UK Risk Committee monitors and reviews the liquidity risk profile and control environment, providing second line oversight of the management of liquidity risk. The Barclays Bank UK PLC Board Risk Committee reviews the risk profile, liquidity risk qualitative statement, and the impact of stress scenarios on the Barclays Bank UK Group funding plan/forecast in order to agree the Barclays Bank UK Group's projected funding abilities. The Barclays Bank UK PLC Board Risk Committee also approves liquidity limits to define the Barclays Bank UK PLC's risk appetite liquidity constraint.

Capital risk management (audited)

Overview

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

Organisation, roles and responsibilities

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

Capital risk management is underpinned by a control framework and policy. Capital plans reflect the capital management strategy and are implemented to deliver on the Barclays Bank UK Group's objectives, which are aligned to those of Barclays Group. The Barclays Bank UK Group-specific capital plans are developed in conformance with the Barclays Group control framework and policies for capital risk.

The Barclays Bank UK PLC Board approves the Barclays Bank UK Group capital plan, internal stress tests and results of regulatory stress tests. The Barclays Bank UK PLC Board also approves the recovery options documented in the Barclays Group recovery plan pertaining to the Barclays Bank UK Group. The Barclays Bank UK PLC ALCO is responsible for monitoring and managing capital risk in line with the Barclays Bank UK Group's capital management objectives, capital plan and risk frameworks. The Barclays UK Risk Committee monitors and reviews the capital risk profile and control environment, providing second line oversight of the management of capital risk. The Barclays Bank UK PLC Board Risk Committee reviews the risk profile, and sets risk appetite at a minimum annually and the impact of stress scenarios on the Barclays Bank UK Group capital plan/forecast in order to agree Barclays Bank UK Group's projected capital adequacy.

Management assures compliance with minimum regulatory capital requirements by reporting to the Barclays Bank UK PLC ALCO with oversight by the Barclays Group Treasury Committee, as required. In 2025, 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.

Barclays Bank UK Group is exposed to pension risk following the sectionalisation of the UK Retirement Fund (UKRF) on 1st July 2025. 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. Barclays Bank UK monitors the pension risks arising from its defined benefit pension scheme and works with the relevant pension fund's trustee to address shortfalls. In these circumstances Barclays Bank UK could be required or might choose to make extra contributions to the pension fund.

Interest rate risk in the banking book management (IRRBB)

Overview

Interest rate risk in the banking book is driven by customer deposit taking and lending activities, investments in the liquid asset portfolio and funding activities. As per the Barclays Bank UK Group's policy to remain within the defined risk appetite, hedging strategies are executed to mitigate the various IRRBB risks that result from these activities. However, the Barclays Bank UK Group remains susceptible to interest rate risk and other non-traded market risks from the following key sources:

- **Interest rate and repricing risk:** the risk that net interest income could be adversely impacted by a change in interest rates, differences in the timing of interest rate changes between assets and liabilities, and other constraints on interest rate changes as per product terms and conditions

- **Customer behavioural risk:** the risk that net interest income could be adversely impacted by the discretion that customers and counterparties may have in respect of being able to vary from their contractual obligations with the Barclays Bank UK Group. This risk is often referred to by industry regulators as 'embedded option risk'

- **Investment risks in the liquid asset portfolio:** the risk that the fair value of assets held in the liquid asset portfolio and associated risk management portfolios could be adversely impacted by market volatility, creating volatility in capital directly

Organisation, roles and responsibilities

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

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

Operational risk management

The risk of loss to the Barclays Bank UK 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 which will provide clear and relevant insights, so that the right management actions can be taken to keep the operational risk profile consistent with the Barclays Bank UK Group's strategy, the stated risk appetite and stakeholder needs

The Barclays Bank UK Group operates within a system of internal controls that enables business to be transacted and risk taken without exposing the Barclays Bank UK Group 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 with the business and functional units where the risk arises. The operational risk profile and control environment is reviewed by business 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 Group Controls and Risk Committee, the Barclays UK Operational Risk Committee, the Barclays UK Risk Committee, the Barclays Bank UK PLC Board Risk Committee or the Barclays Bank UK PLC Board Audit Committee. In addition, specific reports are prepared by Operational Risk on a regular basis for the GRC and the Barclays Bank UK PLC Board Risk Committee.

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. Specific reports are prepared by the business and Barclays Bank UK Operational Risk on a regular basis for the Barclays UK Operational Risk Committee, the Barclays UK Risk Committee, and the BRC.

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

The Operational Risk function acts in a second line of defence capacity and is responsible for defining and overseeing the implementation of the framework and monitoring the Barclays Bank UK 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: Change Delivery Management Risk; Data & Records Management Risk; Financial Reporting Risk; Fraud Risk; Cyber & Information Security Risk; Operational Recovery Planning Risk; People Risk; Premises Risk; Physical Security Risk; Risk Reporting Risk; Supplier Risk; Tax Risk; Technology Risk and Transaction Processing Risk.

For definitions of the Barclays Bank UK Group's Operational Risk Categories and Connected Risks, refer to pages 139 to 140 of the Barclays Bank UK PLC Pillar 3 Report 2024.

Model risk management

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

Overview

The Barclays Bank UK Group uses models to support a broad range of activities, including formulating business strategies, informing business decisions, identifying and measuring risks, valuing exposures, conducting stress testing, assessing adequacy of capital, managing client assets, measuring compliance with internal risk limits, maintaining the formal control apparatus of the bank, meeting financial and regulatory reporting and disclosure 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. Model risk can lead to financial loss, poor business and strategic decision making, or damage to a bank's reputation.

Organisation, roles and responsibilities

Model Risk is a principal risk within the ERMF and is centrally governed by the Barclays Group's 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. The Head of AI/ML Risk, reports into the Global Head of MRM.

MRM establishes model risk policies 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.

The Model Risk Framework, which is owned by the Head of MRM, provides the overview for management and governance of Model risk in Barclays, including key components such as the Model Risk Policy, the AI Policy and supporting standards, reporting and escalation paths for breaches of policy.

The Model Risk Policy prescribes the end-to-end requirements for the identification, measurement and management of model risk covering model documentation, development, monitoring, annual assessment and review, independent validation, approval, and change and reporting processes, and assigns clear roles and responsibilities for the end-to-end management of model risk.

The Artificial Intelligence (AI) Policy lays out the requirements for management and oversight of risks associated with use of AI and is supported by the AI standard. The primary objectives of this Policy are to:

- Define Ethical AI Principles to enable ethical, lawful, and appropriate use of AI;
- Establish an enterprise-wide definition of AI, define risks stemming from use of AI and define prohibited, high, medium and low risk uses of AI to enable consistent identification of AI Systems, and the risks associated with their use;
- Define governance and escalation pathways to provide transparency on AI use and associated risks to Senior Management;
- Define control objective for AI training and literacy.

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 Barclays Group Risk Committee (GRC).

MRM also operates the Barclays Group Model Risk Control Forum (MR CF) that oversees the consistent and effective implementation of the Operational Risk Framework (ORF) as relating to Model Risk. The MR CF 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. These committees consider Model Risk matters relevant to them and escalate as required in compliance the Operation of Committees Policy and with internal applicable governance policies.

The Barclays Bank UK Group operates the Barclays UK Model Management Committee (BUK MMC), the purpose of which is to manage the overall model risk profile for all of Barclays Bank UK Group, oversee capital regulatory requirements, and oversee Risk and Financial Measurement models. The BUK MMC escalates to the Barclays UK Risk Committee.

The Barclays UK Risk Committee reviews and recommends the proposed model risk appetite and risk profile for the Barclays Bank UK Group and reviews and recommends limits and tolerances to control risk appetite. The Barclays UK Risk Committee escalates to the Barclays UK PLC Board Risk Committee, the Barclays Group Risk Committee, and the Barclays UK PLC Board Audit Committee.

Cross functional oversight of AI Risk in the bank, is provided by the Group AI Governance Council, under the mandate of Head of AI/ML Risk.

The Head of AI/ML Risk is also responsible for establishing the AI Risk Appetite, and enabling reporting of compliance with the AI Policy and AI Standard to the Group and local entity Board Risk Committee(s).

In addition, the Model Strategy and Oversight (MSO) Team, which is a first line independent 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;
- Participates in 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.

Compliance risk management

The risk of poor outcomes for, or harm to, customers, clients and markets, arising from the delivery of the Barclays Bank UK Group's products and services (Conduct Risk), and the risk 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 wholesale conduct, customer protection, data privacy, regulatory compliance, product design and review, and laws, rules and regulation risks. The Bank has no appetite for material breaches of LRR, or Compliance Risk issues and events that are material, systemic, not promptly remediated, not reported to regulators in a timely manner where required, and/or are likely to result in regulatory enforcement.

Organisation, roles and responsibilities

The Compliance Risk Management Framework (CRMF) outlines how the Barclays Bank UK Group manages and measures its Compliance Risk Profile. The Group Chief Compliance Officer is accountable for developing, maintaining and overseeing a group-wide CRMF. The Barclays Bank UK PLC Chief Compliance Officer is responsible for providing effective oversight of Compliance Risk in line with the CRMF at the Entity and Subsidiary level. This includes overseeing the development and maintenance of the relevant Compliance Risk policies and associated standards, the monitoring of and reporting on the consistent application and the effectiveness of the implementation of the controls by management, to manage Compliance Risk. It is the responsibility of the first line of defence to establish controls to mitigate and monitor its compliance risk exposure. 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 and support senior managers in 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 Barclays Bank UK Chief Compliance Officer provides independent check and challenge to Business Senior Management to ensure their Compliance Risk management accountabilities are carried out effectively, including, but not limited to risk assessments, mitigation plans and reporting.

The governance of Compliance Risk within the Barclays Bank UK Group is fulfilled through management committees and forums operated by the first and second lines of defence, with clear escalation and reporting lines into Board level committees. The Barclays Bank UK PLC Risk Committee is the primary second line governance committee for the oversight of the Compliance Risk profile and responsibilities include the identification and discussion of any emerging Compliance Risk exposures in the Barclays Bank UK Group.

Financial crime risk management

The risk that Barclays Bank UK Group and its associated persons (employees or third parties) commit or facilitate financial crime, and/or Barclays Bank UK 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 Barclays Bank UK Group's reputation; regulatory breaches; and/or financial penalties.

Overview

Financial Crime risk management incorporates anti-bribery and corruption, anti-money laundering (including terrorist financing), tax evasion facilitation and sanctions risks (including proliferation financing).

The Barclays Bank UK Group has no appetite for Financial Crime risk issues and events that are material, systemic, not promptly remediated, not reported to regulators in a timely manner where required, and/or are likely to result in regulatory enforcement. The Barclays Bank UK Group 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.

The Barclays Bank UK Group strives to prevent detect and report 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 Barclays Bank UK Group manages and measures its Financial Crime risk profile. The Group Chief Compliance Officer is accountable for developing and overseeing the implementation of the FCRMF and the Financial Crime Policy. This includes defining the relevant control objectives, principles and other core requirements for the activities of the Barclays Bank UK Group. It is the responsibility of the first line of defence to maintain and embed the necessary risk and control environment for effective risk management and to ensure accurate, transparent and timely reporting on Financial Crime risk to the relevant governance fora.

Senior managers are accountable within their areas of responsibility for the identification and management of 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, providing check and challenge to the business and ensuring that accountabilities are carried out effectively.

The governance of Financial Crime Risk within The Barclays Bank UK Group is fulfilled through management committees and forums operated by the first and second lines of defence, with clear escalation and reporting lines into Board level committees. The Barclays UK PLC Risk Committee is the primary second line governance committee for the oversight of the Financial Crime Risk profile and responsibilities include the identification and discussion of any emerging Financial Crime Risk exposures in the Barclays Bank UK Group.

In addition, Legal Entity and Regional Chief Compliance Officers and entity Money Laundering Reporting Officers (MLROs) will provide reporting as required by their entity Executive and Corporate (Board-level) Governance arrangements to support the oversight of the entity Financial Crime Risk profile.

Reputation risk management

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

Overview

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

Organisation, roles and responsibilities

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

The Barclays Bank UK Chief Compliance Officer is responsible for overseeing the management of Reputation Risk for Barclays Bank UK. The Reputation Risk Management Framework sets out what is required to manage reputation risk across the Barclays PLC Group, including escalations to the Barclays PLC Group Reputation Risk Committee, as required.

Each colleague is responsible for identifying, assessing and escalating reputation risk.

The Barclays Bank UK Group is required to operate within established reputation risk appetite, and its component businesses prepare reports for its respective Risk and Board Risk Committees 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 the Barclays Bank UK Risk Committee and the Barclays Bank UK PLC's Board.

Legal risk management

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

Overview

In conjunction with Barclays' Operational Risk Framework, the Group wide Legal Risk Management Framework (LRMF), which applies to Barclays Bank UK, comprises a number of integrated components that detail how the Barclays Group identifies, manages and measures its legal risk profile.

The multitude of laws and regulations that the Barclays Bank UK Group is subject to 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, including through the implementation of Barclays 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 legal professionals, and escalation of legal risk as necessary. Legal risk is also

mitigated by the requirements of the Compliance Risk Management Framework (CRMF), including the responsibility of legal professionals to proactively identify, communicate and provide legal advice on applicable laws, rules and regulations. Notwithstanding these mitigating actions, Barclays Bank UK Group operates with a level of residual legal risk, for which Barclays Bank UK Group has limited tolerance.

Organisation, roles and responsibilities

The Barclays Bank UK Group 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 Barclays Bank UK Group receives legal advice and support from appropriate legal professionals, working in partnership proactively to identify, manage and escalate legal risks as necessary.

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

The Barclays Group General Counsel is responsible for developing and maintaining a Barclays Group wide LRMF. This includes defining the relevant legal risk policies and producing the Barclays 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 Barclays UK Risk Committee is the most senior executive body responsible for reviewing and monitoring the effectiveness of risk management across Barclays Bank UK. Escalation paths from this committee exist to the Barclays Group Risk Committee and Barclays Bank UK PLC Board Risk Committee.

Overview

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.

For the Barclays Bank UK Group, UK Mortgages and Business Banking Agriculture have been identified as portfolios with 'elevated' exposure to the physical and transition risks of climate change. The Barclays Bank UK Group has exposure to other elevated sectors in the Business Bank portfolio which are of lower materiality. Climate risk considerations have been incorporated into annual mandate and scale reviews across the Barclays Bank UK Group's portfolios and are monitored via the Barclays Bank UK Climate Risk Dashboard.

The UK Mortgages portfolio is exposed to physical risks, including flooding, subsidence and coastal erosion. From a transition risk perspective, the UK Mortgages portfolio is exposed to potential changes in energy efficiency performance requirements. Both the physical and transition risks that the UK Mortgages portfolio is exposed to may impact property valuations and affordability.

The Business Banking Agriculture portfolio is exposed to the physical risks of climate change such as flooding and drought. The Dairy & Livestock sub-sector is exposed to the transition risks of climate change, including changes in consumer behaviour, as well as the potential introduction of emissions taxation given the sector's significant contribution to the UK's methane emissions.

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.

The Barclays Bank UK Group 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 the subsidence risk at a property level. 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 more likely as a property in class 1 to make a subsidence claim. A small proportion of the UK Mortgages portfolio is not mapped to a subsidence risk score (c.6.3%). 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.

Risk Band	Qualitative Risk Score	As at 30 September 2025[1] Volume %	As at 30 September 2024 Volume %
0	No Subsidence Risk	—	—
1	Low	9.6	9.6
2		36.2	36.1
3		23.2	23.4
4	Moderate	4.7	4.7
5		4.4	4.6
6		3.3	3.3
7	High	2.3	2.4
8		—	—
9		0.2	0.2
10	Very High	5.1	5.3
11		—	—
12		2.5	2.6
13		—	—
14		—	—
15		2.1	2.2
Missing		6.3	5.6

Note
1 Data collected from 3rd party source based on one quarter lag, 30 September 2025 closest available dataset.

Flood: Total Volume of stock (as % of total UK Mortgages portfolio) per risk band

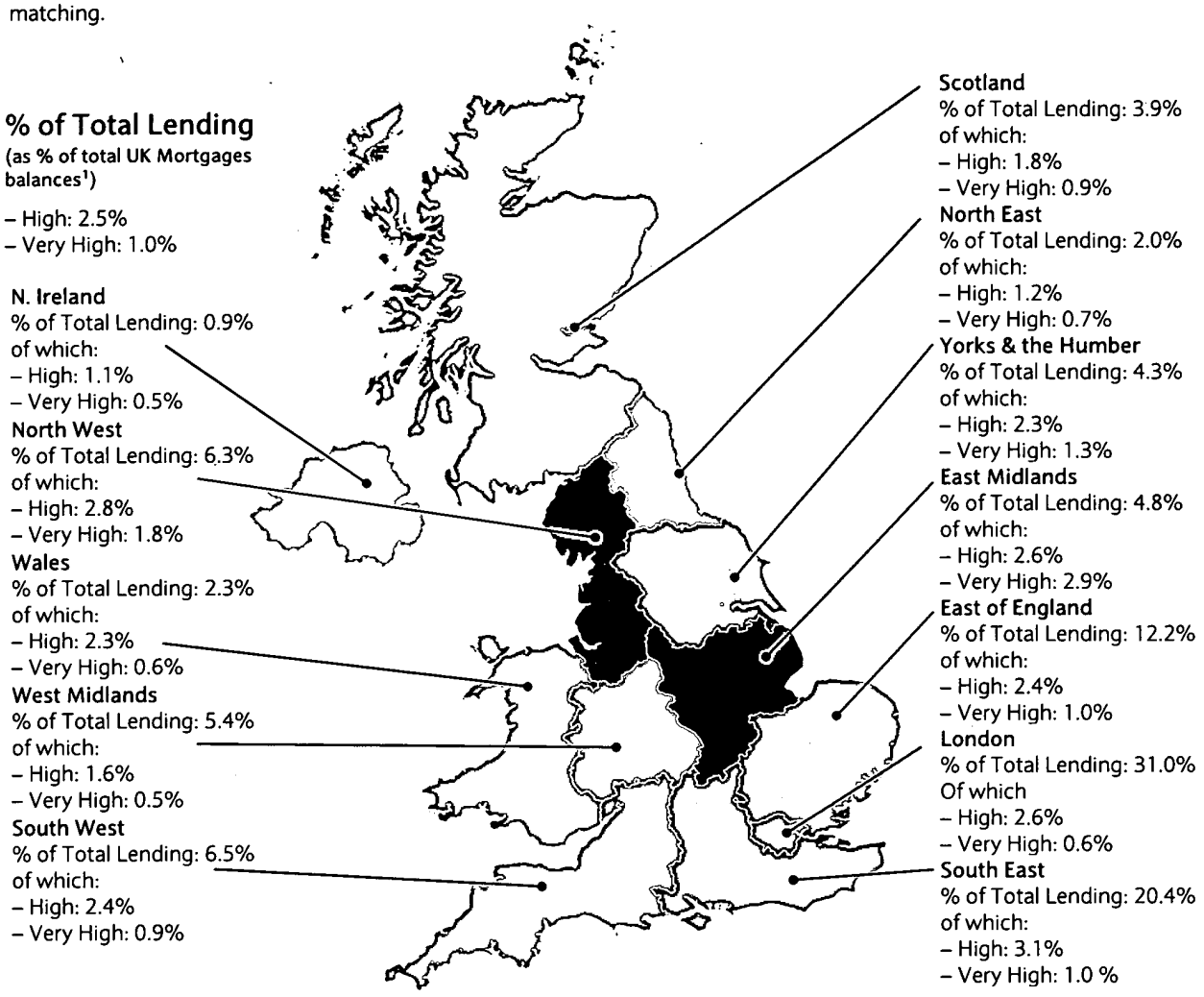
Flooding in the UK is forecast to increase over time, with the potential for this increase to accelerate if greenhouse gas emissions are not reduced. The increased risk of flooding has the potential to impact the valuation of properties directly, as well as indirectly where areas may become high risk and property demand falls. Remediation costs, high insurance premiums or potential lack of insurance coverage have the potential to impact affordability.

The Barclays Bank UK Group works with a third-party climate data provider to support climate risk data enhancements within the UK Mortgages portfolio. 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), until the scheme's expected expiry in 2039.

Risk Band	As at 30 September 2025[1] Volume %	As at 30 September 2024 Volume %
Negligible	80.2	80.9
Very Low	7.4	7.6
Low	1.8	1.8
Moderate	1.6	1.6
High	2.6	2.6
Very High	1.2	1.2
Missing	5.3	4.3

Note
1 Data collected from 3rd party source based on one quarter lag, 30 September 2025 closest available dataset.

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.



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
1 Data collected from 3rd party source based on one quarter lag, 30 September 2025 closest available dataset

Coastal Erosion: Total Volume of stock (as % of total UK Mortgages portfolio) per risk band
Coastal Erosion is defined as the loss or displacement or 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 a defined number of years) and the potential severity of damage to the property is also high (the building itself could partially or completely collapse into the sea).

Risk Band	As at 30 September 2025[1] Volume %	As at 30 September 2024 Volume %
Negligible	93.7	94.4
Low	0.0	0.0
Moderate	0.0	0.0
Very High	0.0	0.0
Missing	6.3	5.6

Note
1 Data collected from 3rd party source based on one quarter lag, 30 September 2025 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. The UK Government have announced that the minimum EPC rating of rental properties will be raised to EPC C (from EPC E) by 2030. 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 and 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 2025[1]

Current EPC Rating	Residential Mortgage Balances £m	Balance as % of Residential Mortgages %	Volume as % of Residential Mortgages %	Buy-to-Let Mortgage Balances £m	Balance as % of Buy-to-Let Mortgages %	Volume as % of Buy-to-Let Mortgages %
A	1,011	0.7	0.5	17	0.1	0.1
B	24,534	16.5	15.3	1,724	11.0	9.2
C	31,462	21.1	20.3	5,176	32.9	33.9
D	45,311	30.4	28.2	5,285	33.6	34.1
E	16,364	11.0	9.4	1,308	8.3	8.4
F	3,632	2.4	2.0	80	0.5	0.5
G	685	0.5	0.4	23	0.1	0.1
Missing	25,988	17.4	23.9	2,105	13.5	13.7
Total	148,987	100	100	15,718	100	100

Note
1 Data matching provided by 3rd party source based on one quarter lag, 30 September 2025 closest available dataset - EPC monitoring based on 30 September 2025 portfolio and 30 September 2025 Government EPC Register. If no valid EPC is mapped, the expired EPC (where available) is included as a proxy.

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	Volume as % of Residential Mortgages	Buy-to-Let Mortgage Balances	Balance as % of Buy-to-Let Mortgages	Volume as % of Buy-to-Let Mortgages
	£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 30 September 2024 portfolio and 30 September 2024 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 2025[2]

Potential EPC Rating	Residential Mortgage Balances	Balance as % of Residential Mortgages	Volume as % of Residential Mortgages	Buy-to-Let Mortgage Balances	Balance as % of Buy-to-Let Mortgages	Volume as % of Buy-to-Let Mortgages
	£m	%	%	£m	%	%
A	15,459	10.4	9.8	412	2.6	2.9
B	59,211	39.7	38.3	7,253	46.1	46.6
C	39,260	26.4	22.7	5,268	33.5	32.7
D	6,874	4.6	4.2	596	3.8	3.7
E	1,769	1.2	1.0	69	0.4	0.4
F	349	0.2	0.2	11	0.1	0.1
G	76	0.1	0.0	3	0.0	0.0
Missing	25,989	17.4	23.8	2,106	13.5	13.6
Total	148,987	100	100	15,718	100	100

Notes
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 2025 closest available dataset - EPC monitoring based on 30 September 2025 portfolio and 30 September 2025 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	Volume as % of Residential Mortgages	Buy-to-Let Mortgage Balances	Balance as % of Buy-to-Let Mortgages	Volume as % of Buy-to-Let Mortgages
	£m	%	%	£m	%	%
A	13,892	9.9	9.3	474	2.7	2.9
B	52,672	37.4	36	8,017	45.4	45.8
C	37,461	26.6	22.4	5,802	32.9	31.8
D	7,471	5.3	4.6	716	4.1	4
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
Missing	26,769	19	26.3	2,528	14.3	14.9
Total	140,762	100	100	17,640	100	100

Notes
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 30 September 2024 portfolio and 30 September 2024 Government EPC Register. If no valid EPC is mapped, the expired EPC (where available) is included as a proxy.

Business Banking Agriculture - Livestock & Dairy Exposure
Given methane's global warming potential the Livestock & Dairy sector is a significant contributor to the UK's emissions footprint and is therefore susceptible to the transition risks of climate change, namely changes in consumer sentiment, or policy, via introduction of potential emissions taxation. The Client Transition Tool is completed for the Barclays Bank UK Business Banking clients in Livestock & Dairy sectors for all new or refinanced lending. This tool provides further granularity on clients' transition plans and progress. The Client Transition Tool has been enhanced in 2025 to make it easier for Relationship Manager's to complete on behalf of clients and increase the consistency in scoring. Alongside this, the Barclays Bank UK Group have also implemented an improved the BUK Climate & Environment Lens for clients in elevated climate risk sectors to provide enhanced insight into their climate risk profile.

The Barclays Bank UK Group utilises exposure data to identify what proportion of the Business Banking Agriculture portfolio consists of lending to Dairy & Livestock clients.

Carbon-related assets

According to Task Force on Carbon-Related Financial Disclosures (TCFD), certain industry segments are more likely to be financially impacted than others due to their exposure to certain transition and physical 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.

The Barclays Bank UK Group's exposures to the industries within these groups are reported as carbon-related assets and can be found in the table on the following page.

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 included in this table as they are also susceptible to climate-related risks, even though Residential Real Estate is not classified as an economic sector. The UK mortgage portfolio exposures are included with the Residential Real Estate and flagged as elevated, while recognising that this portfolio contains a range of vulnerabilities to climate-related risks.

Carbon-related assets (Incl. sub-sector breakdown)[1]											
			2025				2024				
	Physical risk[2]	Transition risk[2]	Loans and advances[3]	Loan commitments	Total	Of which elevated	Loans and advances[3]	Loan commitments	Total	Of which elevated	% Change of Total
			£m	£m	£m	£m	£m	£m	£m	£m	%
Agriculture, food and forest products (logging)			3,091	820	3,911	3,890	3,318	691	4,009	3,988	(2)%
Agriculture	✓	✓	3,091	820	3,911	3,890	3,318	691	4,009	3,988	
Energy & water			29	6	35	28	26	5	31	25	13 %
Power utilities[4]	✓	✓	24	3	27	27	20	2	22	22	
Metals (waste & recycling)			4	2	6	—	4	2	6	—	
Water utilities	✓	✓	1	1	2	1	2	1	3	3	
Manufacturing			309	115	424	90	368	114	482	100	(12)%
Automotive		✓	7	5	12	8	12	3	15	10	
Cements		✓	5	1	6	6	5	1	6	6	
Chemicals		✓	11	5	16	5	15	5	20	6	
Food, bev and tobacco		✓	41	10	51	14	45	10	55	14	
Manufacturing - others[5]		✓	213	82	295	53	257	84	341	60	
Metals		✓	13	5	18	1	15	5	20	1	
Packaging manufacturers: metal, glass and plastics			1	1	2	—	2	—	2	—	
Paper and forest products (excluding logging)			16	5	21	—	15	5	20	—	
Steel		✓	2	1	3	3	2	1	3	3	
Material and building			7,158	357	7,515	289	7,053	478	7,531	333	— %
Construction and materials	✓		509	190	699	289	643	196	839	333	
Real estate management and development			6,649	167	6,816	—	6,410	282	6,692	—	
Mining and quarrying			11	1	12	12	8	3	11	10	9 %
Mining	✓	✓	10	1	11	11	4	2	6	5	
Oil and gas (extraction)	✓	✓	1	—	1	1	4	1	5	5	
Transport & storage			234	53	287	138	243	55	298	131	(4)%
Aviation	✓	✓	1	—	1	2	2	—	2	2	
Oil and gas(midstream)	✓	✓	7	—	7	7	—	—	—	—	
Other transport services			105	16	121	—	112	17	129	—	
Road haulage		✓	106	33	139	110	118	33	151	113	
Shipping		✓	15	4	19	19	11	5	16	16	
Wholesale and retail distribution and leisure			326	83	409	125	353	87	440	147	(7)%
Oil and gas (wholesale)		✓	6	3	9	3	7	3	10	2	
Others		✓	320	80	400	122	346	84	430	145	
Other financial corp			—	—	—	—	—	—	—	—	
Real estate management and development (REITs)			—	—	—	—	—	—	—	—	
Home loans			172,382	11,870	184,252	184,252	163,105	11,415	174,520	174,520	6 %
Residential real estate	✓		172,382	11,870	184,252	184,252	163,105	11,415	174,520	174,520	
Carbon-related assets/ Elevated risk sector Grand total			183,540	13,305	196,845	188,824	174,474	12,848	187,322	179,254	5 %
Total loans & advances and loan commitments			229,354	69,918	299,272	299,272	224,699	66,959	291,658	291,658	3 %
Carbon-related assets / Total Loans & advances and loan commitments			80%	19%	66%	63%	78%	19%	64%	61%	2 %
Sub-total of sectors spanning in multiple industries											
Oil and gas	✓	✓	14	3	17	11	11	4	15	7	13 %

Notes

1 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.
2 Physical & Transition risk indicators are added for elevated risk sectors to indicate the primary driver of risk. See page 61 for further details.
3. Loans & advances includes debt securities at amortised cost amounting to £13,492m (2024: £17,983m) of which carbon related assets are £nil (2024: £nil).
4. Power utilities includes exposure towards renewable energy of £22m (2024: £19m).
5. Manufacturing - others includes areas such as manufacturing furniture, Builders' carpentry & joinery, Other fabricated metal or wire products, Pumps, valves & compressors, Other special purpose machinery, etc.

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All disclosures in this section, pages 98 to 154 are unaudited unless otherwise stated.

Overview

Credit risk represents a significant risk to the Barclays Bank UK Group, arising primarily from loans and advances.

Credit risk disclosures are materially aligned with the recommendations of the Taskforce on Disclosures about Expected Credit Losses (DECL).

Summary of performance in the year

Gross exposure: Gross loans and advances, including debt securities at amortised cost, increased by £4.7bn to £231.0bn (2024: £226.3bn) principally driven by growth in Retail mortgages (£9.2bn) and Retail credit cards (£1.4bn), partially offset by a £(4.5)bn decrease in debt securities, £(1.0)bn of repayments in ESHLA and £(0.8)bn of government scheme lending repayments in Business Banking.

Exposure net of risk mitigation: The Barclays Bank UK Group's net exposure to credit risk decreased by 2% to £167bn (2024: £171bn), reflecting a reduction in cash and balances at central banks (£8.6bn), partially offset by an increase in loan commitments (£3.4bn). Overall, the credit risk mitigation held against total exposure remained broadly stable at 54% (2024: 53%).

Credit quality: Delinquencies remained broadly stable across the Barclays Bank UK Group, supported by a range of ongoing risk management actions designed to maintain the Group's defensive position amid macroeconomic headwinds. Retail credit cards provisioning continues to be underpinned by low delinquencies and strong credit quality. Further analysis of the credit quality of assets is presented in the approach to management and representation of credit quality section.

Stage movements: Stage 2 gross exposures decreased by £(5.9)bn, primarily reflecting transfers to Stage 1 following the rebuild of Retail mortgages impairment models, which now better capture consumer behaviour. Stage 3 balances decreased to £3.1bn (2024: £3.5bn) due to repayments in Business Banking. Refer to page 103 for further details.

Scenario: Global growth slows modestly as rising US tariffs and retaliatory measures disrupt trade flows, though domestic demand in advanced economies remains resilient. For Q425, macroeconomic scenarios have been refreshed and are designed around a wide range of economic outcomes, with the Downside 2 (DS2) scenario broadly aligned to Barclays' 2025 Internal Stress Test (IST25), incorporating climate-related drivers. Refer to the Barclays' resilience to climate scenarios on page 79 for further details.

ECL: Impairment allowances on loans and advances at amortised cost, including off-balance sheet exposures, remained broadly stable at £1.6bn (2024: £1.6bn) largely attributable to the impacts of stage migration in Tesco Bank, offset by the impacts of Retail mortgages model rebuild and model remediation in Retail credit cards. As a result, on-balance sheet coverage decreased marginally to 0.7% (2024: 0.8%).

Credit impairment charges/(releases): Credit impairment charges increased modestly to £393m (2024: £352m) reflecting balance growth and stable credit performance.

Management adjustments: Economic uncertainty adjustments decreased to £34m (2024: £78m), due to the retirement of adjustments following the rebuild of Retail mortgages impairment models, which now better capture consumer responses to the macroeconomic outlook. Refer to the Management adjustment to models for impairment section on page 120 for further details.

Climate: The Barclays Bank UK Group assesses climate-related physical and transition risks through scenario analysis and targeted reviews of climate-sensitive portfolios. The DS2 scenario is broadly aligned with the climate-aware IST25, and selected portfolios incorporate enhanced customer-level climate-risk modelling.

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

Maximum exposure and effects of netting, collateral and risk transfer

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

The Barclays Bank UK Group mitigates the credit risk to which it is exposed through netting and set-off, collateral and risk transfer. Further detail on the Barclays Bank UK Group's policies to each of these forms of credit enhancement is presented on pages 79 to 80 of the credit risk management section.

Collateral obtained (audited)
Where collateral has been obtained in the event of default, the Barclays Bank UK Group does not, ordinarily, use such assets for its own operations and they are usually sold on a timely basis. The carrying value of assets held by the Barclays Bank UK Group as at 31 December 2025, as a result of the enforcement of collateral, was £nil (2024: £nil).

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

Barclays Bank UK Group As at 31 December 2025	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	21,208	—	—	—	—	21,208
Cash collateral and settlement balances	6,120	—	—	—	—	6,120
Loans and advances at amortised cost:						
Retail mortgages	172,382	—	—	(172,373)	—	9
Retail credit cards	16,425	—	—	—	—	16,425
Retail other	8,623	—	—	(39)	—	8,584
Corporate loans	18,432	—	(24)	(11,704)	(4,838)	1,866
Total loans and advances at amortised cost	215,862	—	(24)	(184,116)	(4,838)	26,884
Of which credit-impaired (Stage 3):						
Retail mortgages	*1,732*	—	—	*(1,732)*	—	—
Retail credit cards - excluding POCI	*105*	—	—	—	—	*105*
Retail credit cards - POCI	*24*	—	—	—	—	*24*
Retail other - excluding POCI	*24*	—	—	*(5)*	—	*19*
Retail other - POCI	*15*	—	—	—	—	*15*
Corporate loans	*587*	—	—	*(408)*	*(178)*	*1*
Total credit-impaired loans and advances at amortised cost	*2,487*	—	—	*(2,145)*	*(178)*	*164*
Debt securities at amortised cost	13,492	—	—	—	—	13,492
Reverse repurchase agreements and other similar secured lending	6,001	—	—	(6,001)	—	—
Trading portfolio assets	385	—	—	—	—	385
Financial assets at fair value through the income statement	1,413	—	—	(1,298)	—	115
Derivative financial instruments	890	(51)	(828)	—	—	11
Financial assets at fair value through other comprehensive income	31,572	—	—	—	(134)	31,438
Other assets	361	—	—	—	—	361
Total on-balance sheet	297,304	(51)	(852)	(191,415)	(4,972)	100,014
Off-balance sheet:						
Contingent liabilities	670	—	—	—	—	670
Loan commitments	69,918	—	—	(3,119)	(61)	66,738
Total off-balance sheet	70,588	—	—	(3,119)	(61)	67,408
Total	367,892	(51)	(852)	(194,534)	(5,033)	167,422

The above table excludes any credit risk mitigation that does not impact the expected credit loss for financial assets measured at amortised cost. Off-balance sheet exposures are shown gross of provisions of £18m (2024: £16m), see Note 23 Contingent liabilities and commitments for further details. Corporate loans at amortised cost include £1.7bn (2024: £3.1bn) of BBLS and CBILS supported by UK Government guarantees of £1.7bn (2024: £3.1bn), which are included within the Risk transfer column in the table.

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

Barclays Bank UK Group 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	29,819	—	—	—	—	29,819
Cash collateral and settlement balances	6,002	—	—	—	—	6,002
Loans and advances at amortised cost:						
Retail mortgages	163,105	—	—	(163,104)	—	1
Retail credit cards	15,030	—	—	—	—	15,030
Retail other	8,331	—	—	(61)	(3)	8,267
Corporate loans	20,250	—	(23)	(10,451)	(7,012)	2,764
Total loans and advances at amortised cost	206,716	—	(23)	(173,616)	(7,015)	26,062
Of which credit-impaired (Stage 3):						
Retail Mortgages	*1,597*	—	—	*(1,596)*	—	*1*
Retail credit cards - excluding POCI	*88*	—	—	—	—	*88*
Retail credit cards - POCI	*40*	—	—	—	—	*40*
Retail other - excluding POCI	*18*	—	—	*(12)*	—	*6*
Retail other - POCI	*17*	—	—	—	—	*17*
Corporate loans	*1,227*	—	—	*(725)*	*(328)*	*174*
Total credit-impaired loans and advances at amortised cost	*2,987*	—	—	*(2,333)*	*(328)*	*326*
Debt securities at amortised cost	17,983	—	—	—	(50)	17,933
Reverse repurchase agreements and other similar secured lending	5,894	—	—	(5,894)	—	—
Trading portfolio assets	242	—	—	—	—	242
Financial assets at fair value through the income statement	1,543	—	—	(1,366)	—	177
Derivative financial instruments	1,901	(211)	(1,688)	—	—	2
Financial assets at fair value through other comprehensive income	27,045	—	—	—	(145)	26,900
Other assets	265	—	—	—	—	265
Total on-balance sheet	297,410	(211)	(1,711)	(180,876)	(7,210)	107,402
Off-balance sheet:						
Contingent liabilities	710	—	—	—	—	710
Loan commitments	66,959	—	—	(3,514)	(58)	63,387
Total off-balance sheet	67,669	—	—	(3,514)	(58)	64,097
Total	365,079	(211)	(1,711)	(184,390)	(7,268)	171,499

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

Barclays Bank UK PLC As at 31 December 2025	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	21,208	—	—	—	—	21,208
Cash collateral and settlement balances	6,120	—	—	—	—	6,120
Loans and advances at amortised cost:						
Retail mortgages	172,363	—	—	(172,355)	—	8
Retail credit cards	16,425	—	—	—	—	16,425
Retail other	8,623	—	—	(39)	—	8,584
Corporate loans	18,831	—	(6)	(11,704)	(4,838)	2,283
Total loans and advances at amortised cost	216,242	—	(6)	(184,098)	(4,838)	27,300
Of which credit-impaired (Stage 3):						
Retail mortgages	*1,732*	—	—	*(1,732)*	—	—
Retail credit cards - excluding POCI	*105*	—	—	—	—	*105*
Retail credit cards - POCI	*24*					*24*
Retail other - excluding POCI	*24*	—	—	*(5)*	—	*19*
Retail other - POCI	*15*					*15*
Corporate loans	*587*	—	—	*(408)*	*(178)*	*1*
Total credit-impaired loans and advances at amortised cost	*2,487*	—	—	*(2,145)*	*(178)*	*164*
Debt securities at amortised cost	13,492	—	—	—	—	13,492
Reverse repurchase agreements and other similar secured lending	6,001	—	—	(6,001)	—	—
Trading portfolio assets	385	—	—	—	—	385
Financial assets at fair value through the income statement	1,413	—	—	(1,298)	—	115
Derivative financial instruments	884	(51)	(816)	—	—	17
Financial assets at fair value through other comprehensive income	31,572	—	—	—	(134)	31,438
Other assets	378	—	—	—	—	378
Total on-balance sheet	297,695	(51)	(822)	(191,397)	(4,972)	100,453
Off-balance sheet:						
Contingent liabilities	670	—	—	—	—	670
Loan commitments	69,321	—	—	(3,119)	(61)	66,141
Total off-balance sheet	69,991	—	—	(3,119)	(61)	66,811
Total	367,686	(51)	(822)	(194,516)	(5,033)	167,264

The above table excludes any credit risk mitigation that does not impact the expected credit loss for financial assets measured at amortised cost. Off-balance sheet exposures are shown gross of provisions of £18m (2024: £16m), see Note 23 Contingent liabilities and commitments for further details. Corporate loans at amortised cost include £1.7bn (2024 £3.1bn) of BBLS and CBILS supported by UK Government guarantees of £1.7bn (2024: £3.1bn), which are included within the Risk transfer column in the table.

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

Barclays Bank UK PLC 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	29,819	—	—	—	—	29,819
Cash collateral and settlement balances	6,002	—	—	—	—	6,002
Loans and advances at amortised cost:						
Retail mortgages	163,087	—	—	(163,085)	—	2
Retail credit cards	15,030	—	—	—	—	15,030
Retail other	8,331	—	—	(61)	(3)	8,267
Corporate loans	20,654	—	(3)	(10,451)	(7,012)	3,188
Total loans and advances at amortised cost	207,102	—	(3)	(173,597)	(7,015)	26,487
Of which credit-impaired (Stage 3):						
Retail mortgages	*1,597*	—	—	*(1,596)*	—	*1*
Retail credit cards - excluding POCI	*88*	—	—	—	—	*88*
Retail credit cards - POCI	*40*					*40*
Retail other - excluding POCI	*18*	—	—	*(12)*	—	*6*
Retail other - POCI	*17*					*17*
Corporate loans	*1,227*	—	—	*(725)*	*(328)*	*174*
Total credit-impaired loans and advances at amortised cost	*2,987*	—	—	*(2,333)*	*(328)*	*326*
Debt securities at amortised cost	17,983	—	—	—	(50)	17,933
Reverse repurchase agreements and other similar secured lending	5,894	—	—	(5,894)	—	—
Trading portfolio assets	242	—	—	—	—	242
Financial assets at fair value through the income statement	1,543	—	—	(1,366)	—	177
Derivative financial instruments	1,901	(211)	(1,680)	—	—	10
Financial assets at fair value through other comprehensive income	27,045	—	—	—	(145)	26,900
Other assets	284	—	—	—	—	284
Total on-balance sheet	297,815	(211)	(1,683)	(180,857)	(7,210)	107,854
Off-balance sheet:						
Contingent liabilities	710	—	—	—	—	710
Loan commitments	66,574	—	—	(3,514)	(58)	63,002
Total off-balance sheet	67,284	—	—	(3,514)	(58)	63,712
Total	365,099	(211)	(1,683)	(184,371)	(7,268)	171,566

Expected credit losses

Loans and advances at amortised cost by product

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

The table below presents a product breakdown of loans and advances at amortised cost and the impairment allowance by stage; and includes 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. The table also presents stage allocation of debt securities.

The 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 wholesale portfolios, impairment allowance on undrawn exposure is reported on the liability side of the balance sheet as a provision.

Barclays Bank UK Group (audited)		Stage 2						
As at 31 December 2025	Stage 1	Not past due	<=30 days past due	>30 days past due	Total	Stage 3 excluding POCI	Stage 3 POCI	Total[1]
Gross exposure	£m	£m	£m	£m	£m	£m	£m	£m
Retail mortgages	156,981	11,038	2,032	623	13,693	1,792	—	172,466
Retail credit cards	14,922	1,810	79	54	1,943	279	24	17,168
Retail other	7,443	1,265	80	48	1,393	210	15	9,061
Corporate loans	15,510	2,467	10	3	2,480	801	—	18,791
Total loans and advances at amortised cost	194,856	16,580	2,201	728	19,509	3,082	39	217,486
Debt securities at amortised cost	13,495	—	—	—	—	—	—	13,495
Total loans and advances at amortised cost including debt securities	208,351	16,580	2,201	728	19,509	3,082	39	230,981
Impairment allowance								
Retail mortgages	8	9	4	3	16	60	—	84
Retail credit cards	171	332	33	33	398	174	—	743
Retail other	78	119	27	28	174	186	—	438
Corporate loans	66	78	1	—	79	214	—	359
Total loans and advances at amortised cost	323	538	65	64	667	634	—	1624
Debt securities at amortised cost	3	—	—	—	—	—	—	3
Total loans and advances at amortised cost including debt securities	326	538	65	64	667	634	—	1,627
Net exposure								
Retail mortgages	156,973	11,029	2,028	620	13,677	1,732	—	172,382
Retail credit cards	14,751	1,478	46	21	1,545	105	24	16,425
Retail other	7,365	1,146	53	20	1,219	24	15	8,623
Corporate loans	15,444	2,389	9	3	2,401	587	—	18,432
Total loans and advances at amortised cost	194,533	16,042	2,136	664	18,842	2,448	39	215,862
Debt securities at amortised cost	13,492	—	—	—	—	—	—	13,492
Total loans and advances at amortised cost including debt securities	208,025	16,042	2,136	664	18,842	2,448	39	229,354
Coverage ratio	%	%	%	%	%	%	%	%
Retail mortgages	—	0.1	0.2	0.5	0.1	3.3	—	—
Retail credit cards	1.1	18.3	41.8	61.1	20.5	62.4	—	4.3
Retail other	1.0	9.4	33.8	58.3	12.5	88.6	—	4.8
Corporate loans	0.4	3.2	10.0	—	3.2	26.7	—	1.9
Total loans and advances at amortised cost	0.2	3.2	3.0	8.8	3.4	20.6	—	0.7
Debt securities at amortised cost	—	—	—	—	—	—	—	—
Total loans and advances at amortised cost including debt securities	0.2	3.2	3.0	8.8	3.4	20.6	—	0.7

Note

1 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 £44.2bn and an impairment allowance of £1m. This comprises £1m on £44.2bn Stage 1 exposure, £nil Stage 2 exposure and £nil Stage 3 exposure. Loan commitments and financial guarantee contracts have total impairment allowance of £18m.

As at 31 December 2024	Stage 1	Stage 2				Stage 3 excluding POCI	Stage 3 POCI	Total[1]
		Not past due	<=30 days past due	>30 days past due	Total			
Gross exposure	£m	£m	£m	£m	£m	£m	£m	£m
Retail mortgages	142,153	16,781	2,034	631	19,446	1,652	—	163,251
Retail credit cards	13,497	1,986	47	31	2,064	179	40	15,780
Retail other	7,645	790	49	32	871	130	17	8,663
Corporate loans	16,146	2,905	6	108	3,019	1,464	—	20,629
Total loans and advances at amortised cost	179,441	22,462	2,136	802	25,400	3,425	57	208,323
Debt securities at amortised cost	17,911	75	—	—	75	—	—	17,986
Total loans and advances at amortised cost including debt securities	197,352	22,537	2,136	802	25,475	3,425	57	226,309
Impairment allowance								
Retail mortgages	30	41	13	7	61	55	—	146
Retail credit cards	219	407	17	16	440	91	—	750
Retail other	119	70	15	16	101	112	—	332
Corporate loans	65	76	1	—	77	237	—	379
Total loans and advances at amortised cost	433	594	46	39	679	495	—	1,607
Debt securities at amortised cost	3	—	—	—	—	—	—	3
Total loans and advances at amortised cost including debt securities	436	594	46	39	679	495	—	1,610
Net exposure								
Retail mortgages	142,123	16,740	2,021	624	19,385	1,597	—	163,105
Retail credit cards	13,278	1,579	30	15	1,624	88	40	15,030
Retail other	7,526	720	34	16	770	18	17	8,331
Corporate loans	16,081	2,829	5	108	2,942	1,227	—	20,250
Total loans and advances at amortised cost	179,008	21,868	2,090	763	24,721	2,930	57	206,716
Debt securities at amortised cost	17,908	75	—	—	75	—	—	17,983
Total loans and advances at amortised cost including debt securities	196,916	21,943	2,090	763	24,796	2,930	57	224,699
Coverage ratio	%	%	%	%	%	%	%	%
Retail mortgages	—	0.2	0.6	1.1	0.3	3.3	—	0.1
Retail credit cards	1.6	20.5	36.2	51.6	21.3	50.8	—	4.8
Retail other	1.6	8.9	30.6	50.0	11.6	86.2	—	3.8
Corporate loans	0.4	2.6	16.7	—	2.6	16.2	—	1.8
Total loans and advances at amortised cost	0.2	2.6	2.2	4.9	2.7	14.5	—	0.8
Debt securities at amortised cost	—	—	—	—	—	—	—	—
Total loans and advances at amortised cost including debt securities	0.2	2.6	2.2	4.9	2.7	14.5	—	0.7

Note

1 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 £39.3bn and an impairment allowance of £2m. This comprises £2m on £39.1bn Stage 1 exposure, £nil on £0.2bn Stage 2 exposure and £nil Stage 3 exposure. Loan commitments and financial guarantee contracts have total impairment allowance of £16m.

Barclays Bank UK PLC (audited)		Stage 2						
As at 31 December 2025	Stage 1	Not past due	<=30 days past due	>30 days past due	Total	Stage 3 excluding POCI	Stage 3 POCI	Total[1]
Gross exposure	£m	£m	£m	£m	£m	£m	£m	£m
Retail mortgages	156,962	11,038	2,032	623	13,693	1,792	—	172,447
Retail credit cards	14,922	1,810	79	54	1,943	279	24	17,168
Retail other	7,443	1,265	80	48	1,393	210	15	9,061
Corporate loans	15,909	2,467	10	3	2,480	801	—	19,190
Total loans and advances at amortised cost	195,236	16,580	2,201	728	19,509	3,082	39	217,866
Debt securities at amortised cost	13,495	—	—	—	—	—	—	13,495
Total loans and advances at amortised cost including debt securities	208,731	16,580	2,201	728	19,509	3,082	39	231,361
Impairment allowance								
Retail mortgages	8	9	4	3	16	60	—	84
Retail credit cards	171	332	33	33	398	174	—	743
Retail other	78	119	27	28	174	186	—	438
Corporate loans	66	78	1	—	79	214	—	359
Total loans and advances at amortised cost	323	538	65	64	667	634	—	1624
Debt securities at amortised cost	3	—	—	—	—	—	—	3
Total loans and advances at amortised cost including debt securities	326	538	65	64	667	634	—	1,627
Net exposure								
Retail mortgages	156,954	11,029	2,028	620	13,677	1,732	—	172,363
Retail credit cards	14,751	1,478	46	21	1,545	105	24	16,425
Retail other	7,365	1,146	53	20	1,219	24	15	8,623
Corporate loans	15,843	2,389	9	3	2,401	587	—	18,831
Total loans and advances at amortised cost	194,913	16,042	2,136	664	18,842	2,448	39	216,242
Debt securities at amortised cost	13,492	—	—	—	—	—	—	13,492
Total loans and advances at amortised cost including debt securities	208,405	16,042	2,136	664	18,842	2,448	39	229,734
Coverage ratio	%	%	%	%	%	%	%	%
Retail mortgages	—	0.1	0.2	0.5	0.1	3.3	—	—
Retail credit cards	1.1	18.3	41.8	61.1	20.5	62.4	—	4.3
Retail other	1.0	9.4	33.8	58.3	12.5	88.6	—	4.8
Corporate loans	0.4	3.2	10.0	—	3.2	26.7	—	1.9
Total loans and advances at amortised cost	0.2	3.2	3.0	8.8	3.4	20.6	—	0.7
Debt securities at amortised cost	—	—	—	—	—	—	—	—
Total loans and advances at amortised cost including debt securities	0.2	3.2	3.0	8.8	3.4	20.6	—	0.7

Note

1 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 £44.2bn and an impairment allowance of £1m. This comprises £1m on £44.2bn Stage 1 exposure, £nil Stage 2 exposure and £nil Stage 3 exposure. Loan commitments and financial guarantee contracts have total impairment allowance of £18m.

As at 31 December 2024	Stage 1	Stage 2				Stage 3 excluding POCI	Stage 3 POCI	Total[1]
		Not past due	<=30 days past due	>30 days past due	Total			
Gross exposure	£m	£m	£m	£m	£m	£m	£m	£m
Retail mortgages	142,135	16,781	2,034	631	19,446	1,652	—	163,233
Retail credit cards	13,497	1,986	47	31	2,064	179	40	15,780
Retail other	7,645	790	49	32	871	130	17	8,663
Corporate loans	16,550	2,905	6	108	3,019	1,464	—	21,033
Total loans and advances at amortised cost	179,827	22,462	2,136	802	25,400	3,425	57	208,709
Debt securities at amortised cost	17,911	75	—	—	75	—	—	17,986
Total loans and advances at amortised cost including debt securities	197,738	22,537	2,136	802	25,475	3,425	57	226,695
Impairment allowance								
Retail mortgages	30	41	13	7	61	55	—	146
Retail credit cards	219	407	17	16	440	91	—	750
Retail other	119	70	15	16	101	112	—	332
Corporate loans	65	76	1	—	77	237	—	379
Total loans and advances at amortised cost	433	594	46	39	679	495	—	1,607
Debt securities at amortised cost	3	—	—	—	—	—	—	3
Total loans and advances at amortised cost including debt securities	436	594	46	39	679	495	—	1,610
Net exposure								
Retail mortgages	142,105	16,740	2,021	624	19,385	1,597	—	163,087
Retail credit cards	13,278	1,579	30	15	1,624	88	40	15,030
Retail other	7,526	720	34	16	770	18	17	8,331
Corporate loans	16,485	2,829	5	108	2,942	1,227	—	20,654
Total loans and advances at amortised cost	179,394	21,868	2,090	763	24,721	2,930	57	207,102
Debt securities at amortised cost	17,908	75	—	—	75	—	—	17,983
Total loans and advances at amortised cost including debt securities	197,302	21,943	2,090	763	24,796	2,930	57	225,085
Coverage ratio	%	%	%	%	%	%	%	%
Retail mortgages	—	0.2	0.6	1.1	0.3	3.3	—	0.1
Retail credit cards	1.6	20.5	36.2	51.6	21.3	50.8	—	4.8
Retail other	1.6	8.9	30.6	50.0	11.6	86.2	—	3.8
Corporate loans	0.4	2.6	16.7	—	2.6	16.2	—	1.8
Total loans and advances at amortised cost	0.2	2.6	2.2	4.9	2.7	14.5	—	0.8
Debt securities at amortised cost	—	—	—	—	—	—	—	—
Total loans and advances at amortised cost including debt securities	0.2	2.6	2.2	4.9	2.7	14.5	—	0.7

Note
1 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 £39.4bn and an impairment allowance of £2m. This comprises £2m on £39.1bn Stage 1 exposure, £nil on £0.2bn Stage 2 exposure and £nil Stage 3 exposure. Loan commitments and financial guarantee contracts have total impairment allowance of £16m.

Movement in gross exposure 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 gross 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 re-measurement and movements due to exposure and risk parameter changes' includes additional drawdowns and partial repayments from existing facilities. Additionally, the below tables do not include other financial assets subject to impairment such as 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.

Loans and advances at amortised cost (audited)

Barclays Bank UK Group	Stage 1		Stage 2		Stage 3 excl. 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 2025	142,153	30	19,446	61	1,652	55	—	—	163,251	146
Transfers from Stage 1 to Stage 2	(8,658)	(3)	8,658	3	—	—	—	—	—	—
Transfers from Stage 2 to Stage 1	12,606	26	(12,606)	(26)	—	—	—	—	—	—
Transfers to Stage 3	(363)	(1)	(487)	(5)	850	6	—	—	—	—
Transfers from Stage 3	49	—	117	1	(166)	(1)	—	—	—	—
Business activity in the year	32,309	3	1,186	2	7	—	—	—	33,502	5
Refinements to models used for calculation[1]	—	(19)	—	(36)	—	6	—	—	—	(49)
Net drawdowns, repayments, net re-measurement and movements due to exposure and risk parameter changes	(7,793)	(25)	(686)	24	(95)	23	—	—	(8,574)	22
Final repayments	(12,981)	(2)	(1,787)	(5)	(351)	(19)	—	—	(15,119)	(26)
Disposals[2]	(341)	(1)	(148)	(3)	(95)	—	—	—	(584)	(4)
Write-offs	—	—	—	—	(10)	(10)	—	—	(10)	(10)
As at 31 December 2025	156,981	8	13,693	16	1,792	60	—	—	172,466	84
Retail credit cards										
As at 1 January 2025	13,497	219	2,064	440	179	91	40	—	15,780	750
Transfers from Stage 1 to Stage 2	(670)	(15)	670	15	—	—	—	—	—	—
Transfers from Stage 2 to Stage 1	1,012	177	(1,012)	(177)	—	—	—	—	—	—
Transfers to Stage 3	(214)	(7)	(190)	(64)	404	71	—	—	—	—
Transfers from Stage 3	18	5	15	5	(33)	(10)	—	—	—	—
Business activity in the year	2,424	36	381	101	16	14	—	—	2,821	151
Refinements to models used for calculation[1]	—	(11)	—	(193)	—	—	—	—	—	(204)
Net drawdowns, repayments, net re-measurement and movements due to exposure and risk parameter changes[3]	(923)	(227)	25	273	39	281	(16)	—	(875)	327
Final repayments	(222)	(6)	(10)	(2)	(4)	(2)	—	—	(236)	(10)
Disposals[2]	—	—	—	—	(149)	(98)	—	—	(149)	(98)
Write-offs	—	—	—	—	(173)	(173)	—	—	(173)	(173)
As at 31 December 2025	14,922	171	1,943	398	279	174	24	—	17,168	743
Retail other										
As at 1 January 2025	7,645	119	871	101	130	112	17	—	8,663	332
Transfers from Stage 1 to Stage 2	(626)	(12)	626	12	—	—	—	—	—	—
Transfers from Stage 2 to Stage 1	292	23	(292)	(23)	—	—	—	—	—	—
Transfers to Stage 3	(131)	(3)	(85)	(27)	216	30	—	—	—	—
Transfers from Stage 3	2	2	4	3	(6)	(5)	—	—	—	—
Business activity in the year	3,528	37	470	58	37	34	—	—	4,035	129
Refinements to models used for calculation	—	—	—	—	—	—	—	—	—	—
Net drawdowns, repayments, net re-measurement and movements due to exposure and risk parameter changes[3]	(1,899)	(68)	(135)	55	(6)	154	(2)	—	(2,042)	141
Final repayments	(1,368)	(20)	(66)	(5)	(25)	(14)	—	—	(1,459)	(39)
Disposals[2]	—	—	—	—	(43)	(32)	—	—	(43)	(32)
Write-offs	—	—	—	—	(93)	(93)	—	—	(93)	(93)
As at 31 December 2025	7,443	78	1,393	174	210	186	15	—	9,061	438

Notes

1 Refinements to models used for calculation reported within Retail mortgages and Retail credit cards include a £(49)m movement in calculated ECL for the UK Mortgages portfolio and £(204)m movement in the calculated ECL for the UK Cards portfolio. These reflect model enhancements made during the year. Barclays Bank UK Group continually reviews the output of models to determine accuracy of the ECL calculation including review of model monitoring, external benchmarking and experience of model operation over an extended period of time. This helps to ensure that the models used continue to reflect the risks inherent in the businesses.

2 The £584m of gross disposals reported within Retail mortgages relate to the transfer of facilities to a non-consolidated SPV for the purpose of securitisation. The £149m of gross disposals reported within Retail credit cards and £43m of gross disposals reported within Retail other relate to debt sales undertaken during the year.

3 'Net drawdowns, repayments, net re-measurement and movements due to exposure and risk parameter changes' include a gain recognised on the reassessment of purchased or originated credit-impaired (POCI) assets, where the expected credit loss on POCI assets is lower than anticipated at the time of purchase. The resulting increase in carrying value is recognised within gross exposure rather than as a negative impairment allowance.

Loans and advances at amortised cost (audited)

Barclays Bank UK Group	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 2025	16,146	65	3,019	77	1,464	237	—	—	20,629	379
Transfers from Stage 1 to Stage 2	(1,307)	(8)	1,307	8	—	—	—	—	—	—
Transfers from Stage 2 to Stage 1	898	24	(898)	(24)	—	—	—	—	—	—
Transfers to Stage 3	(203)	(1)	(243)	(4)	446	5	—	—	—	—
Transfers from Stage 3	294	16	334	13	(628)	(29)	—	—	—	—
Business activity in the year	2,384	9	158	3	117	10	—	—	2,659	22
Refinements to models used for calculation	—	—	—	—	—	—	—	—	—	—
Net drawdowns, repayments, net re-measurement and movements due to exposure and risk parameter changes	(492)	(35)	(884)	13	(61)	67	—	—	(1,437)	45
Final repayments	(2,054)	(4)	(313)	(7)	(470)	(9)	—	—	(2,837)	(20)
Disposals[1]	(156)	—	—	—	—	—	—	—	(156)	—
Write-offs	—	—	—	—	(67)	(67)	—	—	(67)	(67)
As at 31 December 2025	15,510	66	2,480	79	801	214	—	—	18,791	359

Reconciliation of ECL movement to credit impairment charge/(release) for the year ended 31 December 2025

	Stage 1	Stage 2	Stage 3 excluding POCI	Stage 3 POCI	Total
	£m	£m	£m	£m	£m
Retail mortgages	(21)	(42)	15	—	(48)
Retail credit cards	(48)	(42)	354	—	264
Retail other	(41)	73	199	—	231
Corporate loans	1	2	44	—	47
ECL movement excluding disposals and write-offs[2]	(109)	(9)	612	—	494
ECL movement on loan commitments and financial guarantees	8	(6)	—	—	2
ECL movement on other financial assets	(1)	—	—	—	(1)
ECL movement on debt securities at amortised cost	—	—	—	—	—
Recoveries and reimbursements[3]	(1)	(3)	(45)	—	(49)
Total exchange and other adjustments					(53)
Total credit impairment charge for the year					393

Notes
1 The £156m of gross disposals reported within Corporate loans relate to debt sales undertaken during the year.
2 In 2025, gross write-offs amounted to £343m and post write-off recoveries amounted to £45m. Net write-offs represent gross write-offs less post write-off recoveries and amounted to £298m.
3 Recoveries and reimbursements include £4m for reimbursements where the Barclays Bank UK 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 £45m.

Loan commitments and financial guarantees (audited)

Barclays Bank UK Group	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 2025	11,074	—	338	—	1	—	—	—	11,413	—
Net transfers between stages	131	—	(141)	—	10	—	—	—	—	—
Business activity in the year	8,970	—	—	—	—	—	—	—	8,970	—
Net drawdowns and repayments, net re-measurement and movement due to exposure and risk parameter changes	(8,092)	—	(44)	—	(9)	—	—	—	(8,145)	—
Limit management and final repayments	(339)	—	(30)	—	(2)	—	—	—	(371)	—
As at 31 December 2025	11,744	—	123	—	—	—	—	—	11,867	—
Retail credit cards										
As at 1 January 2025	48,440	8	867	7	115	—	6	—	49,428	15
Net transfers between stages	(755)	6	678	(6)	77	—	—	—	—	—
Business activity in the year	3,829	7	221	1	1	—	—	—	4,051	8
Net drawdowns and repayments, net re-measurement and movement due to exposure and risk parameter changes	160	(3)	(317)	5	(73)	—	(1)	—	(231)	2
Limit management and final repayments	(824)	(2)	(24)	(5)	(24)	—	—	—	(872)	(7)
As at 31 December 2025	50,850	16	1,425	2	96	—	5	—	52,376	18
Retail other										
As at 1 January 2025	3,550	—	333	—	9	—	—	—	3,892	—
Net transfers between stages	(4)	—	—	—	4	—	—	—	—	—
Business activity in the year	1	—	—	—	—	—	—	—	1	—
Net drawdowns and repayments, net re-measurement and movement due to exposure and risk parameter changes	(351)	—	(37)	—	(5)	—	—	—	(393)	—
Limit management and final repayments	(13)	—	—	—	—	—	—	—	(13)	—
As at 31 December 2025	3,183	—	296	—	8	—	—	—	3,487	—
Corporate loans										
As at 1 January 2025	2,544	—	329	1	63	—	—	—	2,936	1
Net transfers between stages	73	1	(47)	(1)	(26)	—	—	—	—	—
Business activity in the year	17	—	—	—	—	—	—	—	17	—
Net drawdowns and repayments, net re-measurement and movement due to exposure and risk parameter changes	(51)	(1)	(10)	—	(11)	—	—	—	(72)	(1)
Limit management and final repayments	(23)	—	—	—	—	—	—	—	(23)	—
As at 31 December 2025	2,560	—	272	—	26	—	—	—	2,858	—

Loans and advances at amortised cost (audited)

Barclays Bank UK PLC	Stage 1		Stage 2		Stage 3 excl. POCI		Stage 3 POCI		Total	
	Gross exposure £m	ECL £m	Gross exposure £m	ECL £m	Gross exposure £m	ECL £m	Gross exposure £m	ECL £m	Gross exposure £m	ECL £m
Retail mortgages										
As at 1 January 2025	142,135	30	19,446	61	1,652	55	—	—	163,233	146
Transfers from Stage 1 to Stage 2	(8,658)	(3)	8,658	3	—	—	—	—	—	—
Transfers from Stage 2 to Stage 1	12,606	26	(12,606)	(26)	—	—	—	—	—	—
Transfers to Stage 3	(363)	(1)	(487)	(5)	850	6	—	—	—	—
Transfers from Stage 3	49	—	117	1	(166)	(1)	—	—	—	—
Business activity in the year	32,309	3	1,186	2	7	—	—	—	33,502	5
Refinements to models used for calculation[1]	—	(19)	—	(36)	—	6	—	—	—	(49)
Net drawdowns, repayments, net re-measurement and movements due to exposure and risk parameter changes	(7,794)	(25)	(686)	24	(95)	23	—	—	(8,575)	22
Final repayments	(12,981)	(2)	(1,787)	(5)	(351)	(19)	—	—	(15,119)	(26)
Disposals[2]	(341)	(1)	(148)	(3)	(95)	—	—	—	(584)	(4)
Write-offs	—	—	—	—	(10)	(10)	—	—	(10)	(10)
As at 31 December 2025	156,962	8	13,693	16	1,792	60	—	—	172,447	84
Retail credit cards										
As at 1 January 2025	13,497	219	2,064	440	179	91	40	—	15,780	750
Transfers from Stage 1 to Stage 2	(670)	(15)	670	15	—	—	—	—	—	—
Transfers from Stage 2 to Stage 1	1,012	177	(1,012)	(177)	—	—	—	—	—	—
Transfers to Stage 3	(214)	(7)	(190)	(64)	404	71	—	—	—	—
Transfers from Stage 3	18	5	15	5	(33)	(10)	—	—	—	—
Business activity in the year	2,424	36	381	101	16	14	—	—	2,821	151
Refinements to models used for calculation[1]	—	(11)	—	(193)	—	—	—	—	—	(204)
Net drawdowns, repayments, net re-measurement and movements due to exposure and risk parameter changes[3]	(923)	(227)	25	273	39	281	(16)	—	(875)	327
Final repayments	(222)	(6)	(10)	(2)	(4)	(2)	—	—	(236)	(10)
Disposals[2]	—	—	—	—	(149)	(98)	—	—	(149)	(98)
Write-offs	—	—	—	—	(173)	(173)	—	—	(173)	(173)
As at 31 December 2025	14,922	171	1,943	398	279	174	24	—	17,168	743
Retail other										
As at 1 January 2025	7,645	119	871	101	130	112	17	—	8,663	332
Transfers from Stage 1 to Stage 2	(626)	(12)	626	12	—	—	—	—	—	—
Transfers from Stage 2 to Stage 1	292	23	(292)	(23)	—	—	—	—	—	—
Transfers to Stage 3	(131)	(3)	(85)	(27)	216	30	—	—	—	—
Transfers from Stage 3	2	2	4	3	(6)	(5)	—	—	—	—
Business activity in the year[2]	3,528	37	470	58	37	34	—	—	4,035	129
Refinements to models used for calculation	—	—	—	—	—	—	—	—	—	—
Net drawdowns, repayments, net re-measurement and movements due to exposure and risk parameter changes[3]	(1,899)	(68)	(135)	55	(6)	154	(2)	—	(2,042)	141
Final repayments	(1,368)	(20)	(66)	(5)	(25)	(14)	—	—	(1,459)	(39)
Disposals[2]	—	—	—	—	(43)	(32)	—	—	(43)	(32)
Write-offs	—	—	—	—	(93)	(93)	—	—	(93)	(93)
As at 31 December 2025	7,443	78	1,393	174	210	186	15	—	9,061	438

Notes

1 Refinements to models used for calculation reported within Retail mortgages and Retail credit cards include a £(49)m movement in calculated ECL for the UK Mortgages portfolio and £(204)m movement in the calculated ECL for the UK Cards portfolio, respectively. These reflect model enhancements made during the year. Barclays Bank UK PLC 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 in the businesses.

2 The £584m of gross disposals reported within Retail mortgages relate to the transfer of facilities to a non-consolidated SPV for the purpose of securitisation. The £149m of gross disposals reported within Retail credit cards and £43m of gross disposals reported within Retail other relate to debt sales undertaken during the year.

3 'Net drawdowns, repayments, net re-measurement and movements due to exposure and risk parameter changes' include a gain recognised on the reassessment of purchased or originated credit-impaired (POCI) assets, where the expected credit loss on POCI assets is lower than anticipated at the time of purchase. The resulting increase in carrying value is recognised within gross exposure rather than as a negative impairment allowance.

Barclays Bank UK PLC	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 2025	16,550	65	3,019	77	1,464	237	—	—	21,033	379
Transfers from Stage 1 to Stage 2	(1,307)	(8)	1,307	8	—	—	—	—	—	—
Transfers from Stage 2 to Stage 1	898	24	(898)	(24)	—	—	—	—	—	—
Transfers to Stage 3	(203)	(1)	(243)	(4)	446	5	—	—	—	—
Transfers from Stage 3	294	16	334	13	(628)	(29)	—	—	—	—
Business activity in the year	2,384	9	158	3	117	10	—	—	2,659	22
Refinements to models used for calculation	—	—	—	—	—	—	—	—	—	—
Net drawdowns, repayments, net re-measurement and movements due to exposure and risk parameter changes	(497)	(35)	(884)	13	(61)	67	—	—	(1,442)	45
Final repayments	(2,054)	(4)	(313)	(7)	(470)	(9)	—	—	(2,837)	(20)
Disposals[1]	(156)	—	—	—	—	—	—	—	(156)	—
Write-offs	—	—	—	—	(67)	(67)	—	—	(67)	(67)
As at 31 December 2025	15,909	66	2,480	79	801	214	—	—	19,190	359

Reconciliation of ECL movement to credit impairment charge/(release) for the year ended 31 December 2025

	Stage 1	Stage 2	Stage 3 excluding POCI	Stage 3 POCI	Total
	£m	£m	£m	£m	£m
Retail mortgages	(21)	(42)	15	—	(48)
Retail credit cards	(48)	(42)	354	—	264
Retail other	(41)	73	199	—	231
Corporate loans	1	2	44	—	47
ECL movement excluding disposals and write-offs[2]	(109)	(9)	612	—	494
ECL movement on loan commitments and financial guarantees	8	(6)	—	—	2
ECL movement on other financial assets	(1)	—	—	—	(1)
ECL movement on debt securities at amortised cost					
Recoveries and reimbursements[3]	(1)	(3)	(45)	—	(49)
Total exchange and other adjustments					(53)
Total credit impairment charge for the year					393

Notes
1 The £156m of gross disposals reported within Corporate loans relate to debt sales undertaken during the year.
2 In 2025, gross write-offs amounted to £343m and post write-off recoveries amounted to £45m. Net write-offs represent gross write-offs less post write-off recoveries and amounted to £298m.
3 Recoveries and reimbursements include £4m for reimbursements where the Barclays Bank UK PLC has entered into financial guarantee contracts which provide credit protection over certain assets with third parties and cash recoveries of previously written-off amounts of £45m.

Loan commitments and financial guarantees (audited)

Barclays Bank UK PLC	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 2025	10,689	—	338	—	1	—	—	—	11,028	—
Net transfers between stages	131	—	(141)	—	10	—	—	—	—	—
Business activity in the year	8,373	—	—	—	—	—	—	—	8,373	—
Net drawdowns and repayments, net re-measurement and movement due to exposure and risk parameter changes	(7,706)	—	(44)	—	(9)	—	—	—	(7,759)	—
Limit management and final repayments	(339)	—	(30)	—	(2)	—	—	—	(371)	—
As at 31 December 2025	11,148	—	123	—	—	—	—	—	11,271	—
Retail credit cards										
As at 1 January 2025	48,440	8	867	7	115	—	6	—	49,428	15
Net transfers between stages	(755)	6	678	(6)	77	—	—	—	—	—
Business activity in the year	3,829	7	221	1	1	—	—	—	4,051	8
Net drawdowns and repayments, net re-measurement and movement due to exposure and risk parameter changes	159	(3)	(317)	5	(73)	—	(1)	—	(232)	2
Limit management and final repayments	(824)	(2)	(24)	(5)	(24)	—	—	—	(872)	(7)
As at 31 December 2025	50,849	16	1,425	2	96	—	5	—	52,375	18
Retail other										
As at 1 January 2025	3,550	—	333	—	9	—	—	—	3,892	—
Net transfers between stages	(4)	—	—	—	4	—	—	—	—	—
Business activity in the year	1	—	—	—	—	—	—	—	1	—
Net drawdowns and repayments, net re-measurement and movement due to exposure and risk parameter changes	(351)	—	(37)	—	(5)	—	—	—	(393)	—
Limit management and final repayments	(13)	—	—	—	—	—	—	—	(13)	—
As at 31 December 2025	3,183	—	296	—	8	—	—	—	3,487	—
Corporate loans										
As at 1 January 2025	2,544	—	329	1	63	—	—	—	2,936	1
Net transfers between stages	73	1	(47)	(1)	(26)	—	—	—	—	—
Business activity in the year	17	—	—	—	—	—	—	—	17	—
Net drawdowns and repayments, net re-measurement and movement due to exposure and risk parameter changes	(51)	(1)	(10)	—	(11)	—	—	—	(72)	(1)
Limit management and final repayments	(23)	—	—	—	—	—	—	—	(23)	—
As at 31 December 2025	2,560	—	272	—	26	—	—	—	2,858	—

Loans and advances at amortised cost (audited)

Barclays Bank UK Group	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	142,943	39	19,081	77	1,709	107	—	—	163,733	223
Transfers from Stage 1 to Stage 2	(9,782)	(4)	9,782	4	—	—	—	—	—	—
Transfers from Stage 2 to Stage 1	6,501	26	(6,501)	(26)	—	—	—	—	—	—
Transfers to Stage 3	(307)	—	(499)	(7)	806	7	—	—	—	—
Transfers from Stage 3	63	2	131	1	(194)	(3)	—	—	—	—
Business activity in the year	22,249	8	791	4	4	—	—	—	23,044	12
Refinements to models used for calculation	—	—	—	—	—	—	—	—	—	—
Net drawdowns, repayments, net re-measurement and movements due to exposure and risk parameter changes	(7,493)	(37)	(915)	29	(121)	(16)	—	—	(8,529)	(24)
Final repayments	(11,787)	(3)	(2,055)	(10)	(308)	(21)	—	—	(14,150)	(34)
Disposals[1]	(234)	(1)	(369)	(11)	(238)	(13)	—	—	(841)	(25)
Write-offs	—	—	—	—	(6)	(6)	—	—	(6)	(6)
As at 31 December 2024	142,153	30	19,446	61	1,652	55	—	—	163,251	146
Retail credit cards										
As at 1 January 2024	8,094	111	2,128	492	198	107	—	—	10,420	710
Transfers from Stage 1 to Stage 2	(590)	(14)	590	14	—	—	—	—	—	—
Transfers from Stage 2 to Stage 1	763	141	(763)	(141)	—	—	—	—	—	—
Transfers to Stage 3	(86)	(3)	(203)	(77)	289	80	—	—	—	—
Transfers from Stage 3	15	4	17	5	(32)	(9)	—	—	—	—
Business activity in the year[2]	5,710	152	194	60	12	11	40	—	5,956	223
Refinements to models used for calculation[3]	—	—	—	(31)	—	—	—	—	—	(31)
Net drawdowns, repayments, net re-measurement and movements due to exposure and risk parameter changes	(381)	(171)	110	121	34	168	—	—	(237)	118
Final repayments	(28)	(1)	(9)	(3)	(4)	(2)	—	—	(41)	(6)
Disposals[1]	—	—	—	—	(155)	(101)	—	—	(155)	(101)
Write-offs	—	—	—	—	(163)	(163)	—	—	(163)	(163)
As at 31 December 2024	13,497	219	2,064	440	179	91	40	—	15,780	750
Retail other										
As at 1 January 2024	3,476	38	927	108	148	113	—	—	4,551	259
Transfers from Stage 1 to Stage 2	(322)	(5)	322	5	—	—	—	—	—	—
Transfers from Stage 2 to Stage 1	320	25	(320)	(25)	—	—	—	—	—	—
Transfers to Stage 3	(47)	(1)	(89)	(28)	136	29	—	—	—	—
Transfers from Stage 3	1	1	4	4	(5)	(5)	—	—	—	—
Business activity in the year[2]	5,936	100	214	27	22	20	17	—	6,189	147
Refinements to models used for calculation	—	—	—	—	—	—	—	—	—	—
Net drawdowns, repayments, net re-measurement and movements due to exposure and risk parameter changes	(933)	(33)	(127)	14	(23)	79	—	—	(1,083)	60
Final repayments	(786)	(6)	(60)	(4)	(28)	(16)	—	—	(874)	(26)
Disposals[1]	—	—	—	—	(46)	(34)	—	—	(46)	(34)
Write-offs	—	—	—	—	(74)	(74)	—	—	(74)	(74)
As at 31 December 2024	7,645	119	871	101	130	112	17	—	8,663	332

Notes

1 The £841m of gross disposals reported within Retail mortgages relate to transfer of facilities to a non-consolidated SPV for the purpose of securitisation. The £155m of gross disposals reported within Retail credit cards and £46m of gross disposals reported within Retail other relate to debt sales undertaken during the year.

2 Business activity in the year reported within Retail credit cards and Retail other includes the acquisition of Tesco Bank, comprising £4.2bn of credit card receivables and £4.1bn of unsecured personal loans.

3 Refinements to models used for calculation include a £(31)m movement in calculated ECL for the UK Cards portfolio. These reflect model enhancements made during the year. Barclays Bank UK Group continually review 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 in the businesses.

Loans and advances at amortised cost (audited)

Barclays Bank UK Group	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 2024	19,292	107	4,335	105	1,320	252	—	—	24,947	464
Transfers from Stage 1 to Stage 2	(1,224)	(13)	1,224	13	—	—	—	—	—	—
Transfers from Stage 2 to Stage 1	1,218	33	(1,218)	(33)	—	—	—	—	—	—
Transfers to Stage 3	(669)	(5)	(500)	(16)	1,169	21	—	—	—	—
Transfers from Stage 3	127	13	206	17	(333)	(30)	—	—	—	—
Business activity in the year	1,760	6	86	2	232	7	—	—	2,078	15
Refinements to models used for calculation[1]	—	(24)	—	(9)	—	—	—	—	—	(33)
Net drawdowns, repayments, net re-measurement and movements due to exposure and risk parameter changes	(1,921)	(46)	(729)	5	(637)	70	—	—	(3,287)	29
Final repayments	(2,437)	(6)	(385)	(7)	(221)	(17)	—	—	(3,043)	(30)
Disposals	—	—	—	—	—	—	—	—	—	—
Write-offs	—	—	—	—	(66)	(66)	—	—	(66)	(66)
As at 31 December 2024	16,146	65	3,019	77	1,464	237	—	—	20,629	379

Reconciliation of ECL movement to credit impairment charge/(release) for the year ended 31 December 2024

	Stage 1	Stage 2	Stage 3 excluding POCI	Stage 3 POCI	Total
	£m	£m	£m	£m	£m
Retail mortgages	(8)	(5)	(33)	—	(46)
Retail credit cards	108	(52)	248	—	304
Retail other	81	(7)	107	—	181
Corporate loans	(42)	(28)	51	—	(19)
ECL movement excluding disposals and write-offs[2]	139	(92)	373	—	420
ECL movement on loan commitments and financial guarantees	(3)	(8)	—	—	(11)
ECL movement on other financial assets	—	(1)	—	—	(1)
ECL movement on debt securities at amortised cost	—	—	—	—	—
Recoveries and reimbursements[3]	(1)	(3)	(48)	—	(52)
Total exchange and other adjustments					(4)
Total credit impairment charge for the year				—	352

Notes

1 Refinements to models used for calculation include a £(33)m movement in calculated ECL for the ESHLA portfolio. These reflect model enhancements made during the year. Barclays Bank UK Group continually review 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 In 2024, gross write-offs amounted to £309m and post write-off recoveries amounted to £48m. Net write-offs represent gross write-offs less post write-off recoveries and amounted to £261m.

3 Recoveries and reimbursements include £4m for reimbursements where the Barclays Bank UK 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 £48m.

Loan commitments and financial guarantees (audited)

Barclays Bank UK Group	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	7,734	—	446	—	3	—	—	—	8,183	—
Net transfers between stages	(47)	—	41	—	6	—	—	—	—	—
Business activity in the year	8,048	—	—	—	—	—	—	—	8,048	—
Net drawdowns and repayments, net re-measurement and movement due to exposure and risk parameter changes	(4,320)	—	(106)	—	(7)	—	—	—	(4,433)	—
Limit management and final repayments	(341)	—	(43)	—	(1)	—	—	—	(385)	—
As at 31 December 2024	11,074	—	338	—	1	—	—	—	11,413	—
Retail credit cards										
As at 1 January 2024	33,465	11	1,041	16	134	—	—	—	34,640	27
Net transfers between stages	(258)	5	178	(5)	80	—	—	—	—	—
Business activity in the year	15,887	2	66	2	1	—	6	—	15,960	4
Net drawdowns and repayments, net re-measurement and movement due to exposure and risk parameter changes	(13)	(8)	(393)	(1)	(79)	—	—	—	(485)	(9)
Limit management and final repayments	(641)	(2)	(25)	(5)	(21)	—	—	—	(687)	(7)
As at 31 December 2024	48,440	8	867	7	115	—	6	—	49,428	15
Retail other										
As at 1 January 2024	4,300	—	414	—	11	—	—	—	4,725	—
Net transfers between stages	26	—	(31)	—	5	—	—	—	—	—
Business activity in the year	4	—	—	—	—	—	—	—	4	—
Net drawdowns and repayments, net re-measurement and movement due to exposure and risk parameter changes	(511)	—	(50)	—	(7)	—	—	—	(568)	—
Limit management and final repayments	(269)	—	—	—	—	—	—	—	(269)	—
As at 31 December 2024	3,550	—	333	—	9	—	—	—	3,892	—
Corporate loans										
As at 1 January 2024	2,554	—	337	—	42	—	—	—	2,933	—
Net transfers between stages	(19)	—	(9)	—	28	—	—	—	—	—
Business activity in the year	40	—	14	1	—	—	—	—	54	1
Net drawdowns and repayments, net re-measurement and movement due to exposure and risk parameter changes	(22)	—	(13)	—	(7)	—	—	—	(42)	—
Limit management and final repayments	(9)	—	—	—	—	—	—	—	(9)	—
As at 31 December 2024	2,544	—	329	1	63	—	—	—	2,936	1

Loans and advances at amortised cost (audited)

Barclays Bank UK PLC	Stage 1		Stage 2		Stage 3 excl. 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	142,906	39	19,081	77	1,709	107	—	—	163,696	223
Transfers from Stage 1 to Stage 2	(9,782)	(4)	9,782	4	—	—	—	—	—	—
Transfers from Stage 2 to Stage 1	6,501	26	(6,501)	(26)	—	—	—	—	—	—
Transfers to Stage 3	(307)	—	(499)	(7)	806	7	—	—	—	—
Transfers from Stage 3	63	2	131	1	(194)	(3)	—	—	—	—
Business activity in the year	22,249	8	791	4	4	—	—	—	23,044	12
Refinements to models used for calculation	—	—	—	—	—	—	—	—	—	—
Net drawdowns, repayments, net re-measurement and movements due to exposure and risk parameter changes	(7,474)	(37)	(915)	29	(121)	(16)	—	—	(8,510)	(24)
Final repayments	(11,787)	(3)	(2,055)	(10)	(308)	(21)	—	—	(14,150)	(34)
Disposals[1]	(234)	(1)	(369)	(11)	(238)	(13)	—	—	(841)	(25)
Write-offs	—	—	—	—	(6)	(6)	—	—	(6)	(6)
As at 31 December 2024	142,135	30	19,446	61	1,652	55	—	—	163,233	146
Retail credit cards										
As at 1 January 2024	8,094	111	2,128	492	198	107	—	—	10,420	710
Transfers from Stage 1 to Stage 2	(590)	(14)	590	14	—	—	—	—	—	—
Transfers from Stage 2 to Stage 1	763	141	(763)	(141)	—	—	—	—	—	—
Transfers to Stage 3	(86)	(3)	(203)	(77)	289	80	—	—	—	—
Transfers from Stage 3	15	4	17	5	(32)	(9)	—	—	—	—
Business activity in the year[2]	5,710	152	194	60	12	11	40	—	5,956	223
Refinements to models used for calculation[3]	—	—	—	(31)	—	—	—	—	—	(31)
Net drawdowns, repayments, net re-measurement and movements due to exposure and risk parameter changes	(381)	(171)	110	121	34	168	—	—	(237)	118
Final repayments	(28)	(1)	(9)	(3)	(4)	(2)	—	—	(41)	(6)
Disposals[1]	—	—	—	—	(155)	(101)	—	—	(155)	(101)
Write-offs	—	—	—	—	(163)	(163)	—	—	(163)	(163)
As at 31 December 2024	13,497	219	2,064	440	179	91	40	—	15,780	750
Retail other										
As at 1 January 2024	3,476	38	927	108	148	113	—	—	4,551	259
Transfers from Stage 1 to Stage 2	(322)	(5)	322	5	—	—	—	—	—	—
Transfers from Stage 2 to Stage 1	320	25	(320)	(25)	—	—	—	—	—	—
Transfers to Stage 3	(47)	(2)	(89)	(27)	136	29	—	—	—	—
Transfers from Stage 3	1	1	4	4	(5)	(5)	—	—	—	—
Business activity in the year[2]	5,936	100	214	27	22	20	17	—	6,189	147
Refinements to models used for calculation	—	—	—	—	—	—	—	—	—	—
Net drawdowns, repayments, net re-measurement and movements due to exposure and risk parameter changes	(933)	(32)	(127)	13	(23)	79	—	—	(1,083)	60
Final repayments	(786)	(6)	(60)	(4)	(28)	(16)	—	—	(874)	(26)
Disposals[1]	—	—	—	—	(46)	(34)	—	—	(46)	(34)
Write-offs	—	—	—	—	(74)	(74)	—	—	(74)	(74)
As at 31 December 2024	7,645	119	871	101	130	112	17	—	8,663	332

Notes

1 The £841m of gross disposals reported within Retail mortgages relate to transfer of facilities to a non-consolidated SPV for the purpose of securitisation. The £155m of gross disposals reported within Retail credit cards and £46m of gross disposals reported within Retail other relate to debt sales undertaken during the year.

2 Business activity in the year reported within Retail credit cards and Retail other includes the acquisition of Tesco Bank of £4.2bn in credit card receivables and £4.1bn in unsecured personal loans.

3 Refinements to models used for calculation include a £(31)m movement in the calculated ECL for the UK Cards. These reflect model enhancements made during the year. Barclays Bank UK PLC continually review the output of models to determine accuracy of the ECL calculation including review of model monitoring, external benchmarking and experience of model operation over an extended period of time. This helps to ensure that the models used continue to reflect the risks inherent across the businesses.

Loans and advances at amortised cost (audited)

Barclays Bank UK PLC	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 2024	19,881	107	4,335	105	1,320	252	—	—	25,536	464
Transfers from Stage 1 to Stage 2	(1,224)	(13)	1,224	13	—	—	—	—	—	—
Transfers from Stage 2 to Stage 1	1,218	33	(1,218)	(33)	—	—	—	—	—	—
Transfers to Stage 3	(669)	(5)	(500)	(16)	1,169	21	—	—	—	—
Transfers from Stage 3	127	13	206	17	(333)	(30)	—	—	—	—
Business activity in the year	1,690	6	86	2	232	7	—	—	2,008	15
Refinements to models used for calculation[1]	—	(24)	—	(9)	—	—	—	—	—	(33)
Net drawdowns, repayments, net re-measurement and movements due to exposure and risk parameter changes	(1,881)	(46)	(729)	5	(637)	70	—	—	(3,247)	29
Final repayments	(2,592)	(6)	(385)	(7)	(221)	(17)	—	—	(3,198)	(30)
Disposals	—	—	—	—	—	—	—	—	—	—
Write-offs	—	—	—	—	(66)	(66)	—	—	(66)	(66)
As at 31 December 2024	16,550	65	3,019	77	1,464	237	—	—	21,033	379

Reconciliation of ECL movement to credit impairment charge/(release) for the year ended 31 December 2024

	Stage 1	Stage 2	Stage 3 excluding POCI	Stage 3 POCI	Total
	£m	£m	£m	£m	£m
Retail mortgages	(8)	(5)	(33)	—	(46)
Retail credit cards	108	(52)	248	—	304
Retail other	81	(7)	107	—	181
Corporate loans	(42)	(28)	51	—	(19)
ECL movement excluding disposals and write-offs[2]	139	(92)	373	—	420
ECL movement on loan commitments and financial guarantees	(3)	(8)	—	—	(11)
ECL movement on other financial assets	—	(1)	—	—	(1)
ECL movement on debt securities at amortised cost	—	—	—	—	—
Recoveries and reimbursements[3]	(1)	(3)	(48)	—	(52)
Total exchange and other adjustments					(4)
Total credit impairment charge for the year					352

Notes
1 Refinements to models used for calculation include a £(33)m movement in the calculated ECL for the ESHLA portfolio. These reflect model enhancements made during the year. Barclays Bank UK PLC continually review 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 in the businesses.
2 In 2024, gross write-offs amounted to £309m and post write-off recoveries amounted to £48m. Net write-offs represent gross write-offs less post write-off recoveries and amounted to £261m.
3 Recoveries and reimbursements include £4m for reimbursements where the Barclays Bank UK PLC has entered into financial guarantee contracts which provide credit protection over certain assets with third parties and cash recoveries of previously written- off amounts of £48m.

Loan commitments and financial guarantees (audited)

Barclays Bank UK PLC	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	7,560	—	446	—	3	—	—	—	8,009	—
Net transfers between stages	(47)	—	41	—	6	—	—	—	—	—
Business activity in the year	7,662	—	—	—	—	—	—	—	7,662	—
Net drawdowns and repayments, net re-measurement and movement due to exposure and risk parameter changes	(4,145)	—	(106)	—	(7)	—	—	—	(4,258)	—
Limit management and final repayments	(341)	—	(43)	—	(1)	—	—	—	(385)	—
As at 31 December 2024	10,689	—	338	—	1	—	—	—	11,028	—
Retail credit cards										
As at 1 January 2024	33,465	11	1,041	16	134	—	—	—	34,640	27
Net transfers between stages	(258)	5	178	(5)	80	—	—	—	—	—
Business activity in the year	15,887	2	66	2	1	—	6	—	15,960	4
Net drawdowns and repayments, net re-measurement and movement due to exposure and risk parameter changes	(13)	(8)	(393)	(1)	(79)	—	—	—	(485)	(9)
Limit management and final repayments	(641)	(2)	(25)	(5)	(21)	—	—	—	(687)	(7)
As at 31 December 2024	48,440	8	867	7	115	—	6	—	49,428	15
Retail other										
As at 1 January 2024	4,300	—	414	—	11	—	—	—	4,725	—
Net transfers between stages	26	—	(31)	—	5	—	—	—	—	—
Business activity in the year	4	—	—	—	—	—	—	—	4	—
Net drawdowns and repayments, net re-measurement and movement due to exposure and risk parameter changes	(511)	—	(50)	—	(7)	—	—	—	(568)	—
Limit management and final repayments	(269)	—	—	—	—	—	—	—	(269)	—
As at 31 December 2024	3,550	—	333	—	9	—	—	—	3,892	—
Corporate loans										
As at 1 January 2024	2,554	—	337	—	42	—	—	—	2,933	—
Net transfers between stages	(19)	—	(9)	—	28	—	—	—	—	—
Business activity in the year	40	—	14	1	—	—	—	—	54	1
Net drawdowns and repayments, net re-measurement and movement due to exposure and risk parameter changes	(22)	—	(13)	—	(7)	—	—	—	(42)	—
Limit management and final repayments	(9)	—	—	—	—	—	—	—	(9)	—
As at 31 December 2024	2,544	—	329	1	63	—	—	—	2,936	1

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 accounts (3.7% of impairment allowance and 2.4% of gross exposure) included in Stage 2 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.

Loans and advances at amortised cost[1]

	Gross Exposure				Impairment Allowance			
Barclays Bank UK Group	Quantitative test	Qualitative test	30 days past due backstop	Total Stage 2	Quantitative test	Qualitative test	30 days past due backstop	Total Stage 2
As at 31 December 2025	£m	£m	£m	£m	£m	£m	£m	£m
Retail mortgages	**9,824**	**3,441**	**428**	**13,693**	**13**	**2**	**1**	**16**
Retail credit cards	**1,267**	**660**	**16**	**1,943**	**259**	**127**	**12**	**398**
Retail other	**1,028**	**336**	**29**	**1,393**	**143**	**19**	**12**	**174**
Corporate loans	**1,677**	**800**	**3**	**2,480**	**66**	**13**	**—**	**79**
Total Stage 2	**13,796**	**5,237**	**476**	**19,509**	**481**	**161**	**25**	**667**
As at 31 December 2024	£m	£m	£m	£m	£m	£m	£m	£m
Retail mortgages	9,143	9,672	631	19,446	42	15	4	61
Retail credit cards	1,719	345	—	2,064	367	73	—	440
Retail other	668	196	7	871	88	12	1	101
Corporate loans	2,196	715	108	3,019	61	16	—	77
Total Stage 2	13,726	10,928	746	25,400	558	116	5	679

Note
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.

Management adjustments to models for impairment (audited)

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

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

Management adjustments to models for impairment allowance presented by product (audited)

Barclays Bank UK Group	Impairment allowance pre management adjustments[1]	Economic uncertainty adjustments	Other adjustments	Management adjustments	Total impairment allowance[2]	Proportion of Management adjustments to total impairment allowance
		(a)	(b)	(a+b)		
As at 31 December 2025	£m	£m	£m	£m	£m	%
Retail mortgages	**76**	—	**8**	**8**	**84**	**9.5**
Retail credit cards	**761**	—	—	—	**761**	—
Retail other	**362**	—	**76**	**76**	**438**	**17.4**
Corporate loans	**283**	**34**	**42**	**76**	**359**	**21.2**
Total	**1,482**	**34**	**126**	**160**	**1,642**	**9.7**
Debt securities at amortised cost	**3**	—	—	—	**3**	—
Total including debt securities at amortised cost	**1,485**	**34**	**126**	**160**	**1,645**	**9.7**
As at 31 December 2024	£m	£m	£m	£m	£m	%
Retail mortgages	42	36	68	104	146	71.2
Retail credit cards	787	—	(22)	(22)	765	(2.9)
Retail other	257	—	75	75	332	22.6
Corporate loans	295	42	43	85	380	22.4
Total	1,381	78	164	242	1,623	14.9
Debt securities at amortised cost	3	—	—	—	3	—
Total including debt securities at amortised cost	1,384	78	164	242	1,626	14.9

Notes
1 Includes £1.0bn (2024: £1.0bn) of modelled ECL, £0.1bn (2024: £0.1bn) of individually assessed impairments and £0.4bn (2024: £0.3bn) of ECL from benchmarked exposures and debt securities.
2 Total impairment allowance consists of ECL stock on drawn and undrawn exposures.

Economic uncertainty adjustments presented by stage (audited)

Barclays Bank UK Group	Stage 1	Stage 2	Stage 3	Total
As at 31 December 2025	£m	£m	£m	£m
Retail mortgages	—	—	—	—
Retail credit cards	—	—	—	—
Retail other	—	—	—	—
Corporate loans	**20**	**8**	**6**	**34**
Total	**20**	**8**	**6**	**34**
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	33	28	17	78

Economic uncertainty adjustments

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

Economic uncertainty adjustments have decreased from last year following the rebuild of the Retail mortgages impairment models, which now better capture consumer responses to the macroeconomic outlook.

Total economic uncertainty adjustments as at 31 December 2025 are £34m (2024: £78m) and comprise:

Customer and client uncertainty provisions of £34m (2024: £53m):

- **Retail mortgages £nil (2024: £11m):** The prior refinancing risk adjustment was retired following the rebuild of the UK Mortgages impairment models, which now better capture sensitivity to interest rate and inflation movements
- **Corporate loans £34m (2024: £42m):** This adjustment reflects potential cross-default risk on Barclays Bank UK Group's lending in respect of clients who have taken out Bounce Back Loans

Model uncertainty provisions of £nil (2024: £25m):

- **Retail mortgages £nil (2024: £25m):** The prior adjustment to address model over-sensitivity was retired following the rebuild of the UK Mortgages impairment models, which now better capture consumer responses to the macroeconomic outlook

Other adjustments

Other adjustments are operational and remain in place until incorporated into the underlying models. These adjustments result from data limitations and model performance related issues identified through model monitoring and other established governance processes.

Total other adjustments as at 31 December 2025 are £126m (2024: £164m) and comprise:

- **Retail mortgages £8m (2024: £68m):** The reduction is driven by the retirement of adjustments following the rebuild of the UK Mortgages impairment models
- **Retail credit cards £nil (2024: £(22)m):** The prior adjustment to address default over-prediction was retired following model remediation in the UK Cards portfolio
- **Retail other £76m (2024: £75m) and Corporate loans £42m (2024: £43m):** These include adjustments for definition of default (DOD) criteria under the Capital Requirements Regulation and model monitoring outcomes

Climate risk ECL assessment

Barclays Bank UK Group performed a credit risk assessment of physical and transition risks due to climate change. This was delivered through a combination of a scenario approach and targeted reviews of specific portfolios identified as more susceptible to climate risk.

Scenario Approach: The IFRS 9 Downside 2 scenario has been updated and aligned to the 2025 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, climate modelling techniques were utilised to inform customer level PD and LGD spreads of physical and transition risk due to climate change for the UK Mortgages portfolio (both PD and LGD). The output of this review did not provide variances in ECL deemed sufficiently certain to warrant raising an additional climate-related charge in 2025.

Barclays Bank UK Group 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 Bank UK Group continues to review credit risk outputs to determine if any additional physical or transition climate risks are identified that are not sufficiently captured via model output.

Measurement uncertainty and sensitivity analysis

The measurement of modelled ECL involves complexity and judgement, including estimation of probabilities of default (PD), loss given default (LGD), a range of unbiased future economic scenarios, estimation of expected lives, estimation of exposures at default (EAD) and assessing significant increases in credit risk. The Barclays Bank UK 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 weightings. The adverse scenarios are calibrated to a broadly similar severity to the 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 rate), 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 Barclays Bank UK Group's internal planning.

Scenarios used to calculate the Barclays Bank UK Group's ECL charge were refreshed in Q425, with the Baseline scenario reflecting the latest consensus macroeconomic forecasts available at the time of the scenario refresh. The Baseline scenario continues to reflect the rapidly changing trade policies and uncertainty around potential tariffs to be imposed by the US administration and responses by other governments. Global growth slows modestly as rising US tariffs and retaliatory measures disrupt trade flows, dampen business confidence, and weigh on investment, though domestic demand in advanced economies remains resilient. GDP growth in 2026 is expected to be 1.1%. Labour markets in major economies soften slightly amid increased uncertainty and slower export-orientated activity. However, the weakening is contained and does not rise significantly from current levels. The quarterly unemployment rate peaks at 4.9%. The Bank of England continues to loosen monetary policy, finishing 2026 with an interest rate of 3.25%.

The Downside scenarios have been calibrated to capture an escalation of trade tensions, where tariffs imposed by the US prompt retaliation from its trading partners with adverse implications for consumer prices and investment sentiment. A sharp slowdown in immigration coupled with mass deportations disrupts the US labour market, compounding downside risks to growth. In addition, global supply chains are severely disrupted as firms delay investment, reassess production locations and hoard production inputs. Imports into the US contract sharply due to higher prices and exports fall due to retaliation. The combination of trade impact and consumer uncertainty triggers a sharp recession, not only in the US but also in the UK and Europe driven by a severe decline in exports, business sentiment and with investment and consumption plans being put on hold. The rapid fall in external demand and a retrenchment in business investment push up unemployment rates, where job losses are concentrated in trade-exposed sectors (machinery, autos, consumer durables) but also spill into services. The Bank of England eases monetary policy amid a disinflationary environment and looser labour markets.

In the Upside scenarios, 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 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 weights involves simulating a range of future paths for UK GDP using historical data with 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 equate to 100%. The movement in weights is driven by the combined impact of two factors: (i) improvement in GDP growth in the Baseline scenario, bringing the Baseline scenario closer to the Upside scenarios; and (ii) model improvements, which increase the Baseline weight and reduce the weights of the tail scenarios. For further details see page 125.

The following tables show the key UK macroeconomic variables used in the five scenarios (5 year annual paths), the 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).

Average macroeconomic variables used in the calculation of ECL					
As at 31 December 2025	2025	2026	2027	2028	2029
Baseline	%	%	%	%	%
UK GDP[1]	1.5	1.1	1.4	1.4	1.4
UK unemployment[2]	4.7	4.9	4.8	4.8	4.7
UK HPI[3]	1.5	2.9	2.5	4.3	3.8
UK bank rate	4.2	3.4	3.4	3.5	3.6
Downside 2					
UK GDP[1]	1.5	(2.5)	(1.2)	2.8	1.1
UK unemployment[2]	4.7	5.8	7.7	6.9	5.7
UK HPI[3]	1.5	(24.9)	(5.1)	9.6	14.2
UK bank rate	4.2	2.3	0.5	0.4	1.1
Downside 1					
UK GDP[1]	1.5	(0.7)	0.1	2.1	1.3
UK unemployment[2]	4.7	5.3	6.3	5.8	5.2
UK HPI[3]	1.5	(11.8)	(1.3)	6.9	8.9
UK bank rate	4.2	2.9	2.0	1.9	2.4
Upside 2					
UK GDP[1]	1.5	2.7	3.7	2.9	2.4
UK unemployment[2]	4.7	4.3	4.0	3.9	3.8
UK HPI[3]	1.5	11.9	8.4	5.1	4.1
UK bank rate	4.2	3.1	2.3	2.3	2.6
Upside 1					
UK GDP[1]	1.5	1.9	2.6	2.2	1.9
UK unemployment[2]	4.7	4.6	4.4	4.4	4.3
UK HPI[3]	1.5	7.4	5.4	4.7	3.9
UK bank rate	4.2	3.2	2.8	2.8	3.1

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 HPI Meth2 All Houses, All Buyers index.

As at 31 December 2024	2024	2025	2026	2027	2028
Baseline	%	%	%	%	%
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
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
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
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
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

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.

Scenario weighting (audited)[1]	Upside 2	Upside 1	Baseline	Downside 1	Downside 2
	%	%	%	%	%
As at 31 December 2025					
Scenario weighting	14.4	27.4	38.5	12.7	7.0
As at 31 December 2024					
Scenario weighting	17.4	26.8	32.5	14.7	8.6

Note
1 For further details on changes to scenario weights see page 123.

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

Macroeconomic variables used in the calculation of ECL (specific bases) (audited)[1]					
	Upside 2	Upside 1	Baseline	Downside 1	Downside 2
	%	%	%	%	%
As at 31 December 2025					
UK GDP[2]	**14.5**	**10.8**	**1.4**	**(0.3)**	**(3.5)**
UK unemployment[3]	**3.8**	**4.3**	**4.8**	**6.5**	**8.1**
UK HPI[4]	**34.6**	**24.9**	**3.0**	**(12.6)**	**(28.0)**
UK bank rate[3]	**2.3**	**2.8**	**3.6**	**4.6**	**4.6**
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[3]	2.8	3.3	4.2	5.3	5.3

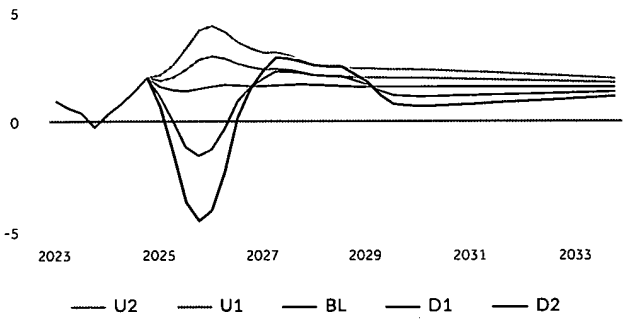
Average basis represents the average quarterly value of variables in the 20 quarter period with GDP and HPI based on yearly average and quarterly CAGRs respectively.

Macroeconomic variables used in the calculation of ECL (5-year averages) (audited)[1]					
	Upside 2	Upside 1	Baseline	Downside 1	Downside 2
	%	%	%	%	%
As at 31 December 2025					
UK GDP[5]	**2.7**	**2.0**	**1.4**	**0.9**	**0.3**
UK unemployment[6]	**4.1**	**4.5**	**4.8**	**5.5**	**6.2**
UK HPI[7]	**6.1**	**4.5**	**3.0**	**0.6**	**(2.0)**
UK bank rate[6]	**2.9**	**3.2**	**3.6**	**2.7**	**1.7**
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[6]	3.5	3.9	4.2	3.3	2.4

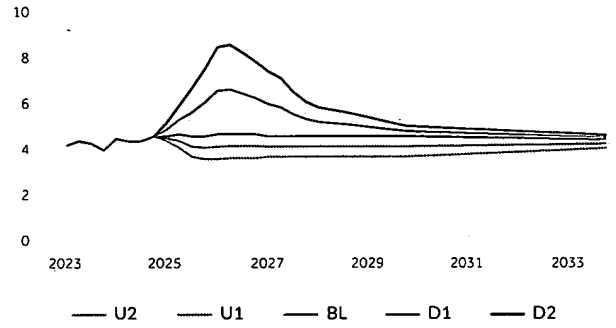
Notes
1 UK GDP = Real GDP growth seasonally adjusted; UK unemployment = UK unemployment rate 16-year+; UK HPI (31.12.24) = Halifax All Houses, All Buyers Index; UK HPI (31.12.25) = Halifax HPI Meth2 All Houses, All Buyers index;. 20 quarter period starts from Q125 (2024: Q124).
2 Maximum growth relative to Q424 (2024: Q423), based on 20 quarter period in Upside scenarios; 5-year yearly average CAGR in Baseline; minimum growth relative to Q424 (2024: Q423), 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 Q125 (2024: Q124).
4 Maximum growth relative to Q424 (2024: Q423), based on 20 quarter period in Upside scenarios; 5-year quarter end CAGR in Baseline; minimum growth relative to Q424 (2024: Q423), based on 20 quarter period in Downside scenarios.
5 5-year yearly average CAGR, starting 2024 (2024: 2023).
6 5-year average. Period based on 20 quarters from Q125 (2024: Q124).
7 5-year quarter end CAGR, starting Q424 (2024: Q423).

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 as well as the forecasted data under each of the five scenarios.

UK GDP



UK unemployment



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

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 other disclosures.

Barclays Bank UK Group (audited)	Scenarios					
As at 31 December 2025	Weighted[1]	Upside 2	Upside 1	Baseline	Downside 1	Downside 2
Stage 1 Model exposure (£m)						
Retail mortgages	148,991	151,301	150,131	148,747	146,773	144,347
Retail credit cards	20,125	20,100	20,115	20,128	20,150	20,142
Retail other	6,260	6,378	6,326	6,268	6,106	5,927
Corporate loans	18,670	19,495	19,134	18,695	17,765	16,759
Stage 1 Model ECL (£m)						
Retail mortgages	3	1	2	2	6	13
Retail credit cards	112	103	107	111	124	137
Retail other	32	30	31	31	35	38
Corporate loans	34	29	32	32	41	49
Stage 1 Coverage (%)						
Retail mortgages	—	—	—	—	—	—
Retail credit cards	0.6	0.5	0.5	0.6	0.6	0.7
Retail other	0.5	0.5	0.5	0.5	0.6	0.6
Corporate loans	0.2	0.1	0.2	0.2	0.2	0.3
Stage 2 Model exposure (£m)						
Retail mortgages	13,585	11,275	12,445	13,829	15,803	18,229
Retail credit cards	1,795	1,741	1,769	1,797	1,844	1,922
Retail other	1,164	1,046	1,098	1,156	1,318	1,497
Corporate loans	2,992	2,167	2,527	2,966	3,897	4,903
Stage 2 Model ECL (£m)						
Retail mortgages	16	6	8	11	32	79
Retail credit cards	312	290	298	307	341	385
Retail other	81	67	72	77	102	134
Corporate loans	67	52	58	67	84	108
Stage 2 Coverage (%)						
Retail mortgages	0.1	0.1	0.1	0.1	0.2	0.4
Retail credit cards	17.4	16.7	16.8	17.1	18.5	20.0
Retail other	7.0	6.4	6.6	6.7	7.7	9.0
Corporate loans	2.2	2.4	2.3	2.3	2.2	2.2
Stage 3 Model exposure (£m)[2]						
Retail mortgages	1,607	1,607	1,607	1,607	1,607	1,607
Retail credit cards	183	183	183	183	183	183
Retail other	128	128	128	128	128	128
Corporate loans	3,615	3,615	3,615	3,615	3,615	3,615
Stage 3 Model ECL (£m)						
Retail mortgages	42	31	33	37	58	96
Retail credit cards	95	94	94	94	97	101
Retail other	79	76	77	77	80	87
Corporate loans[3]	35	32	33	34	40	46
Stage 3 Coverage (%)						
Retail mortgages	2.6	1.9	2.1	2.3	3.6	6.0
Retail credit cards	51.9	51.4	51.4	51.4	53.0	55.2
Retail other	61.7	59.4	60.2	60.2	62.5	68.0
Corporate loans[3]	1.0	0.9	0.9	0.9	1.1	1.3
Total Model ECL (£m)						
Retail mortgages	61	38	43	50	96	188
Retail credit cards	519	487	499	512	562	623
Retail other	192	173	180	185	217	259
Corporate loans[3]	136	113	123	133	165	203
Total Model ECL	908	811	845	880	1,040	1,273

Reconciliation to total ECL	£m
Total weighted model ECL	908
ECL from individually assessed exposures[3]	134
ECL from benchmarked exposures and others[4]	440
ECL from debt securities at amortised cost	3
ECL from post model management adjustments	160
Of which: ECL from economic uncertainty adjustments	*34*
Total ECL	**1,645**

Notes
1 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.
2 Model exposures allocated to Stage 3 do not change in any of the scenarios as the transition criteria relies only on observable evidence of default as at 31 December 2025 and not on the macroeconomic scenario.
3 Material corporate loan defaults are individually assessed across different recovery strategies. As a result, ECL of £134m is reported as an individually assessed impairment in the reconciliation table.
4 ECL from benchmarked exposures and others includes ECL on Tesco Bank of £400m calculated using a benchmarked approach based on UK cards and UK retail loans. The sensitivity of these exposures would materially reflect the sensitivity of the benchmarked model.

The use of five scenarios with associated weightings results in a total weighted ECL uplift from the Baseline ECL of 3.2%.

Retail mortgages: Total weighted ECL of £61m represents a 22.0% increase over the Baseline ECL (£50m). Total ECL increases to £188m under the Downside 2 scenario, driven by a fall in UK HPI.

Retail credit cards: Total weighted ECL of £519m represents a 1.4% increase over the Baseline ECL (£512m). Total ECL increases to £623m under the Downside 2 scenario, driven by an increase in UK unemployment rate.

Retail other: Total weighted ECL of £192m represents a 3.8% increase over the Baseline ECL (£185m). Total ECL increases to £259m under the Downside 2 scenario, largely driven by an increase in UK unemployment rate.

Corporate loans: Total weighted ECL of £136m represents a 2.3% increase over the Baseline ECL (£133m). Total ECL increases to £203m under the Downside 2 scenario, driven by a decrease in UK GDP.

Barclays Bank UK Group (audited)	Scenarios					
As at 31 December 2024	Weighted[1]	Upside 2	Upside 1	Baseline	Downside 1	Downside 2
Stage 1 Model exposure (£m)						
Retail mortgages	139,077	140,818	140,070	139,179	136,661	134,852
Retail credit cards	18,560	18,493	18,507	18,517	18,551	18,514
Retail other	6,416	6,535	6,487	6,432	6,274	6,093
Corporate loans	20,032	21,312	20,802	20,142	18,800	17,077
Stage 1 Model ECL (£m)						
Retail mortgages	1	—	1	1	3	6
Retail credit cards	114	102	106	110	129	148
Retail other	29	26	27	28	31	34
Corporate loans	33	29	31	32	39	45
Stage 1 Coverage (%)						
Retail mortgages	—	—	—	—	—	—
Retail credit cards	0.6	0.6	0.6	0.6	0.7	0.8
Retail other	0.5	0.4	0.4	0.4	0.5	0.6
Corporate loans	0.2	0.1	0.1	0.2	0.2	0.3
Stage 2 Model exposure (£m)						
Retail mortgages	20,398	18,175	19,069	20,131	23,356	26,336
Retail credit cards	2,313	2,231	2,264	2,299	2,392	2,558
Retail other	1,199	1,079	1,128	1,183	1,340	1,522
Corporate loans	3,428	2,149	2,659	3,319	4,661	6,384
Stage 2 Model ECL (£m)						
Retail mortgages	4	1	2	3	7	16
Retail credit cards	449	411	423	436	497	587
Retail other	78	65	69	73	97	130
Corporate loans	68	50	57	67	86	118
Stage 2 Coverage (%)						
Retail mortgages	—	—	—	—	—	0.1
Retail credit cards	19.4	18.4	18.7	19.0	20.8	22.9
Retail other	6.5	6.0	6.1	6.2	7.2	8.5
Corporate loans	2.0	2.3	2.1	2.0	1.8	1.8
Stage 3 Model exposure (£m)[2]						
Retail mortgages	1,037	1,037	1,037	1,037	1,037	1,037
Retail credit cards	192	192	192	192	192	192
Retail other	127	127	127	127	127	127
Corporate loans	4,017	4,017	4,017	4,017	4,017	4,017
Stage 3 Model ECL (£m)						
Retail mortgages	15	8	10	13	24	36
Retail credit cards	91	89	89	90	93	96
Retail other	68	67	67	68	71	72
Corporate loans[3]	47	41	43	44	54	65
Stage 3 Coverage (%)						
Retail mortgages	1.4	0.8	1.0	1.3	2.3	3.5
Retail credit cards	47.4	46.4	46.4	46.9	48.4	50.0
Retail other	53.5	52.8	52.8	53.5	55.9	56.7
Corporate loans[3]	1.2	1.0	1.1	1.1	1.3	1.6
Total Model ECL (£m)						
Retail mortgages	20	9	13	17	34	58
Retail credit cards	654	602	618	636	719	831
Retail other	175	158	163	169	199	236
Corporate loans[3]	148	120	131	143	179	228
Total Model ECL	**997**	**889**	**925**	**965**	**1,131**	**1,353**

Reconciliation to total ECL	£m
Total model ECL	997
ECL from individually assessed exposures[3]	133
ECL from benchmarked exposures and others[4]	251
ECL from debt securities at amortised cost	3
ECL from post model management adjustments	242
Of which: ECL from economic uncertainty adjustments	*78*
Total ECL	**1,626**

Notes
1 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.
2 Model exposures allocated to Stage 3 do not change in any of the scenarios as the transition criteria relies only on observable evidence of default as at 31 December 2024 and not on the macroeconomic scenario.
3 Material corporate loan defaults are individually assessed across different recovery strategies. As a result, ECL of £133m is reported as an individually assessed impairment in the reconciliation table.
4 ECL from benchmarked 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 these exposures would materially reflect the sensitivity of the benchmarked model.

Analysis of the concentration of credit risk

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

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

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

Credit risk concentration by industry and geography (audited)

Loans and advances at amortised cost net of impairment allowance

Industry	Geography				
	United Kingdom	Americas	Europe	Others	Total
Barclays Bank UK Group					
As at 31 December 2025	£m	£m	£m	£m	£m
Agriculture, Food and Forest Products	3,092	—	—	—	3,092
Mining and Quarrying	10	—	—	—	10
Manufacturing	341	—	—	—	341
Government and central bank	2,382	—	—	—	2,382
Banks	216	—	12	—	228
Energy and water	44	—	—	—	44
Materials and Building	7,301	—	1	—	7,302
Wholesale and retail distribution and leisure	1,761	—	—	—	1,761
Transport and storage	235	—	—	—	235
Home Loans	172,379	3	—	—	172,382
Business and other services	2,796	—	—	—	2,796
Other Financial Institutions	241	—	—	—	241
Cards, unsecured loans and other personal lending	25,045	—	1	2	25,048
Total loans and advances at amortised cost	215,843	3	14	2	215,862
Debt securities at amortised cost	10,137	541	273	2,541	13,492
Total loans and advances at amortised cost including debt securities[1]	225,980	544	287	2,543	229,354
Contingent liabilities	670	0	0	0	670
Loan commitments	69,909	3	5	1	69,918
Total off-balance sheet	70,579	3	5	1	70,588
As at 31 December 2024	£m	£m	£m	£m	£m
Agriculture, Food and Forest Products	3,318	—	—	—	3,318
Mining and Quarrying	8	—	—	—	8
Manufacturing	410	—	—	—	410
Government and central bank	3,153	—	—	—	3,153
Banks	260	1	21	—	282
Energy and water	42	—	—	—	42
Materials and Building	7,247	—	—	1	7,248
Wholesale and retail distribution and leisure	2,003	—	—	—	2,003
Transport and storage	243	—	—	—	243
Home Loans	163,105	—	—	—	163,105
Business and other services	3,283	—	—	—	3,283
Other Financial Institutions	260	—	—	—	260
Cards, unsecured loans and other personal lending	23,353	5	1	2	23,361
Total loans and advances at amortised cost	206,685	6	22	3	206,716
Debt securities at amortised cost	10,118	1,657	434	5,774	17,983
Total loans and advances at amortised cost including debt securities[1]	216,803	1,663	456	5,777	224,699
Contingent liabilities	710	—	—	—	710
Loan commitments	66,946	7	5	1	66,959
Total off-balance sheet	67,656	7	5	1	67,669

Notes

1 Loans and advances includes POCI assets of £39m (2024: £57m)

2 Refer to Carbon related assets table on page 95 for more details on the "Exposures towards sectors that highly contribute to carbon related assets" under the respective Industry sectors.

Loans and advances at amortised cost net of impairment allowance

Industry	Geography				
	United Kingdom	Americas	Europe	Others	Total
Barclays Bank UK PLC					
As at 31 December 2025	£m	£m	£m	£m	£m
Agriculture, Food and Forest Products	3,092	—	—	—	3,092
Mining and Quarrying	10	—	—	—	10
Manufacturing	341	—	—	—	341
Government and central bank	2,382	—	—	—	2,382
Banks	119	—	12	—	131
Energy and water	44	—	—	—	44
Materials and Building	7,301	—	1	—	7,302
Wholesale and retail distribution and leisure	1,761	—	—	—	1,761
Transport and storage	235	—	—	—	235
Home Loans	172,360	3	—	—	172,363
Business and other services	2,797	—	—	—	2,797
Other Financial Institutions	736	—	—	—	736
Cards, unsecured loans and other personal lending	25,045	—	1	2	25,048
Total loans and advances at amortised cost	216,223	3	14	2	216,242
Debt securities at amortised cost	10,137	541	273	2,541	13,492
Total loans and advances at amortised cost including debt securities	226,360	544	287	2,543	229,734
Contingent liabilities	670	—	—	—	670
Loan commitments	69,312	3	5	1	69,321
Total off-balance sheet	69,982	3	5	1	69,991

As at 31 December 2024	£m	£m	£m	£m	£m
Agriculture, Food and Forest Products	3,318	—	—	—	3,318
Mining and Quarrying	8	—	—	—	8
Manufacturing	410	—	—	—	410
Government and central bank	3,153	—	—	—	3,153
Banks	295	1	21	—	317
Energy and water	42	—	—	—	42
Materials and Building	7,247	—	—	1	7,248
Wholesale and retail distribution and leisure	2,003	—	—	—	2,003
Transport and storage	243	—	—	—	243
Home Loans	163,087	—	—	—	163,087
Business and other services	3,281	—	—	—	3,281
Other Financial Institutions	631	—	—	—	631
Cards, unsecured loans and other personal lending	23,353	5	1	2	23,361
Total loans and advances at amortised cost	207,071	6	22	3	207,102
Debt securities at amortised cost	10,118	1,657	434	5,774	17,983
Total loans and advances at amortised cost including debt securities	217,189	1,663	456	5,777	225,085
Contingent liabilities	710	—	—	—	710
Loan commitments	66,561	7	5	1	66,574
Total off-balance sheet	67,271	7	5	1	67,284

The Barclays Bank UK Group's 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 on pages 103 to 133.

The Barclays Bank UK Group uses the following internal measures to determine credit quality for loans:

PD Range %	Internal DG Band	Default Probability			Credit Quality description	Moody's	Standard and Poor's
		>Min	Mid	<=Max			
0.00 to < 0.15	1	0.00%	0.01%	0.02%	Strong	Aaa, Aa1, Aa2	AAA, AA+, AA, 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
0.75 to < 2.50	12	0.75%	0.98%	1.20%	Satisfactory	Ba2, Ba3	BB, BB-
	13	1.20%	1.38%	1.55%		Ba3	BB-
	14	1.55%	1.85%	2.15%		B1	B+
	15	2.15%	2.33%	2.50%		B1, B2	B+
2.50 to < 10.00	15	2.50%	2.78%	3.05%	Satisfactory	B1, B2	B+
	16	3.05%	3.75%	4.45%		B2	B
	17	4.45%	5.40%	6.35%		B3	B
	18	6.35%	7.50%	8.65%		B3, Caa1	B-
	19	8.65%	9.33%	10.00%		Caa2	B-
10.00 to < 100.00	19	10.00%	10.68%	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, C
100.00 (Default)	22	100%	100%	100%	Credit Impaired	D	D

For retail clients, a range of analytical tools are used to derive the probability of default of clients at inception and on an ongoing basis.

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 Barclays Bank UK Group, the asset may not be collateralised, or may relate to unsecured retail facilities. At the lower end of this grade there are customers that are being more carefully monitored, for example, corporate customers which are indicating some evidence of deterioration, mortgages with a high loan to value, and unsecured retail loans operating outside normal product guidelines.

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

Loans that are past due are monitored closely, with impairment allowances raised as appropriate and in line with the Barclays Bank UK 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 Barclays Bank UK Group mainly uses external credit ratings provided by Standard & Poor's, Fitch or Moody's. Where such ratings are not available or are not current, the Barclays Bank UK Group will use its own internal ratings for the securities.

Balance sheet credit quality

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

Overview

As at 31 December 2025 the ratio of the Barclays Bank UK Group's on-balance sheet assets classified as strong (0.0 < 0.60%) is 88% (2024: 87%) of total assets exposed to credit risk.

Balance sheet credit quality (audited)

	PD Range				PD Range			
Barclays Bank UK Group	0.0 to <0.60%	0.60 to <11.35%	11.35 to 100%	Total	0.0 to <0.60%	0.60 to <11.35%	11.35 to 100%	Total
As at 31 December 2025	£m	£m	£m	£m	%	%	%	%
Cash and balances at central banks	21,208	—	—	21,208	100	—	—	100
Cash collateral and settlement balances	6,120	—	—	6,120	100	—	—	100
Loans and advances at amortised cost								
Retail mortgages	163,013	6,667	2,702	172,382	94	4	2	100
Retail credit cards	6,355	9,473	597	16,425	39	57	4	100
Retail other	3,223	5,121	279	8,623	37	60	3	100
Corporate loans	8,078	9,374	980	18,432	44	51	5	100
Total loans and advances at amortised cost	180,669	30,635	4,558	215,862	84	14	2	100
Debt securities at amortised cost	13,326	166	—	13,492	99	1	—	100
Reverse repurchase agreements and other similar secured lending	6,001	—	—	6,001	100	—	—	100
Trading portfolio assets:								
Debt securities	385	—	—	385	100	—	—	100
Total trading portfolio assets	385	—	—	385	100	—	—	100
Financial assets at fair value through the income statement:								
Loans and advances	1,402	11	—	1,413	99	1	—	100
Other financial assets	—	—	—	—	—	—	—	—
Total financial assets at fair value through the income statement	1,402	11	—	1,413	99	1	—	100
Derivative financial instruments	890	—	—	890	100	—	—	100
Financial assets at fair value through other comprehensive income - Debt securities	31,572	—	—	31,572	100	—	—	100
Other assets	361	—	—	361	100	—	—	100
Total on-balance sheet	261,934	30,812	4,558	297,304	88	10	2	100

Balance sheet credit quality (audited)

	PD Range				PD Range			
Barclays Bank UK Group	0.0 to <0.60%	0.60 to <11.35%	11.35 to 100%	Total	0.0 to <0.60%	0.60 to <11.35%	11.35 to 100%	Total
As at 31 December 2024	£m	£m	£m	£m	%	%	%	%
Cash and balances at central banks	29,819	—	—	29,819	100	—	—	100
Cash collateral and settlement balances	6,002	—	—	6,002	100	—	—	100
Loans and advances at amortised cost								
Retail mortgages	155,917	5,178	2,010	163,105	96	3	1	100
Retail credit cards	3,670	10,715	645	15,030	24	72	4	100
Retail other	1,725	6,416	190	8,331	21	77	2	100
Corporate loans	9,073	9,405	1,772	20,250	45	46	9	100
Total loans and advances at amortised cost	170,385	31,714	4,617	206,716	83	15	2	100
Debt securities at amortised cost	17,757	226	—	17,983	99	1	—	100
Reverse repurchase agreements and other similar secured lending	5,894	—	—	5,894	100	—	—	100
Trading portfolio assets:								
Debt securities	242	—	—	242	100	—	—	100
Total trading portfolio assets	242	—	—	242	100	—	—	100
Financial assets at fair value through the income statement:								
Loans and advances	1,455	88	—	1,543	94	6	—	100
Other financial assets	—	—	—	—	—	—	—	—
Total financial assets at fair value through the income statement	1,455	88	—	1,543	94	6	—	100
Derivative financial instruments	1,901	—	—	1,901	100	—	—	100
Financial assets at fair value through other comprehensive income - Debt securities	27,045	—	—	27,045	100	—	—	100
Other assets	265	—	—	265	100	—	—	100
Total on-balance sheet	260,765	32,028	4,617	297,410	87	11	2	100

Balance sheet credit quality (audited)

Barclays Bank UK PLC As at 31 December 2025	PD Range 0.0 to <0.60% £m	PD Range 0.60 to <11.35% £m	PD Range 11.35 to 100% £m	Total £m	PD Range 0.0 to <0.60% %	PD Range 0.60 to <11.35% %	PD Range 11.35 to 100% %	Total %
Cash and balances at central banks	21,208	—	—	21,208	100	—	—	100
Cash collateral and settlement balances	6,120	—	—	6,120	100	—	—	100
Loans and advances at amortised cost								
Retail mortgages	162,994	6,667	2,702	172,363	94	4	2	100
Retail credit cards	6,355	9,473	597	16,425	39	57	4	100
Retail other	3,223	5,121	279	8,623	37	60	3	100
Corporate loans	8,477	9,374	980	18,831	45	50	5	100
Total loans and advances at amortised cost	181,049	30,635	4,558	216,242	84	14	2	100
Debt securities at amortised cost	13,326	166	—	13,492	99	1	—	100
Reverse repurchase agreements and other similar secured lending	6,001	—	—	6,001	100	—	—	100
Trading portfolio assets:								
Debt securities	385	—	—	385	100	—	—	100
Total trading portfolio assets	385	—	—	385	100	—	—	100
Financial assets at fair value through the income statement:								
Loans and advances	1,402	11	—	1,413	99	1	—	100
Other financial assets	—	—	—	—	—	—	—	—
Total financial assets at fair value through the income statement	1,402	11	—	1,413	99	1	—	100
Derivative financial instruments	884	—	—	884	100	—	—	100
Financial assets at fair value through other comprehensive income - Debt securities	31,572	—	—	31,572	100	—	—	100
Other assets	378	—	—	378	100	—	—	100
Total on-balance sheet	262,325	30,812	4,558	297,695	88	10	2	100

Balance sheet credit quality (audited)

Barclays Bank UK PLC As at 31 December 2024	PD Range 0.0 to <0.60% £m	PD Range 0.60 to <11.35% £m	PD Range 11.35 to 100% £m	Total £m	PD Range 0.0 to <0.60% %	PD Range 0.60 to <11.35% %	PD Range 11.35 to 100% %	Total %
Cash and balances at central banks	29,819	—	—	29,819	100	—	—	100
Cash collateral and settlement balances	6,002	—	—	6,002	100	—	—	100
Loans and advances at amortised cost								
Retail mortgages	155,899	5,178	2,010	163,087	96	3	1	100
Retail credit cards	3,670	10,715	645	15,030	24	72	4	100
Retail other	1,725	6,416	190	8,331	21	77	2	100
Corporate loans	9,478	9,404	1,772	20,654	46	45	9	100
Total loans and advances at amortised cost	170,772	31,713	4,617	207,102	83	15	2	100
Debt securities at amortised cost	17,757	226	—	17,983	99	1	—	100
Reverse repurchase agreements and other similar secured lending	5,894	—	—	5,894	100	—	—	100
Trading portfolio assets:								
Debt securities	242	—	—	242	100	—	—	100
Total trading portfolio assets	242	—	—	242	100	—	—	100
Financial assets at fair value through the income statement:								
Loans and advances	1,455	88	—	1,543	94	6	—	100
Other financial assets	—	—	—	—	—	—	—	—
Total financial assets at fair value through the income statement	1,455	88	—	1,543	94	6	—	100
Derivative financial instruments	1,901	—	—	1,901	100	—	—	100
Financial assets at fair value through other comprehensive income - Debt securities	27,045	—	—	27,045	100	—	—	100
Other assets	284	—	—	284	100	—	—	100
Total on-balance sheet	261,171	32,027	4,617	297,815	87	11	2	100

Credit exposures by internal PD grade

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

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

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

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

As at 31 December 2025			Gross carrying amount					Allowance for ECL						
Grade	PD range	Credit quality description	Stage 1	Stage 2	Stage 3 excl POCI	Stage 3 POCI	Total	Stage 1	Stage 2	Stage 3 excl POCI	Stage 3 POCI	Total	Net exposure	Coverage ratio
	%		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	%
Barclays Bank UK Group														
1-3	0.0 to <0.05%	Strong	11,602	68	—	—	11,670	—	—	—	—	—	11,670	—
4-5	0.05 to <0.15%	Strong	91,120	2,291	—	—	93,411	2	1	—	—	3	93,408	—
6-8	0.15 to <0.30%	Strong	39,828	2,907	—	—	42,735	5	2	—	—	7	42,728	—
9-11	0.30 to <0.60%	Strong	12,529	2,681	—	—	15,210	1	2	—	—	3	15,207	—
12-14	0.60 to <2.15%	Satisfactory	1,546	2,703	—	—	4,249	—	4	—	—	4	4,245	0.1
15-19	2.15 to <11.35%	Satisfactory	295	2,131	—	—	2,426	—	4	—	—	4	2,422	0.2
20-21	11.35 to <100%	Higher Risk	61	912	—	—	973	—	3	—	—	3	970	0.3
22	100%	Credit Impaired	—	—	1,792	—	1,792	—	—	60	—	60	1,732	3.3
Total			156,981	13,693	1,792	—	172,466	8	16	60	—	84	172,382	—

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

As at 31 December 2025			Gross carrying amount					Allowance for ECL						
Grade	PD range	Credit quality description	Stage 1	Stage 2	Stage 3 excl POCI	Stage 3 POCI	Total	Stage 1	Stage 2	Stage 3 excl POCI	Stage 3 POCI	Total	Net exposure	Coverage ratio
	%		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	%
Barclays Bank UK Group														
1-3	0.0 to <0.05%	Strong	533	1	—	—	534	—	—	—	—	—	534	—
4-5	0.05 to <0.15%	Strong	1,781	5	—	—	1,786	2	—	—	—	2	1,784	0.1
6-8	0.15 to <0.30%	Strong	1,614	5	—	—	1,619	4	—	—	—	4	1,615	0.2
9-11	0.30 to <0.60%	Strong	2,422	10	—	—	2,432	10	—	—	—	10	2,422	0.4
12-14	0.60 to <2.15%	Satisfactory	5,445	83	—	—	5,528	53	4	—	—	57	5,471	1.0
15-19	2.15 to <11.35%	Satisfactory	3,017	1,247	—	—	4,264	90	172	—	—	262	4,002	6.1
20-21	11.35 to <100%	Higher Risk	110	592	—	—	702	12	222	—	—	234	468	33.3
22	100%	Credit Impaired	—	—	279	24	303	—	—	174	—	174	129	57.4
Total			14,922	1,943	279	24	17,168	171	398	174	—	743	16,425	4.3

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

As at 31 December 2025			Gross carrying amount					Allowance for ECL						
Grade	PD range	Credit quality description	Stage 1	Stage 2	Stage 3 excl POCI	Stage 3 POCI	Total	Stage 1	Stage 2	Stage 3 excl POCI	Stage 3 POCI	Total	Net exposure	Cover-age ratio
	%		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	%
Barclays Bank UK Group														
1-3	0.0 to <0.05%	Strong	46	1	—	—	47	—	—	—	—	—	47	—
4-5	0.05 to <0.15%	Strong	442	6	—	—	448	1	—	—	—	1	447	0.2
6-8	0.15 to <0.30%	Strong	856	12	—	—	868	2	—	—	—	2	866	0.2
9-11	0.30 to <0.60%	Strong	1,810	63	—	—	1,873	7	3	—	—	10	1,863	0.5
12-14	0.60 to <2.15%	Satisfactory	2,784	263	—	—	3,047	21	11	—	—	32	3,015	1.1
15-19	2.15 to <11.35%	Satisfactory	1,446	759	—	—	2,205	39	60	—	—	99	2,106	4.5
20-21	11.35 to <100%	Higher Risk	59	289	—	—	348	8	100	—	—	108	240	31.0
22	100%	Credit Impaired	—	—	210	15	225	—	—	186	—	186	39	82.7
Total			7,443	1,393	210	15	9,061	78	174	186	—	438	8,623	4.8

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

As at 31 December 2025			Gross carrying amount					Allowance for ECL						
Grade	PD range	Credit quality description	Stage 1	Stage 2	Stage 3 excl POCI	Stage 3 POCI	Total	Stage 1	Stage 2	Stage 3 excl POCI	Stage 3 POCI	Total	Net exposure	Cover -age ratio
	%		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	%
Barclays Bank UK Group														
1-3	0.0 to <0.05%	Strong	4,117	2	—	—	4,119	2	—	—	—	2	4,117	—
4-5	0.05 to <0.15%	Strong	2,072	1	—	—	2,073	2	—	—	—	2	2,071	0.1
6-8	0.15 to <0.30%	Strong	459	183	—	—	642	1	18	—	—	19	623	3.0
9-11	0.30 to <0.60%	Strong	1,213	61	—	—	1,274	6	1	—	—	7	1,267	0.5
12-14	0.60 to <2.15%	Satisfactory	5,448	720	—	—	6,168	36	19	—	—	55	6,113	0.9
15-19	2.15 to <11.35%	Satisfactory	2,120	1,191	—	—	3,311	17	33	—	—	50	3,261	1.5
20-21	11.35 to <100%	Higher Risk	81	322	—	—	403	2	8	—	—	10	393	2.5
22	100%	Credit Impaired	—	—	801	—	801	—	—	214	—	214	587	26.7
Total			15,510	2,480	801	—	18,791	66	79	214	—	359	18,432	1.9

Credit risk profile by internal PD grade for loans and advances at amortised cost (audited)

As at 31 December 2025			Gross carrying amount					Allowance for ECL						
Grade	PD range	Credit quality description	Stage 1	Stage 2	Stage 3 excl POCI	Stage 3 POCI	Total	Stage 1	Stage 2	Stage 3 excl POCI	Stage 3 POCI	Total	Net exposure	Cover-age ratio
	%		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	%
Barclays Bank UK Group														
1-3	0.0 to <0.05%	Strong	16,298	72	—	—	16,370	2	—	—	—	2	16,368	—
4-5	0.05 to <0.15%	Strong	95,415	2,303	—	—	97,718	7	1	—	—	8	97,710	—
6-8	0.15 to <0.30%	Strong	42,757	3,107	—	—	45,864	12	20	—	—	32	45,832	0.1
9-11	0.30 to <0.60%	Strong	17,974	2,815	—	—	20,789	24	6	—	—	30	20,759	0.1
12-14	0.60 to <2.15%	Satisfactory	15,223	3,769	—	—	18,992	110	38	—	—	148	18,844	0.8
15-19	2.15 to <11.35%	Satisfactory	6,878	5,328	—	—	12,206	146	269	—	—	415	11,791	3.4
20-21	11.35 to <100%	Higher Risk	311	2,115	—	—	2,426	22	333	—	—	355	2,071	14.6
22	100%	Credit Impaired	—	—	3,082	39	3,121	—	—	634	—	634	2,487	20.3
Total			194,856	19,509	3,082	39	217,486	323	667	634	—	1,624	215,862	0.7

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

As at 31 December 2024			Gross carrying amount					Allowance for ECL						
Grade	PD range	Credit quality description	Stage 1	Stage 2	Stage 3 excl POCI	Stage 3 POCI	Total	Stage 1	Stage 2	Stage 3 excl POCI	Stage 3 POCI	Total	Net exposure	Cover-age ratio
	%		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	%
Barclays Bank UK Group														
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	90,418	6,864	—	—	97,282	15	3	—	—	18	97,264	—
6-8	0.15 to <0.30%	Strong	18,572	4,417	—	—	22,989	10	6	—	—	16	22,973	0.1
9-11	0.30 to <0.60%	Strong	5,301	2,945	—	—	8,246	3	10	—	—	13	8,233	0.2
12-14	0.60 to <2.15%	Satisfactory	859	2,741	—	—	3,600	1	19	—	—	20	3,580	0.6
15-19	2.15 to <11.35%	Satisfactory	82	1,532	—	—	1,614	—	16	—	—	16	1,598	1.0
20-21	11.35 to <100%	Higher Risk	122	298	—	—	420	—	7	—	—	7	413	1.7
22	100%	Credit Impaired	—	—	1,652	—	1,652	—	—	55	—	55	1,597	3.3
Total			142,153	19,446	1,652	—	163,251	30	61	55	—	146	163,105	0.1

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

As at 31 December 2024			Gross carrying amount					Allowance for ECL						
Grade	PD range	Credit quality description	Stage 1	Stage 2	Stage 3 excl POCI	Stage 3 POCI	Total	Stage 1	Stage 2	Stage 3 excl POCI	Stage 3 POCI	Total	Net exposure	Coverage ratio
	%		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	%
Barclays Bank UK Group														
1-3	0.0 to <0.05%	Strong	118	—	—	—	118	—	—	—	—	—	118	—
4-5	0.05 to <0.15%	Strong	1,141	3	—	—	1,144	1	—	—	—	1	1,143	0.1
6-8	0.15 to <0.30%	Strong	1,031	3	—	—	1,034	2	—	—	—	2	1,032	0.2
9-11	0.30 to <0.60%	Strong	1,375	6	—	—	1,381	4	—	—	—	4	1,377	0.3
12-14	0.60 to <2.15%	Satisfactory	7,392	54	—	—	7,446	142	3	—	—	145	7,301	1.9
15-19	2.15 to <11.35%	Satisfactory	2,311	1,330	—	—	3,641	48	179	—	—	227	3,414	6.2
20-21	11.35 to <100%	Higher Risk	129	668	—	—	797	22	258	—	—	280	517	35.1
22	100%	Credit Impaired	—	—	179	40	219	—	—	91	—	91	128	41.6
Total			13,497	2,064	179	40	15,780	219	440	91	—	750	15,030	4.8

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

As at 31 December 2024			Gross carrying amount					Allowance for ECL						
Grade	PD range	Credit quality description	Stage 1	Stage 2	Stage 3 excl POCI	Stage 3 POCI	Total	Stage 1	Stage 2	Stage 3 excl POCI	Stage 3 POCI	Total	Net exposure	Coverage ratio
	%		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	%
Barclays Bank UK Group														
1-3	0.0 to <0.05%	Strong	35	1	—	—	36	1	—	—	—	1	35	2.8
4-5	0.05 to <0.15%	Strong	300	5	—	—	305	1	—	—	—	1	304	0.3
6-8	0.15 to <0.30%	Strong	378	6	—	—	384	1	—	—	—	1	383	0.3
9-11	0.30 to <0.60%	Strong	952	59	—	—	1,011	5	3	—	—	8	1,003	0.8
12-14	0.60 to <2.15%	Satisfactory	5,298	209	—	—	5,507	74	11	—	—	85	5,422	1.5
15-19	2.15 to <11.35%	Satisfactory	615	435	—	—	1,050	20	36	—	—	56	994	5.3
20-21	11.35 to <100%	Higher Risk	67	156	—	—	223	17	51	—	—	68	155	30.5
22	100%	Credit Impaired	—	—	130	17	147	—	—	112	—	112	35	76.2
Total			7,645	871	130	17	8,663	119	101	112	—	332	8,331	3.8

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

As at 31 December 2024			Gross carrying amount					Allowance for ECL						
Grade	PD range	Credit quality description	Stage 1	Stage 2	Stage 3 excl POCI	Stage 3 POCI	Total	Stage 1	Stage 2	Stage 3 excl POCI	Stage 3 POCI	Total	Net exposure	Coverage ratio
	%		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	%
Barclays Bank UK Group														
1-3	0.0 to <0.05%	Strong	4,908	107	—	—	5,015	2	—	—	—	2	5,013	—
4-5	0.05 to <0.15%	Strong	2,135	—	—	—	2,135	2	—	—	—	2	2,133	0.1
6-8	0.15 to <0.30%	Strong	542	10	—	—	552	1	—	—	—	1	551	0.2
9-11	0.30 to <0.60%	Strong	1,330	52	—	—	1,382	5	1	—	—	6	1,376	0.4
12-14	0.60 to <2.15%	Satisfactory	4,655	778	—	—	5,433	32	23	—	—	55	5,378	1.0
15-19	2.15 to <11.35%	Satisfactory	2,477	1,611	—	—	4,088	21	40	—	—	61	4,027	1.5
20-21	11.35 to <100%	Higher Risk	99	461	—	—	560	2	13	—	—	15	545	2.7
22	100%	Credit Impaired	—	—	1,464	—	1,464	—	—	237	—	237	1,227	16.2
Total			16,146	3,019	1,464	—	20,629	65	77	237	—	379	20,250	1.8

Credit risk profile by internal PD grade for loans and advances at amortised cost (audited)

As at 31 December 2024			Gross carrying amount					Allowance for ECL						
Grade	PD range	Credit quality description	Stage 1	Stage 2	Stage 3 excl POCI	Stage 3 POCI	Total	Stage 1	Stage 2	Stage 3 excl POCI	Stage 3 POCI	Total	Net exposure	Coverage ratio
	%		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	%
Barclays Bank UK Group														
1-3	0.0 to <0.05%	Strong	31,860	757	—	—	32,617	4	—	—	—	4	32,613	—
4-5	0.05 to <0.15%	Strong	93,994	6,872	—	—	100,866	19	3	—	—	22	100,844	—
6-8	0.15 to <0.30%	Strong	20,523	4,436	—	—	24,959	14	6	—	—	20	24,939	0.1
9-11	0.30 to <0.60%	Strong	8,958	3,062	—	—	12,020	17	14	—	—	31	11,989	0.3
12-14	0.60 to <2.15%	Satisfactory	18,204	3,782	—	—	21,986	249	56	—	—	305	21,681	1.4
15-19	2.15 to <11.35%	Satisfactory	5,485	4,908	—	—	10,393	89	271	—	—	360	10,033	3.5
20-21	11.35 to <100%	Higher Risk	417	1,583	—	—	2,000	41	329	—	—	370	1,630	18.5
22	100%	Credit Impaired	—	—	3,425	57	3,482	—	—	495	—	495	2,987	14.2
Total			179,441	25,400	3,425	57	208,323	433	679	495	—	1,607	206,716	0.8

Credit risk profile by internal PD grade for contingent liabilities (audited)

As at 31 December 2025			Gross carrying amount					Allowance for ECL						
Grade	PD range	Credit quality description	Stage 1	Stage 2	Stage 3 excl POCI	Stage 3 POCI	Total	Stage 1	Stage 2	Stage 3 excl POCI	Stage 3 POCI	Total	Net exposure	Coverage ratio
	%		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	%
Barclays Bank UK Group														
1-3	0.0 to <0.05%	Strong	670	—	—	—	670	—	—	—	—	—	670	—
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	—	—	—	—	—	—	—	—	—	—	—	—
15-19	2.15 to <11.35%	Satisfactory	—	—	—	—	—	—	—	—	—	—	—	—
20-21	11.35 to <100%	Higher Risk	—	—	—	—	—	—	—	—	—	—	—	—
22	100%	Credit Impaired	—	—	—	—	—	—	—	—	—	—	—	—
Total			670	—	—	—	670	—	—	—	—	—	670	—

Credit risk profile by internal PD grade for contingent liabilities (audited)

As at 31 December 2024			Gross carrying amount					Allowance for ECL						
Grade	PD range	Credit quality description	Stage 1	Stage 2	Stage 3 excl POCI	Stage 3 POCI	Total	Stage 1	Stage 2	Stage 3 excl POCI	Stage 3 POCI	Total	Net exposure	Coverage ratio
	%		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	%
Barclays Bank UK Group														
1-3	0.0 to <0.05%	Strong	710	—	—	—	710	—	—	—	—	—	710	—
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	—	—	—	—	—	—	—	—	—	—	—	—
15-19	2.15 to <11.35%	Satisfactory	—	—	—	—	—	—	—	—	—	—	—	—
20-21	11.35 to <100%	Higher Risk	—	—	—	—	—	—	—	—	—	—	—	—
22	100%	Credit Impaired	—	—	—	—	—	—	—	—	—	—	—	—
Total			710	—	—	—	710	—	—	—	—	—	710	—

Credit risk profile by internal PD grade for loan commitments (audited)

As at 31 December 2025			Gross carrying amount					Allowance for ECL						
Grade	PD range	Credit quality description	Stage 1	Stage 2	Stage 3 excl POCI	Stage 3 POCI	Total	Stage 1	Stage 2	Stage 3 excl POCI	Stage 3 POCI	Total	Net exposure	Coverage ratio
	%		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	%
Barclays Bank UK Group														
1-3	0.0 to <0.05%	Strong	9,623	50	—	—	9,673	—	—	—	—	—	9,673	—
4-5	0.05 to <0.15%	Strong	16,669	114	—	—	16,783	1	—	—	—	1	16,782	—
6-8	0.15 to <0.30%	Strong	9,463	112	—	—	9,575	1	—	—	—	1	9,574	—
9-11	0.30 to <0.60%	Strong	19,987	202	—	—	20,189	1	—	—	—	1	20,188	—
12-14	0.60 to <2.15%	Satisfactory	10,354	592	—	—	10,946	5	1	—	—	6	10,940	0.1
15-19	2.15 to <11.35%	Satisfactory	1,507	875	—	—	2,382	6	—	—	—	6	2,376	0.3
20-21	11.35 to <100%	Higher Risk	64	171	—	—	235	2	1	—	—	3	232	1.3
22	100%	Credit Impaired	—	—	130	5	135	—	—	—	—	—	135	—
Total			67,667	2,116	130	5	69,918	16	2	—	—	18	69,900	—

Credit risk profile by internal PD grade for loan commitments (audited)

As at 31 December 2024			Gross carrying amount					Allowance for ECL						
Grade	PD range	Credit quality description	Stage 1	Stage 2	Stage 3 excl POCI	Stage 3 POCI	Total	Stage 1	Stage 2	Stage 3 excl POCI	Stage 3 POCI	Total	Net exp	Coverage ratio
	%		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	%
Barclays Bank UK Group														
1-3	0.0 to <0.05%	Strong	5,045	24	—	—	5,069	—	—	—	—	—	5,069	—
4-5	0.05 to <0.15%	Strong	14,081	248	—	—	14,329	1	—	—	—	1	14,328	—
6-8	0.15 to <0.30%	Strong	6,102	120	—	—	6,222	1	—	—	—	1	6,221	—
9-11	0.30 to <0.60%	Strong	15,262	164	—	—	15,426	1	—	—	—	1	15,425	—
12-14	0.60 to <2.15%	Satisfactory	22,621	457	—	—	23,078	3	1	—	—	4	23,074	—
15-19	2.15 to <11.35%	Satisfactory	1,727	739	—	—	2,466	2	4	—	—	6	2,460	0.2
20-21	11.35 to <100%	Higher Risk	60	115	—	—	175	—	3	—	—	3	172	1.7
22	100%	Credit Impaired	—	—	188	6	194	—	—	—	—	—	194	—
Total			64,898	1,867	188	6	66,959	8	8	—	—	16	66,943	—

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

As at 31 December 2025			Gross carrying amount					Allowance for ECL						
Grade	PD range	Credit quality description	Stage 1	Stage 2	Stage 3 excl POCI	Stage 3 POCI	Total	Stage 1	Stage 2	Stage 3 excl POCI	Stage 3 POCI	Total	Net exposure	Coverage ratio
	%		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	%
Barclays Bank UK PLC														
1-3	0.0 to <0.05%	Strong	11,602	68	—	—	11,670	—	—	—	—	—	11,670	—
4-5	0.05 to <0.15%	Strong	91,120	2,291	—	—	93,411	2	1	—	—	3	93,408	—
6-8	0.15 to <0.30%	Strong	39,828	2,907	—	—	42,735	5	2	—	—	7	42,728	—
9-11	0.30 to <0.60%	Strong	12,510	2,681	—	—	15,191	1	2	—	—	3	15,188	—
12-14	0.60 to <2.15%	Satisfactory	1,546	2,703	—	—	4,249	—	4	—	—	4	4,245	0.1
15-19	2.15 to <11.35%	Satisfactory	295	2,131	—	—	2,426	—	4	—	—	4	2,422	0.2
20-21	11.35 to <100%	Higher Risk	61	912	—	—	973	—	3	—	—	3	970	0.3
22	100%	Credit Impaired	—	—	1,792	—	1,792	—	—	60	—	60	1,732	3.3
Total			156,962	13,693	1,792	—	172,447	8	16	60	—	84	172,363	—

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

As at 31 December 2025			Gross carrying amount					Allowance for ECL						
Grade	PD range	Credit quality description	Stage 1	Stage 2	Stage 3 excl POCI	Stage 3 POCI	Total	Stage 1	Stage 2	Stage 3 excl POCI	Stage 3 POCI	Total	Net exposure	Coverage ratio
	%		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	%
Barclays Bank UK PLC														
1-3	0.0 to <0.05%	Strong	533	1	—	—	534	—	—	—	—	—	534	—
4-5	0.05 to <0.15%	Strong	1,781	5	—	—	1,786	2	—	—	—	2	1,784	0.1
6-8	0.15 to <0.30%	Strong	1,614	5	—	—	1,619	4	—	—	—	4	1,615	0.2
9-11	0.30 to <0.60%	Strong	2,422	10	—	—	2,432	10	—	—	—	10	2,422	0.4
12-14	0.60 to <2.15%	Satisfactory	5,445	83	—	—	5,528	53	4	—	—	57	5,471	1.0
15-19	2.15 to <11.35%	Satisfactory	3,017	1,247	—	—	4,264	90	172	—	—	262	4,002	6.1
20-21	11.35 to <100%	Higher Risk	110	592	—	—	702	12	222	—	—	234	468	33.3
22	100%	Credit Impaired	—	—	279	24	303	—	—	174	—	174	129	57.4
Total			14,922	1,943	279	24	17,168	171	398	174	—	743	16,425	4.3

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

As at 31 December 2025			Gross carrying amount					Allowance for ECL						
Grade	PD range	Credit quality description	Stage 1	Stage 2	Stage 3 excl POCI	Stage 3 POCI	Total	Stage 1	Stage 2	Stage 3 excl POCI	Stage 3 POCI	Total	Net exposure	Coverage ratio
	%		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	%
Barclays Bank UK PLC														
1-3	0.0 to <0.05%	Strong	46	1	—	—	47	—	—	—	—	—	47	—
4-5	0.05 to <0.15%	Strong	442	6	—	—	448	1	—	—	—	1	447	0.2
6-8	0.15 to <0.30%	Strong	856	12	—	—	868	2	—	—	—	2	866	0.2
9-11	0.30 to <0.60%	Strong	1,810	63	—	—	1,873	7	3	—	—	10	1,863	0.5
12-14	0.60 to <2.15%	Satisfactory	2,784	263	—	—	3,047	21	11	—	—	32	3,015	1.1
15-19	2.15 to <11.35%	Satisfactory	1,446	759	—	—	2,205	39	60	—	—	99	2,106	4.5
20-21	11.35 to <100%	Higher Risk	59	289	—	—	348	8	100	—	—	108	240	31.0
22	100%	Credit Impaired	—	—	210	15	225	—	—	186	—	186	39	82.7
Total			7,443	1,393	210	15	9,061	78	174	186	—	438	8,623	4.8

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

As at 31 December 2025			Gross carrying amount					Allowance for ECL						
Grade	PD range	Credit quality description	Stage 1	Stage 2	Stage 3 excl POCI	Stage 3 POCI	Total	Stage 1	Stage 2	Stage 3 excl POCI	Stage 3 POCI	Total	Net exposure	Coverage ratio
	%		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	%
Barclays Bank UK PLC														
1-3	0.0 to <0.05%	Strong	4,541	2	—	—	4,543	2	—	—	—	2	4,541	—
4-5	0.05 to <0.15%	Strong	2,072	1	—	—	2,073	2	—	—	—	2	2,071	0.1
6-8	0.15 to <0.30%	Strong	459	183	—	—	642	1	18	—	—	19	623	3.0
9-11	0.30 to <0.60%	Strong	1,188	61	—	—	1,249	6	1	—	—	7	1,242	0.6
12-14	0.60 to <2.15%	Satisfactory	5,448	720	—	—	6,168	36	19	—	—	55	6,113	0.9
15-19	2.15 to <11.35%	Satisfactory	2,120	1,191	—	—	3,311	17	33	—	—	50	3,261	1.5
20-21	11.35 to <100%	Higher Risk	81	322	—	—	403	2	8	—	—	10	393	2.5
22	100%	Credit Impaired	—	—	801	—	801	—	—	214	—	214	587	26.7
Total			15,909	2,480	801	—	19,190	66	79	214	—	359	18,831	1.9

Credit risk profile by internal PD grade for loans and advances at amortised cost (audited)

As at 31 December 2025			Gross carrying amount					Allowance for ECL						
Grade	PD range	Credit quality description	Stage 1	Stage 2	Stage 3 excl POCI	Stage 3 POCI	Total	Stage 1	Stage 2	Stage 3 excl POCI	Stage 3 POCI	Total	Net exposure	Coverage ratio
	%		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	%
Barclays Bank UK PLC														
1-3	0.0 to <0.05%	Strong	16,722	72	—	—	16,794	2	—	—	—	2	16,792	—
4-5	0.05 to <0.15%	Strong	95,415	2,303	—	—	97,718	7	1	—	—	8	97,710	—
6-8	0.15 to <0.30%	Strong	42,757	3,107	—	—	45,864	12	20	—	—	32	45,832	0.1
9-11	0.30 to <0.60%	Strong	17,930	2,815	—	—	20,745	24	6	—	—	30	20,715	0.1
12-14	0.60 to <2.15%	Satisfactory	15,223	3,769	—	—	18,992	110	38	—	—	148	18,844	0.8
15-19	2.15 to <11.35%	Satisfactory	6,878	5,328	—	—	12,206	146	269	—	—	415	11,791	3.4
20-21	11.35 to <100%	Higher Risk	311	2,115	—	—	2,426	22	333	—	—	355	2,071	14.6
22	100%	Credit Impaired	—	—	3,082	39	3,121	—	—	634	—	634	2,487	20.3
Total			195,236	19,509	3,082	39	217,866	323	667	634	—	1,624	216,242	0.7

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

As at 31 December 2024			Gross carrying amount					Allowance for ECL						
Grade	PD range	Credit quality description	Stage 1	Stage 2	Stage 3 excl POCI	Stage 3 POCI	Total	Stage 1	Stage 2	Stage 3 excl POCI	Stage 3 POCI	Total	Net exposure	Coverage ratio
	%		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	%
Barclays Bank UK PLC														
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	90,418	6,864	—	—	97,282	17	3	—	—	20	97,262	—
6-8	0.15 to <0.30%	Strong	18,572	4,417	—	—	22,989	8	6	—	—	14	22,975	0.1
9-11	0.30 to <0.60%	Strong	5,283	2,945	—	—	8,228	3	10	—	—	13	8,215	0.2
12-14	0.60 to <2.15%	Satisfactory	859	2,741	—	—	3,600	1	19	—	—	20	3,580	0.6
15-19	2.15 to <11.35%	Satisfactory	82	1,532	—	—	1,614	—	16	—	—	16	1,598	1.0
20-21	11.35 to <100%	Higher Risk	122	298	—	—	420	—	7	—	—	7	413	1.7
22	100%	Credit Impaired	—	—	1,652	—	1,652	—	—	55	—	55	1,597	3.3
Total			142,135	19,446	1,652	—	163,233	30	61	55	—	146	163,087	0.1

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

As at 31 December 2024			Gross carrying amount					Allowance for ECL						
Grade	PD range	Credit quality description	Stage 1	Stage 2	Stage 3 excl POCI	Stage 3 POCI	Total	Stage 1	Stage 2	Stage 3 excl POCI	Stage 3 POCI	Total	Net exposure	Coverage ratio
	%		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	%
Barclays Bank UK PLC														
1-3	0.0 to <0.05%	Strong	118	—	—	—	118	—	—	—	—	—	118	—
4-5	0.05 to <0.15%	Strong	1,141	3	—	—	1,144	1	—	—	—	1	1,143	0.1
6-8	0.15 to <0.30%	Strong	1,031	3	—	—	1,034	2	—	—	—	2	1,032	0.2
9-11	0.30 to <0.60%	Strong	1,375	6	—	—	1,381	4	—	—	—	4	1,377	0.3
12-14	0.60 to <2.15%	Satisfactory	7,392	54	—	—	7,446	142	3	—	—	145	7,301	1.9
15-19	2.15 to <11.35%	Satisfactory	2,311	1,330	—	—	3,641	48	179	—	—	227	3,414	6.2
20-21	11.35 to <100%	Higher Risk	129	668	—	—	797	22	258	—	—	280	517	35.1
22	100%	Credit Impaired	—	—	179	40	219	—	—	91	—	91	128	41.6
Total			13,497	2,064	179	40	15,780	219	440	91	—	750	15,030	4.8

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

As at 31 December 2024			Gross carrying amount					Allowance for ECL						
Grade	PD range	Credit quality description	Stage 1	Stage 2	Stage 3 excl POCI	Stage 3 POCI	Total	Stage 1	Stage 2	Stage 3 excl POCI	Stage 3 POCI	Total	Net exposure	Coverage ratio
	%		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	%
Barclays Bank UK PLC														
1-3	0.0 to <0.05%	Strong	35	1	—	—	36	1	—	—	—	1	35	2.8
4-5	0.05 to <0.15%	Strong	300	5	—	—	305	1	—	—	—	1	304	0.3
6-8	0.15 to <0.30%	Strong	378	6	—	—	384	1	—	—	—	1	383	0.3
9-11	0.30 to <0.60%	Strong	952	59	—	—	1,011	5	3	—	—	8	1,003	0.8
12-14	0.60 to <2.15%	Satisfactory	5,298	210	—	—	5,508	75	11	—	—	86	5,422	1.6
15-19	2.15 to <11.35%	Satisfactory	615	434	—	—	1,049	19	36	—	—	55	994	5.2
20-21	11.35 to <100%	Higher Risk	67	156	—	—	223	17	51	—	—	68	155	30.5
22	100%	Credit Impaired	—	—	130	17	147	—	—	112	—	112	35	76.2
Total			7,645	871	130	17	8,663	119	101	112	—	332	8,331	3.8

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

As at 31 December 2024			Gross carrying amount					Allowance for ECL						
Grade	PD range	Credit quality description	Stage 1	Stage 2	Stage 3 excl POCI	Stage 3 POCI	Total	Stage 1	Stage 2	Stage 3 excl POCI	Stage 3 POCI	Total	Net exposure	Coverage ratio
	%		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	%
Barclays Bank UK PLC														
1-3	0.0 to <0.05%	Strong	5,334	107	—	—	5,441	2	—	—	—	2	5,439	—
4-5	0.05 to <0.15%	Strong	2,135	—	—	—	2,135	2	—	—	—	2	2,133	0.1
6-8	0.15 to <0.30%	Strong	542	10	—	—	552	1	—	—	—	1	551	0.2
9-11	0.30 to <0.60%	Strong	1,309	52	—	—	1,361	5	1	—	—	6	1,355	0.4
12-14	0.60 to <2.15%	Satisfactory	4,654	778	—	—	5,432	31	23	—	—	54	5,378	1.0
15-19	2.15 to <11.35%	Satisfactory	2,477	1,611	—	—	4,088	22	40	—	—	62	4,026	1.5
20-21	11.35 to <100%	Higher Risk	99	461	—	—	560	2	13	—	—	15	545	2.7
22	100%	Credit Impaired	—	—	1,464	—	1,464	—	—	237	—	237	1,227	16.2
Total			16,550	3,019	1,464	—	21,033	65	77	237	—	379	20,654	1.8

Credit risk profile by internal PD grade for loans and advances at amortised cost (audited)

As at 31 December 2024			Gross carrying amount					Allowance for ECL						
Grade	PD range	Credit quality description	Stage 1	Stage 2	Stage 3 excl POCI	Stage 3 POCI	Total	Stage 1	Stage 2	Stage 3 excl POCI	Stage 3 POCI	Total	Net exposure	Coverage ratio
	%		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	%
Barclays Bank UK PLC														
1-3	0.0 to <0.05%	Strong	32,286	757	—	—	33,043	4	—	—	—	4	33,039	—
4-5	0.05 to <0.15%	Strong	93,994	6,872	—	—	100,866	21	3	—	—	24	100,842	—
6-8	0.15 to <0.30%	Strong	20,523	4,436	—	—	24,959	12	6	—	—	18	24,941	0.1
9-11	0.30 to <0.60%	Strong	8,919	3,062	—	—	11,981	17	14	—	—	31	11,950	0.3
12-14	0.60 to <2.15%	Satisfactory	18,203	3,783	—	—	21,986	249	56	—	—	305	21,681	1.4
15-19	2.15 to <11.35%	Satisfactory	5,485	4,907	—	—	10,392	89	271	—	—	360	10,032	3.5
20-21	11.35 to <100%	Higher Risk	417	1,583	—	—	2,000	41	329	—	—	370	1,630	18.5
22	100%	Credit Impaired	—	—	3,425	57	3,482	—	—	495	—	495	2,987	14.2
Total			179,827	25,400	3,425	57	208,709	433	679	495	—	1,607	207,102	0.8

Credit risk profile by internal PD grade for contingent liabilities (audited)

As at 31 December 2025			Gross carrying amount					Allowance for ECL						
Grade	PD range	Credit quality description	Stage 1	Stage 2	Stage 3 excl POCI	Stage 3 POCI	Total	Stage 1	Stage 2	Stage 3 excl POCI	Stage 3 POCI	Total	Net exposure	Coverage ratio
	%		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	%
Barclays Bank UK PLC														
1-3	0.0 to <0.05%	Strong	670	—	—	—	670	—	—	—	—	—	670	—
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	—	—	—	—	—	—	—	—	—	—	—	—
15-19	2.15 to <11.35%	Satisfactory	—	—	—	—	—	—	—	—	—	—	—	—
20-21	11.35 to <100%	Higher Risk	—	—	—	—	—	—	—	—	—	—	—	—
22	100%	Credit Impaired	—	—	—	—	—	—	—	—	—	—	—	—
Total			670	—	—	—	670	—	—	—	—	—	670	—

Credit risk profile by internal PD grade for contingent liabilities (audited)

As at 31 December 2024			Gross carrying amount					Allowance for ECL						
Grade	PD range	Credit quality description	Stage 1	Stage 2	Stage 3 excl POCI	Stage 3 POCI	Total	Stage 1	Stage 2	Stage 3 excl POCI	Stage 3 POCI	Total	Net exp	Coverage ratio
	%		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	%
Barclays Bank UK PLC														
1-3	0.0 to <0.05%	Strong	710	—	—	—	710	—	—	—	—	—	710	—
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	—	—	—	—	—	—	—	—	—	—	—	—
15-19	2.15 to <11.35%	Satisfactory	—	—	—	—	—	—	—	—	—	—	—	—
20-21	11.35 to <100%	Higher Risk	—	—	—	—	—	—	—	—	—	—	—	—
22	100%	Credit Impaired	—	—	—	—	—	—	—	—	—	—	—	—
Total			710	—	—	—	710	—	—	—	—	—	710	—

Credit risk profile by internal PD grade for loan commitments (audited)

As at 31 December 2025			Gross carrying amount					Allowance for ECL						
Grade	PD range	Credit quality description	Stage 1	Stage 2	Stage 3 excl POCI	Stage 3 POCI	Total	Stage 1	Stage 2	Stage 3 excl POCI	Stage 3 POCI	Total	Net exposure	Coverage ratio
	%		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	%
Barclays Bank UK PLC														
1-3	0.0 to <0.05%	Strong	9,622	50	—	—	9,672	—	—	—	—	—	9,672	—
4-5	0.05 to <0.15%	Strong	16,669	114	—	—	16,783	1	—	—	—	1	16,782	—
6-8	0.15 to <0.30%	Strong	9,463	112	—	—	9,575	1	—	—	—	1	9,574	—
9-11	0.30 to <0.60%	Strong	19,391	202	—	—	19,593	1	—	—	—	1	19,592	—
12-14	0.60 to <2.15%	Satisfactory	10,354	592	—	—	10,946	6	1	—	—	7	10,939	0.1
15-19	2.15 to <11.35%	Satisfactory	1,507	875	—	—	2,382	5	—	—	—	5	2,377	0.2
20-21	11.35 to <100%	Higher Risk	64	171	—	—	235	2	1	—	—	3	232	1.3
22	100%	Credit Impaired	—	—	130	5	135	—	—	—	—	—	135	—
Total			67,070	2,116	130	5	69,321	16	2	—	—	18	69,303	—

Credit risk profile by internal PD grade for loan commitments (audited)

As at 31 December 2024			Gross carrying amount					Allowance for ECL						
Grade	PD range	Credit quality description	Stage 1	Stage 2	Stage 3 excl POCI	Stage 3 POCI	Total	Stage 1	Stage 2	Stage 3 excl POCI	Stage 3 POCI	Total	Net exposure	Coverage ratio
	%		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	%
Barclays Bank UK PLC														
1-3	0.0 to <0.05%	Strong	5,044	24	—		5,068	—	—	—	—	—	5,068	—
4-5	0.05 to <0.15%	Strong	14,082	247	—		14,329	1	—	—	—	1	14,328	—
6-8	0.15 to <0.30%	Strong	6,102	120	—		6,222	1	—	—	—	1	6,221	—
9-11	0.30 to <0.60%	Strong	14,877	164	—		15,041	1	—	—	—	1	15,040	—
12-14	0.60 to <2.15%	Satisfactory	22,621	458	—		23,079	3	1	—	—	4	23,075	—
15-19	2.15 to <11.35%	Satisfactory	1,727	739	—		2,466	2	4	—	—	6	2,460	0.2
20-21	11.35 to <100%	Higher Risk	60	115	—		175	—	3	—	—	3	172	1.7
22	100%	Credit Impaired	—	—	188	6	194	—	—	—	—	—	194	—
Total			64,513	1,867	188	6	66,574	8	8	—	—	16	66,558	—

Analysis of specific portfolios and asset types

Secured home loans

The UK home loan portfolio primarily comprises first lien mortgages and accounts for 100% of the Barclays Bank UK Group's total home loans balance.

Home loans principal portfolios		
As at 31 December 2025	2025	2024
Gross loans and advances (£m)	172,415	163,197
>90 day arrears, excluding recovery book (%)	0.1	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]	4.3	3.7

Note
1 Recovery Book Impairment Coverage Ratio excludes KMC.

Within the UK home loans portfolio:

- Gross loans and advances increased by £9.2bn (5.6%) reflecting a £10.2bn (7.0%) increase in Residential, partially offset by a decrease of £0.9bn (5.0%) in Buy-to-Let (BTL).
- Owner-occupied interest-only home loans comprised 13% (2024: 15%) of total balances. The average balance weighted LTV on owner occupied loans increased to 55.1% (2024: 52.7%).
- BTL home loans comprised 9.9% (2024: 11.0%) of total balances. In BTL, the average balance weighted LTV increased to 56.9% (2024: 55.7%).

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
	%	%	%	%	%	%	%	%	%	%	%	%
As at 31 December 2025												
<=75%	73.4	6.9	0.9	81.2	3.3	14.1	49.9	67.3	—	0.1	2.5	—
>75% and <=90%	16.0	1.0	0.1	17.1	4.3	6.3	11.7	22.3	—	0.3	7.3	0.1
>90% and <=100%	1.7	—	—	1.7	0.8	0.5	5.4	6.7	—	0.7	22.7	0.2
>100%	—	—	—	—	—	0.1	3.6	3.7	—	2.9	31.3	5.9
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

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 2025.

Home loans principal portfolios – average LTV		
As at 31 December 2025	2025	2024
Overall portfolio LTV (%):		
Balance weighted %	55.2	53.0
Valuation weighted %	41.5	39.7
For >100% LTVs:		
Balances £m	49	30
Marked to market collateral £m	47	26
Average LTV: Balance weighted %	143.8	190.3
Average LTV: Valuation weighted %	120.6	142.0
% of Balances in Recoveries	18.0	30.7

Home loans principal portfolios - new lending		
As at 31 December 2025	2025	2024
New Home loan bookings (£m)	**34,326**	23,895
New home loan proportion above 90% LTV (%)	**2.8**	0.9
Average LTV on new home loan: balance weighted (%)	**69.6**	65.5
Average LTV on new home loan: valuation weighted (%)	**61.1**	56.3

New home loans bookings increased 44% to £34.3bn, in line with business strategy and a larger mortgage market.

Retail Credit Cards and Retail Other

The principal portfolios listed below accounted for 98% (2024: 98%) of Barclays Bank UK Group's total retail credit cards and retail other.

Retail Credit Cards and Retail Other					
	Gross Exposure	30 Day Arrears, excluding recoveries book	90 Day Arrears, excluding recoveries book	Annualised Gross Write-off Rates	Annualised Net Write-off Rates
	£m	%	%	%	%
As at 31 December 2025					
UK cards[1]	**17,169**	**0.8**	**0.2**	**1.0**	**0.8**
UK personal loans[1]	**8,515**	**1.1**	**0.5**	**0.7**	**0.6**
As at 31 December 2024					
UK cards[1]	15,781	0.7	0.2	1.1	0.9
UK personal loans[1]	8,051	1.0	0.4	0.7	0.5

Note
1 Includes Tesco Bank. Tesco Bank arrears rates are calculated using POCI balances adjusted to fair value.

UK cards: Gross exposure increased from £15.8bn to £17.2bn following a growth in spend and new promotional balance lending. 30 and 90 day arrears rates remained stable at 0.8% (2024: 0.7%) and 0.2% (2024: 0.2%) respectively. Gross and net write-off rates reduced slightly to 1.0% (2024: 1.1%) and 0.8% (2024: 0.9%), reflecting the impact of reduced flow into delinquency in 2024 flowing into write-off.

UK personal loans: Gross exposure increased from £8.1bn to £8.5bn due to a growth in new lending. 30 and 90 day arrears rates remained stable at 1.1% (2024: 1.0%) and 0.5% (2024: 0.4%) respectively. Gross and net write off rates also remained stable at 0.7% (2024: 0.7%) and 0.6% (2024: 0.5%) respectively.

All disclosures in this section are unaudited unless otherwise stated.

Overview

Market Risk within the Barclays Bank UK Group arises from the risk management of the assets held within the liquidity pool. As a result, the market risk in the Barclays Bank UK Group is minimal. Transactions carrying market risk are executed by the Barclays Bank UK Group Treasury function.

Management VaR (audited)

Management VaR estimates 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 Barclays Bank UK Group Treasury by the market risk management function.

Average management VaR in the Barclays Bank UK Group in 2025 was £0.7m (2024: £0.5m) and remained broadly stable throughout the year. Management VaR in the Barclays Bank UK Group in 2025 was driven by interest rate risk and foreign exchange risk in Barclays Bank UK Group Treasury.

Barclays Bank UK PLC adopts a standardised methodology for calculating capital requirements and as a result regulatory VaR is not applicable while management VaR is used only for internal risk calculations.

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Barclays Bank UK Group measures the volatility of the value of the FVOCI instruments in the liquidity pool through non-traded market risk VaR.		

Liquidity risk

All disclosures in this section, pages 157 to 164, are unaudited unless otherwise stated.

Overview

The efficient management of liquidity is essential to the Barclays Bank UK Group in order to retain the confidence of markets and maintain the sustainability of the business. The liquidity risk framework is used to manage all liquidity risk exposures under both Business-As-Usual and stressed conditions. The framework is designed to maintain liquidity resources that are sufficient in amount, quality and funding tenor profile to support the risk appetite as expressed by the Barclays Bank UK PLC Board. The risk appetite liquidity constraint is monitored against both internal and regulatory liquidity metrics.

Liquidity regulation

The Barclays Bank UK Group monitors its position against both the LCR (Liquidity Coverage Ratio) and NSFR (Net Stable Funding Ratio) according to the PRA regulatory requirements which include certain Basel III standards that were retained in the UK regulatory framework from 1 January 2022 as part of the UK's withdrawal from the EU.

The LCR 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 LCR requirement takes into account the relative stability of different sources of funding and potential incremental funding requirements in a stress. The NSFR has been developed to promote a sustainable and stable structure of assets and liabilities.

Liquidity risk stress testing

The Internal Liquidity Stress Test (ILST) measures the potential contractual and contingent stress outflows under a range of internally defined stress scenarios, which are then used to determine the size of the Liquidity Pool that is needed to meet anticipated outflows if a stress were to occur. The scenarios include a 30 day Barclays-specific stress event, a 90 day market-wide stress event, a 30 day combined scenario consisting of both a Barclays-specific and a market-wide stress event, and a 12 month market-wide stress scenario.

As at 31 December 2025, Barclays Bank UK Group held eligible liquid assets in excess of 100% of the net stress outflows as measured according to its internal and external regulatory requirements. A significant portion of the Liquidity Pool was held in cash and deposits with the Bank of England.

The Liquidity Pool decreased to £56bn (December 2024: £67bn) and the LCR to 187% (December 2024: 202%) driven by repayment of TFSME and continued asset growth.

	As at 31.12.25	As at 31.12.24
	£bn	£bn
Barclays Bank UK Group liquidity pool	56	67
	%	%
Barclays Bank UK Group liquidity coverage ratio[1]	187	202

Note
1 Represents the average of the last 12 spot month end ratios.

Barclays Bank UK Group maintains 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. Key sources of wholesale funding include money markets, certificates of deposit, commercial paper, covered bonds and other securitisations. This funding capacity enables Barclays Bank UK Group to maintain a stable and diversified funding base.

Barclays Bank UK Group also supports various central bank monetary initiatives, such as the Bank of England's Term Funding Scheme with additional incentives for SMEs (TFSME). These are reported under 'repurchase agreements and other similar secured borrowing' on the balance sheet. In 2025, Barclays Bank UK Group repaid £5bn of its TFSME drawings reducing its outstanding balance to £10bn at year end.

Net Stable Funding Ratio (NSFR)

The external NSFR metric requires banks to maintain a stable funding profile taking into account both on and certain off-balance sheet exposures over a medium to long-term period. The ratio is defined as the Available Stable Funding (capital and certain liabilities which are treated 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 long term funding). The NSFR (average of the last four spot quarter end positions) was 152% at December 2025, equivalent to a surplus of £88bn above the regulatory requirement and demonstrates Barclays Bank UK Group's stable funding balance sheet profile.

Net Stable Funding Ratio[1]	As at 31.12.25	As at 31.12.24
	£bn	£bn
Total Available stable funding	**257**	255
Total Required stable funding	**169**	160
Surplus	**88**	95
Net stable funding ratio	**152 %**	159 %

Note
1 Represents the average of the last four spot quarter end ratios.

To define the risk appetite liquidity constraint, Barclays establishes minimum LCR, NSFR and ILST limits. Risks to market funding conditions, the liquidity position and funding profile are assessed on an ongoing basis, and actions are taken to manage the size of the Liquidity Pool and the funding profile as appropriate.

Contractual maturity of financial assets and liabilities

The table below provides detail on the contractual maturity of all financial instruments and other assets and liabilities. Derivatives (other than those designated in a hedging relationship) and trading portfolio assets and liabilities are included in the 'not more than one month' column at their fair value. Liquidity risk on these items is not managed on the basis of contractual maturity since 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.

Open-dated financial assets and liabilities are included within 'not more than one month' due to the availability of withdrawals or redemptions at any time, without notice.

Contractual maturity of financial assets and liabilities (audited)

Barclays Bank UK Group As at 31 December 2025	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	21,208	—	—	—	—	—	—	21,208
Cash collateral and settlement balances	6,120	—	—	—	—	—	—	6,120
Debt securities at amortised cost	—	—	—	517	3,006	222	9,747	13,492
Loans and advances at amortised cost to banks and customers	2,537	844	1,503	3,106	11,370	13,113	183,389	215,862
Reverse repurchase agreements and other similar secured lending	1,966	405	246	626	2,758	—	—	6,001
Trading portfolio assets	385	—	—	—	—	—	—	385
Financial assets at fair value through the income statement	3	6	4	20	84	42	1,254	1,413
Derivative financial instruments	82	—	—	144	664	—	—	890
Financial assets at fair value through other comprehensive income	13	761	350	609	9,880	11,127	8,832	31,572
Other financial assets	341	—	12	5	—	2	1	361
Total financial assets	32,655	2,016	2,115	5,027	27,762	24,506	203,223	297,304
Other assets								5,520
Total assets								302,824
Liabilities								
Deposits at amortised cost from banks and customers	210,595	7,247	7,610	15,544	3,416	157	222	244,791
Cash collateral and settlement balances	828	—	—	—	—	—	—	828
Repurchase agreements and other similar secured borrowing	3,500	—	—	3,030	4,040	—	3,030	13,600
Debt securities in issue	1,924	—	301	250	669	1,257	302	4,703
Subordinated liabilities	384	—	507	—	3,114	2,493	7,551	14,049
Trading portfolio liabilities	908	—	—	—	—	—	—	908
Financial liabilities designated at fair value	1,003	—	—	—	—	—	—	1,003
Derivative financial instruments	111	—	—	—	53	17	14	195
Other financial liabilities	1,032	1	9	13	34	16	25	1,130
Total financial liabilities	220,285	7,248	8,427	18,837	11,326	3,940	11,144	281,207
Other liabilities								1,339
Total liabilities								282,546

Contractual maturity of financial assets and liabilities (audited)

Barclays Bank UK Group 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	29,819	—	—	—	—	—	—	29,819
Cash collateral and settlement balances	6,002	—	—	—	—	—	—	6,002
Debt securities at amortised cost	—	658	508	2,397	4,838	479	9,103	17,983
Loans and advances at amortised cost to banks and customers	2,748	877	1,184	2,576	12,640	11,194	175,497	206,716
Reverse repurchase agreements and other similar secured lending	1,233	—	236	704	3,721	—	—	5,894
Trading portfolio assets	242	—	—	—	—	—	—	242
Financial assets at fair value through the income statement	—	1	22	17	73	78	1,352	1,543
Derivative financial instruments	156	272	179	711	513	57	13	1,901
Financial assets at fair value through other comprehensive income	52	65	241	710	8,488	11,364	6,125	27,045
Other financial assets	247	—	15	1	1	—	1	265
Total financial assets	40,499	1,873	2,385	7,116	30,274	23,172	192,091	297,410
Other assets								5,769
Total assets								303,179
Liabilities								
Deposits at amortised cost from banks and customers	212,893	7,194	7,722	14,320	1,886	260	186	244,461
Cash collateral and settlement balances	1,779	—	—	—	—	—	—	1,779
Repurchase agreements and other similar secured borrowing	308	—	—	5,061	10,122	15	—	15,506
Debt securities in issue	16	—	—	—	1,056	748	799	2,619
Subordinated liabilities	—	882	983	—	3,445	2,187	6,015	13,512
Trading portfolio liabilities	726	—	—	—	—	—	—	726
Financial liabilities designated at fair value	2,848	—	—	—	—	—	—	2,848
Derivative financial instruments	163	—	—	17	97	8	15	300
Other financial liabilities	1,069	—	10	19	48	20	24	1,190
Total financial liabilities	219,802	8,076	8,715	19,417	16,654	3,238	7,039	282,941
Other liabilities								1,653
Total liabilities								284,594

Contractual maturity of financial assets and liabilities (audited)

Barclays Bank UK PLC As at 31 December 2025	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	21,208	—	—	—	—	—	—	21,208
Cash collateral and settlement balances	6,120	—	—	—	—	—	—	6,120
Debt securities at amortised cost	—	—	—	517	3,006	222	9,747	13,492
Loans and advances at amortised cost to banks and customers	2,880	844	1,496	3,100	11,355	13,093	183,474	216,242
Reverse repurchase agreements and other similar secured lending	1,966	405	246	626	2,758	—	—	6,001
Trading portfolio assets	385	—	—	—	—	—	—	385
Financial assets at fair value through the income statement	3	6	4	20	84	42	1,254	1,413
Derivative financial instruments	76	—	—	144	664	—	—	884
Financial assets at fair value through other comprehensive income	13	761	350	609	9,880	11,126	8,833	31,572
Other financial assets	340	—	29	5	—	2	—	376
Total financial assets	32,991	2,016	2,125	5,021	27,747	24,485	203,308	297,693
Other assets								5,425
Total assets								303,118
Liabilities								
Deposits at amortised cost from banks and customers	211,999	7,247	7,905	15,794	3,352	155	221	246,673
Cash collateral and settlement balances	828	—	—	—	—	—	—	828
Repurchase agreements and other similar secured borrowing	3,500	—	—	3,030	4,040	—	3,030	13,600
Debt securities in issue	1,923	—	—	—	669	1,257	173	4,022
Subordinated liabilities	379	—	507	—	3,114	2,493	6,784	13,277
Trading portfolio liabilities	908	—	—	—	—	—	—	908
Financial liabilities designated at fair value	1,003	—	—	—	—	—	—	1,003
Derivative financial instruments	118	—	—	—	53	18	13	202
Other financial liabilities	1,040	1	9	13	34	16	25	1,138
Total financial liabilities	221,698	7,248	8,421	18,837	11,262	3,939	10,246	281,651
Other liabilities								1,315
Total liabilities								282,966

Contractual maturity of financial assets and liabilities (audited)

Barclays Bank UK PLC 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	29,819	—	—	—	—	—	—	29,819
Cash collateral and settlement balances	6,002	—	—	—	—	—	—	6,002
Debt securities at amortised cost	—	658	508	2,397	4,838	479	9,103	17,983
Loans and advances at amortised cost to banks and customers	3,096	922	1,184	2,599	12,627	11,177	175,497	207,102
Reverse repurchase agreements and other similar secured lending	1,233	—	236	704	3,721	—	—	5,894
Trading portfolio assets	242	—	—	—	—	—	—	242
Financial assets at fair value through the income statement	—	1	22	17	73	78	1,352	1,543
Derivative financial instruments	156	272	179	711	513	57	13	1,901
Financial assets at fair value through other comprehensive income	52	65	241	710	8,488	11,364	6,125	27,045
Other financial assets	247	—	35	—	1	—	1	284
Total financial assets	40,847	1,918	2,405	7,138	30,261	23,155	192,091	297,815
Other assets								5,756
Total assets								303,571
Liabilities								
Deposits at amortised cost from banks and customers	213,378	7,194	7,722	14,320	2,435	209	186	245,444
Cash collateral and settlement balances	1,779	—	—	—	—	—	—	1,779
Repurchase agreements and other similar secured borrowing	308	—	—	5,061	10,122	15	—	15,506
Debt securities in issue	15	—	—	—	503	748	799	2,065
Subordinated liabilities	—	882	983	—	3,445	2,167	6,035	13,512
Trading portfolio liabilities	726	—	—	—	—	—	—	726
Financial liabilities designated at fair value	2,848	—	—	—	—	—	—	2,848
Derivative financial instruments	182	—	—	17	97	8	15	319
Other financial liabilities	1,093	—	10	19	48	20	24	1,214
Total financial liabilities	220,329	8,076	8,715	19,417	16,650	3,167	7,059	283,413
Other liabilities								1,589
Total liabilities								285,002

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 Barclays Bank UK Group's trading strategies
- retail and business bank deposits, which are included within deposits at amortised cost, are repayable on demand or at short notice on a contractual basis. In practice, these instruments form a stable base for Barclays Bank UK Group's operations and liquidity needs because of the broad base of customers, both numerically and by depositor type
- loans to retail and business bank 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 and subordinated liabilities may include early redemption features

Contractual maturity of financial liabilities on an undiscounted basis

The table on the next page presents the cash flows payable by Barclays Bank UK 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 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. Open-dated financial liabilities are also included within 'not more than one month'.

Contractual maturity of financial liabilities - undiscounted (audited)

Barclays Bank UK Group	Not more than one month £m	Over one month but not more than three months £m	Over three months but not more than six months £m	Over six months but not more than one year £m	Over one year but not more than three years £m	Over three years but not more than five years £m	Over five years £m	Total £m
As at 31 December 2025								
Deposits at amortised cost from banks and customers	210,644	7,360	7,772	15,937	3,557	162	226	245,658
Cash collateral and settlement balances	828	—	—	—	—	—	—	828
Repurchase agreements and other similar secured borrowing	3,502	—	—	3,111	4,183	—	3,627	14,423
Debt securities in issue	1,927	4	305	253	727	1,481	382	5,079
Subordinated liabilities	384	—	517	—	3,302	2,883	8,981	16,067
Trading portfolio liabilities	908	—	—	—	—	—	—	908
Financial liabilities designated at fair value	1,004	—	—	—	—	—	—	1,004
Derivative financial instruments	109	—	—	—	56	20	19	204
Other financial liabilities	1,033	2	10	15	40	20	33	1,153
Total financial liabilities	220,339	7,366	8,604	19,316	11,865	4,566	13,268	285,324
As at 31 December 2024								
Deposits at amortised cost from banks and customers	212,893	7,305	7,891	14,684	1,977	271	263	245,284
Cash collateral and settlement balances	1,779	—	—	—	—	—	—	1,779
Repurchase agreements and other similar secured borrowing	308	—	—	5,232	10,875	17	—	16,432
Debt securities in issue	16	5	7	14	1,143	887	1,063	3,135
Subordinated liabilities	—	889	991	—	3,732	2,597	8,465	16,674
Trading portfolio liabilities	726	—	—	—	—	—	—	726
Financial liabilities designated at fair value	2,848	—	—	—	—	—	—	2,848
Derivative financial instruments	163	—	—	17	107	10	18	315
Other financial liabilities	1,071	1	11	21	53	24	37	1,218
Total financial liabilities	219,804	8,200	8,900	19,968	17,887	3,806	9,846	288,411

Contractual maturity of financial liabilities - undiscounted (audited)

Barclays Bank UK PLC	Not more than one month £m	Over one month but not more than three months £m	Over three months but not more than six months £m	Over six months but not more than one year £m	Over one year but not more than three years £m	Over three years but not more than five years £m	Over five years £m	Total £m
As at 31 December 2025								
Deposits at amortised cost from banks and customers	212,049	7,364	8,070	16,191	3,503	161	225	247,563
Cash collateral and settlement balances	828	—	—	—	—	—	—	828
Repurchase agreements and other similar secured borrowing	3,502	—	—	3,111	4,183	—	3,627	14,423
Debt securities in issue	1,924	—	—	—	727	1,481	254	4,386
Subordinated liabilities	379	—	517	—	3,302	2,883	8,214	15,295
Trading portfolio liabilities	908	—	—	—	—	—	—	908
Financial liabilities designated at fair value	1,004	—	—	—	—	—	—	1,004
Derivative financial instruments	119	—	—	—	56	20	16	211
Other financial liabilities	1,078	2	10	15	40	20	33	1,198
Total financial liabilities	221,791	7,366	8,597	19,317	11,811	4,565	12,369	285,816
As at 31 December 2024								
Deposits at amortised cost from banks and customers	213,378	7,310	7,898	14,698	2,542	221	263	246,310
Cash collateral and settlement balances	1,779	—	—	—	—	—	—	1,779
Repurchase agreements and other similar secured borrowing	308	—	—	5,232	10,875	17	—	16,432
Debt securities in issue	15	—	—	—	574	887	1,063	2,539
Subordinated liabilities	—	889	991	—	3,732	2,577	8,485	16,674
Trading portfolio liabilities	726	—	—	—	—	—	—	726
Financial liabilities designated at fair value	2,848	—	—	—	—	—	—	2,848
Derivative financial instruments	182	—	—	17	108	10	18	335
Other financial liabilities	1,094	1	11	21	53	24	37	1,241
Total financial liabilities	220,330	8,200	8,900	19,968	17,884	3,736	9,866	288,884

Maturity of off-balance sheet commitments given (audited)

The maturity split of off-balance sheet commitments given (see Note 23 on page 255) represents the undiscounted cash flows (i.e. nominal values) on the basis of the earliest opportunity at which they are available. All off-balance sheet commitments given for both Barclays Bank UK Group and Barclays Bank UK PLC are under 'Not more than one month' maturity.

Capital risk

All disclosures in this section, page 165, are unaudited unless otherwise stated.

Overview

The disclosures below provide key capital metrics for the Barclays Bank UK Group with further information on its risk profile included in the Barclays Bank UK PLC Pillar 3 Report 2025, due to be published on 10 February 2026 and which will be available at home.barclays/investor-relations/reports-and-events/annual-reports.

As at 31 December 2025, the Barclays Bank UK Group CET1 ratio was 14.5% which is above its minimum regulatory requirement of 12.6%.

Capital ratios[1]	As at 31.12.25	As at 31.12.24
CET1	14.5%	14.2%
Tier 1 (T1)	17.1%	17.1%
Total regulatory capital	20.0%	20.5%

Capital resources	£m	£m
CET1 capital	12,331	11,895
T1 capital	14,558	14,320
Total regulatory capital	16,996	17,155
Total risk weighted assets (RWAs)	85,065	83,639

Leverage ratios and exposures

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

As at 31 December 2025, the Barclays Bank UK Group UK leverage ratio was 5.2% which is above the minimum leverage ratio requirement of 4.3%.

Leverage ratios[1]	As at 31.12.25 £m	As at 31.12.24 £m
UK leverage ratio[2]	5.2%	5.3%
T1 Capital	14,558	14,320
UK leverage exposure	277,958	268,452
Average UK leverage ratio	5.4%	5.4%
Average T1 Capital	14,975	14,336
Average UK leverage exposure	276,935	265,661

Notes
1 2024 comparatives for capital, RWAs and leverage were calculated applying the IFRS 9 transitional arrangements in accordance with the CRR. Effective from 1 January 2025, the IFRS 9 transitional arrangements no longer applied.
2 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 0.35% Other Systemically Important Institutions (O-SII) additional leverage ratio buffer (ALRB) was £1.0bn and against the 0.7% countercyclical leverage ratio buffer (CCLB) was £1.9bn.

Pension risk

From 1 July 2025, the Barclays Bank UK Retirement Fund (UKRF) was amended to become a sectionalised scheme to meet the requirements of the Financial Services and Markets Act 2000 (Banking Reform) (Pensions) Regulations 2015, creating two separate sections - the Barclays Bank Section and the Barclays UK Section.

At the time of sectionalisation, the Barclays UK Section represented approximately 3.8% of the Barclays Group's total retirement benefit obligations globally and is the only defined benefit pension scheme included in Barclays Bank UK PLC. Accordingly, this risk review focuses exclusively on the UKRF Barclays UK Section.

The scheme is closed to new entrants and there is no new final salary benefit being accrued. Existing active members accrue a combination of a contributory cash balance benefit and a voluntary defined contribution element. As benefits are provided as a lump sum at retirement rather than a lifetime pension, the Barclays UK Section is not exposed to post-retirement longevity risk.

Pension risk arises as the market value of the pension fund assets may decline, investment returns may reduce or the estimated value of the pension liabilities may increase.

Assets

The Trustee Board of the UK Retirement Fund defines its overall long-term investment strategy with investments across a broad range of asset classes. This results in a diversified portfolio comprising both return seeking assets and liability matching assets, designed to better align with future pension obligations. The two most significant risks within the asset portfolio are exposure to credit spreads and equities. The split of scheme assets is shown within Note 30 to the financial statements. The fair value assets provisionally allocated to the Barclays UK Section was £734m as at 1 July 2025, with a subsequent transfer of an additional £16m of assets in Q3'25 following receipt of final asset and member data. The fair value of assets was £799m as at 31 December 2025.

Liabilities

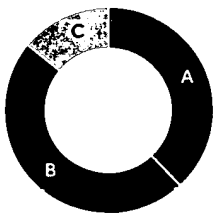
The Barclays UK Section retirement benefit obligations are a series of future cash flows with relatively long duration. On an IAS 19 basis these cash flows are sensitive to changes in the expected long-term price inflation rate (RPI) and the discount rate (GBP AA corporate bond yield):

- 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 Barclays Bank UK Group's defined benefit schemes and this risk is set to reduce over time as the Barclays UK Section defined benefit scheme is closed to new entrants. The chart below outlines the shape of the Barclays UK Section's liability cash flow profile as at 31 December 2025 that takes account of the future inflation indexing of payments to beneficiaries. The majority of the cash flows (approximately 86%) fall within the next 20 years, with payments peaking between 11 and 20 years and declining thereafter. The shape of the cash flow profile is sensitive to changes in inflation expectations and member behaviour, including transfers out of the scheme. Transfers out accelerate the timing of benefit payments and therefore bring forward the associated liability cash flows.

Further information on the financial and demographic assumptions applied to the Barclays UK Section is provided in Note 30, Retirement Benefits.

Proportion of liability cash flows
(%)



A 0-10 years	**38**
B 11-20 years	**48**
C 21-30 years	**14**
D 31+ years	**0**

Net IAS 19 position

As at 31 December 2025, the Barclays UK Section had a net IAS 19 surplus of £69m, an increase of around £16m since sectionalisation (c.£53m), largely reflecting positive equity market returns.

Risk measurement

In line with Barclays' risk management framework, the assets and liabilities of the Barclays UK Section 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 Barclays UK Section obligations and investments to be adequately captured. VaR is measured and monitored on a quarterly basis. Risks are reviewed and reported regularly at forums including the Barclays Bank UK Board Risk Committee, Barclays Bank UK Risk Committee and the Pension Executive Board. The VaR model takes into account the valuation of the liabilities on an IAS 19 basis (see Note 30 to the financial statements). The Trustee receives quarterly VaR measures on a funding basis.

In addition, the impact of pension risk to Barclays Bank UK Group is taken into account as part of the stress testing process. Stress testing is performed internally on at least an annual basis. The exposure of the Barclays UK Section will also be included as part of regulatory stress tests.

Barclays UK defined benefit pension schemes affects capital in two ways:

- An IAS 19 deficit is treated as a liability on the Barclays Bank UK'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 Barclays Bank UK Group 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 Barclays Bank UK at the particular time.

Pension risk is taken into account in the Pillar 2A capital assessment undertaken by the PRA at least annually. The Pillar 2A requirement forms part of the overall capital requirement for Barclays Bank UK PLC.

Interest rate risk in the banking book

All disclosures in this section, pages 168 to 169, are unaudited unless otherwise stated.

Overview

The treasury and capital risk framework covers interest rate sensitive exposures held in the banking book, mostly relating to accrual accounted and fair value through other comprehensive income (FVOCI) instruments. The potential volatility of Net Interest Income (NII) is measured by an Annual Earnings at Risk (AEaR) metric which is monitored regularly and reported to senior management and the Barclays Bank UK PLC Board Risk Committee as part of the limit monitoring framework.

Summary of performance in the year

Barclays Bank UK PLC's strategy remains to stabilise income over time. The reduction in NII sensitivity during the year to a -25 basis points interest rate shock is driven by increased interest rate hedging reflecting the observed stability in deposit balances during the year.

Key metrics

(£53)m
AEaR across the Barclays Bank UK Group from a -25bps shock to forward interest rate curves.

Analysis of net interest income and equity sensitivity

The analysis of equity sensitivity measures the overall impact of a +/- 25bps movement in interest rates on net interest income, fair value through other comprehensive income and cash flow hedge reserves using approaches below:

- NII sensitivity for non-traded financial assets and liabilities, including the effect of any hedging utilising the Net Interest Income (NII) metric as described on page 141 of the Barclays Bank UK PLC Pillar 3 Report 2025 (unaudited), which includes documentation of the main model assumptions. This analysis is not a forward guidance on NII and is intended as a quantification of risk exposure.
- For non-NII items, a DV01 metric is used which represents a change in value for a one basis point shift in the yield curve.

Analysis of equity sensitivity (audited)	31 December 2025		31 December 2024	
	+25 basis points	-25 basis points	+25 basis points	-25 basis points
Barclays Bank UK Group	£m	£m	£m	£m
Net interest income	44	(53)	51	(70)
Taxation effects on the above	(12)	15	(14)	20
Effect on profit for the year	32	(38)	37	(50)
As percentage of net profit after tax	1.2%	(1.5%)	1.4%	(1.9%)
Effect on profit for the year (per above)	32	(38)	37	(50)
Fair value through other comprehensive income reserve	(6)	6	5	(5)
Cash flow hedge reserve	(408)	408	(345)	345
Taxation effects on the above	116	(116)	95	(95)
Effect on equity	(266)	260	(208)	195
As percentage of equity	(1.3%)	1.3%	(1.1%)	1.1%

Analysis of equity sensitivity (audited)	31 December 2025		31 December 2024	
	+25 basis points	-25 basis points	+25 basis points	-25 basis points
Barclays Bank UK PLC	£m	£m	£m	£m
Net interest income	44	(53)	51	(70)
Taxation effects on the above	(12)	15	(14)	20
Effect on profit for the year	32	(38)	37	(50)
As percentage of net profit after tax	1.2%	(1.5)%	1.4%	(1.9)%
Effect on profit for the year (per above)	32	(38)	37	(50)
Fair value through other comprehensive income reserve	(6)	6	5	(5)
Cash flow hedge reserve	(408)	408	(345)	345
Taxation effects on the above	116	(116)	95	(95)
Effect on equity	(266)	260	(208)	195
As percentage of equity	(1.3%)	1.3%	(1.1%)	1.1%

Movements in the FVOCI reserve impact CET1 capital, however the movement 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 equity 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. Daily VaR is calculated using a historical simulation methodology with a one-year equally weighted historical period, at the 95% confidence level.

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						
	2025			2024		
	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%)	11	16	8	9	11	6

Daily Value at Risk was marginally higher on average in 2025 compared with 2024, mainly reflecting position changes.

All disclosures in this section, pages 170 to 172, are unaudited unless otherwise stated.

Overview

Operational risks are inherent in the Barclays Bank UK Group's business activities, and it is not cost effective or possible to attempt to eliminate all operational risks. The Operational Risk Framework is therefore focused on identifying operational risks, assessing them and managing them within the Barclays Bank UK Group's approved risk appetite.

The Operational Risk principal risk comprises the following Risk Categories: Change Delivery Management Risk, Data and Records Management Risk; Financial Reporting Risk; Fraud Risk; Cyber & Information Security Risk; Operational Recovery Planning Risk; People Risk; Physical Security Risk; Premises Risk; Risk Reporting Risk; Supplier Risk; Tax Risk; Technology Risk and Transaction Processing Risk. The operational risk profile is also informed by a number of Connected Risks: Resilience, Third Party Service Provider and Model Connected Risk. These Connected Risks represent material threats to the Barclays Bank UK Group, which extend across multiple risk categories and therefore require a co-ordinated approach to overseeing the risk exposure and / or consolidated reporting.

For definitions of these risks refer to pages 144 to 145 of the Barclays Bank UK PLC Pillar 3 Report 2025. To provide complete coverage of the potential adverse impacts on the Barclays Bank UK Group arising from operational risk, the operational risk taxonomy extends beyond the risks listed above to cover operational risks associated with other principal risks too.

This section provides an analysis of the Barclays Bank UK Group's operational risk profile, including events above the Barclays Bank UK Group's reportable threshold, which have had a financial impact in 2025. The Barclays Bank UK 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 Processing, Cyber and Information Security continue to be highlighted as key operational risk exposures.

For information on compliance risk events, see the compliance risk section.

Summary of performance in the period

During 2025, total operational risk losses[1] increased to £76m (2024: £74m) while the number of recorded events for 2025 increased to 1,912 (2024: 1,446). 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.

Note
1 The data disclosed includes operational risk losses for reportable events impacting the Barclays Bank UK 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.

Key metrics

87%

of the Barclays Bank UK Group's reportable operational risk events had a loss value of £50,000 or less

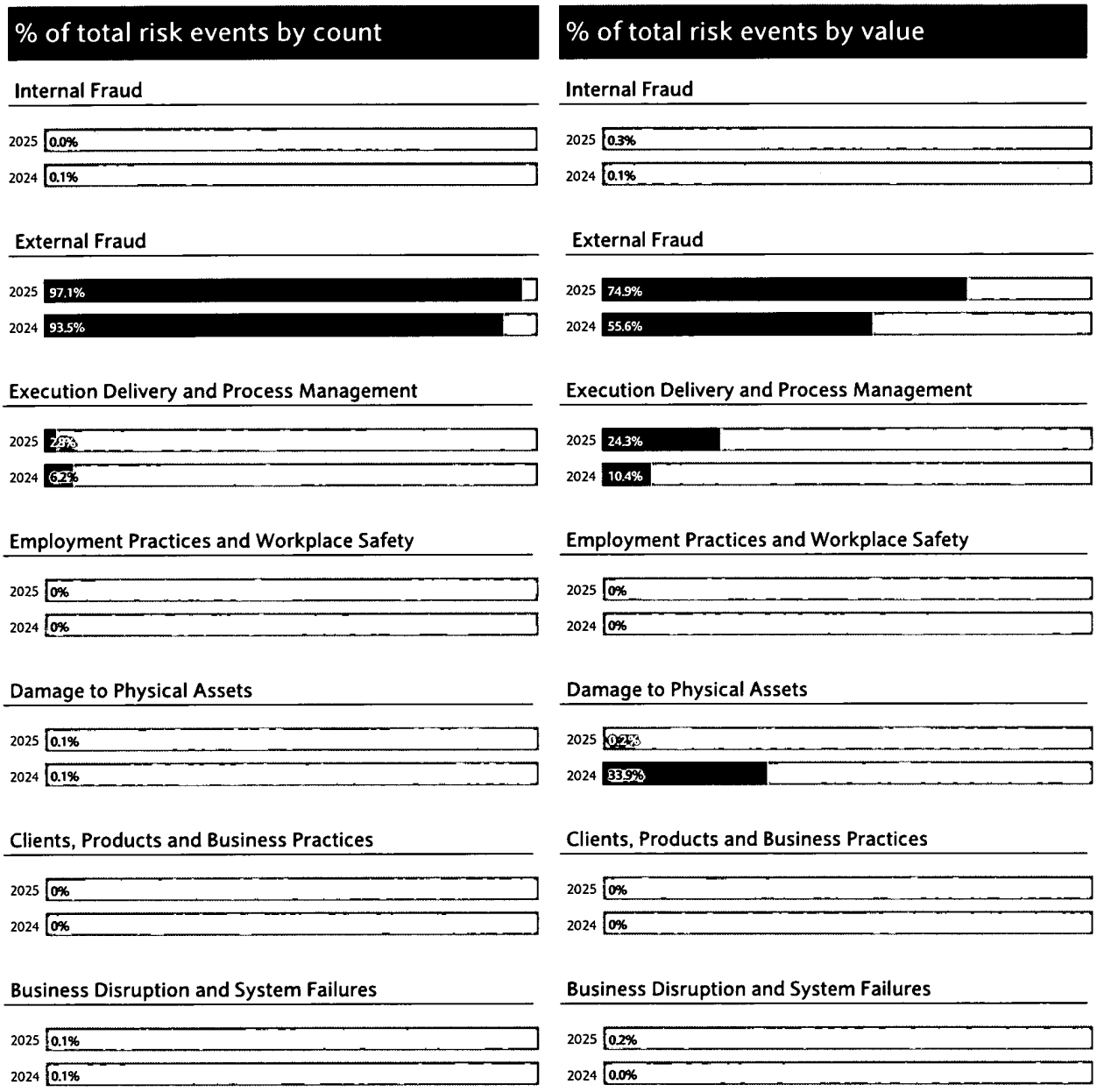
97%

of events by number are due to External Fraud

Operational risk profile

Within operational risk, there are a large number of smaller value risk events. In 2025, 87% (2024: 87%) of the Barclays Bank UK 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 44% (2024: 36%) of the Barclays Bank UK Group's total net operational risk losses. A small proportion of operational risk events have a material impact on the financial results of the Barclays Bank UK Group.

The analysis below presents the Barclays Bank UK Group's operational risk events by Basel event category[1]:



Note
1 The data disclosed includes operational risk losses for reportable events impacting the Barclays Bank UK 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 97% of total events in 2025 (2024: 94%) with number of events increased to 1,856 (2024: 1,350). Losses increased to £57m accounting for 75% of total losses (2024: £40m / 56%). In this category, high volume, low impact events are driven by transactional fraud linked to debit and credit card activity, as well as the growing incidence of Authorised Push Payment (APP) scams, where customers are deceived into transferring funds to bad actors.

- Execution, Delivery and Process Management impacts increased to £19m (2024: £8m), accounting for 24% of overall operational risk losses (2024: 10%). 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 volume of events in this category decreased year-on-year to 53 (2024: 90), accounting for 3% of total events (2024: 6%).

Fraud remains an industry-wide threat with criminals using varied techniques to target customers and colleagues directly (i.e. Third Party Fraud), or the Barclays Bank UK Group directly (i.e. First Party Fraud). In the UK and Europe, Authorised Push Payment (APP) Scams particularly continue to be a growing fraud type where customers are deceived to transfer funds from their account to a bad actor. The Barclays Bank UK Group continues to work closely with external partners on various fraud prevention initiatives and continues to improve the fraud control environment through focused investment in enhancing fraud prevention systems and tools to combat the increasing level of fraud attempts whilst minimising disruption to genuine transactions. Fraud can also be committed by one or more employees across the Barclays Bank UK Group (i.e. Internal Fraud or Unauthorised Trading Fraud) and the Barclays Bank UK Group maintains a robust control environment to limit exposure.

Operational resilience has remained a key area of focus for Barclays Bank UK Group over the past year, with global events demonstrating that severe but plausible disruption is no longer theoretical. The evolving threat landscape, characterised by increasing cyber sophistication, geopolitical tension, supplier disruption and interconnected financial market infrastructures, highlights the need for resilience to be designed, embedded, tested and sustained across our important business services, if we are to avoid intolerable harm. The Barclays Bank UK Group remains committed to sustained and disciplined investment in end-to-end resilience capabilities, as expectations evolve and the external operating environment becomes increasingly complex.

Operational risk associated with cybersecurity remains a top focus for Barclays Bank UK Group. The sophistication of threat actors continues to grow as noted by multiple external risk events observed throughout the year. Ransomware attacks across the global Barclays supplier base were observed and the bank worked closely with the affected suppliers to manage potential impacts to Barclays Bank UK Group and its clients and customers. Barclays Bank UK Group's cybersecurity incidents did not materially impact the Barclays Bank UK Group's business strategy, results of operations, or financial condition, and there were no material loss events associated with cybersecurity recorded within the event categories above.

The Barclays Bank Group 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 Barclays Bank 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 Barclays Bank Group continues to focus on automation and simplification programmes to improve the overall control environment and manage the risk of processing errors as well as ensuring scalability of operations.

For further information, refer to the operational risk management section.

All disclosures in this section, pages 173 and 174, are unaudited unless otherwise stated.

Model risk

The Barclays Bank UK Group is committed to continually improving model risk management and made a number of enhancements in 2025, including:

- Progressed with the established regulatory remediation programme to meet PRA's Supervisory Statement 1/23 Model risk management principles for banks. Key updates include enhancements to model development, validation and monitoring practices, establishment of additional roles and responsibilities with regards to model use, introduction of quantitative processes framework and defined monitoring framework principles and design.
- Introduced Artificial Intelligence (AI) Standard in support of the AI Policy, further developed of approach to AI validation, including Generative AI, 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

The Barclays Bank UK Group is committed to continuing to drive the right culture throughout all levels of the organisation. Barclays Bank UK 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 the management of Compliance Risk is ongoing and, alongside other relevant business and control management information, the Compliance Risk Dashboard is a key component of this.

Barclays Bank UK Group continues to review the role and impact of Compliance Risk events and issues in the remuneration process at both the individual and business level.

The Compliance Risk Taxonomy was refreshed and re-categorised into six core risks, namely wholesale conduct, customer protection, data privacy, regulatory compliance, product design and review and laws, rules and regulation risks. Financial Crime Risk was also separated into a standalone principal risk category, to reinforce the visibility and focus on this key area of risk to the business.

Businesses have continued to assess and prioritise the consideration of driving good customer outcomes as we deliver the Barclays Bank UK Group's strategic change agenda. As part of the 2025 Medium-Term Planning Process material Compliance Risks associated with strategic and financial plans were assessed and businesses ensured that driving good outcomes for customers is at the heart of these plans.

Throughout 2025, Compliance Risks, including outcomes for our customers, were raised by each business area for consideration by the Barclays Bank UK Board Risk Committee. The Committee reviewed the risks raised and whether management's proposed actions were appropriate to mitigate the risks effectively.

The Barclays Bank UK Group continued to incur costs in relation to litigation and conduct matters, please refer to Note 24 Legal, competition and regulatory matters and Note 22 Provisions, for further details. Costs include customer redress and remediation. Resolution of these matters remains a necessary and important part of delivering Barclays Bank UK Group's strategy and an ongoing commitment to improve oversight of culture and conduct.

The control environment and compliance risk profile, informed by the Compliance Risk Dashboards, are presented to the Barclays Bank UK Board Risk Committee and senior management. The Compliance Risk Dashboards set out key indicators in relation to Compliance risk and continue to allow effective oversight and decision-making and ensure the Barclays Bank UK Group operates within Risk Appetite. Adherence to tolerances is assessed by the business through the key indicators as part of the Compliance Risk Dashboard governance process.

The Barclays Bank UK 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.

Financial Crime Risk

The Barclays Bank UK Group is committed to driving a strong financial crime risk management culture across all levels of the organisation. Effective 1 January 2025, the Barclays Group elevated financial crime risk - incorporating anti-bribery and corruption, anti-money laundering (including terrorist financing), anti-tax evasion facilitation and sanctions risks (including proliferation financing) - to a principal risk within the Enterprise Risk Management Framework (ERMF), reflecting the evolving external threat landscape and regulatory expectations. During 2025, the financial crime principal risk was embedded, with financial crime and compliance risks being reported separately to the Barclays Bank UK PLC Board.

A key area of focus has been enhancing the financial crime control environment to address emerging threats and evolving laws, rules and regulations. Throughout 2025, the Barclays Bank UK PLC Board and relevant committees received updates on the Barclays Bank UK Group's financial crime risk profile and emerging risks in the context of the macroeconomic, regulatory and geopolitical outlook. These risks continue to be monitored on an ongoing basis.

Effective 1 January 2026, the combined Financial Crime Policy was replaced by four policies that set detailed requirements for managing anti-bribery and corruption, anti-money laundering, anti-tax evasion facilitation and sanctions risks. This approach supports differentiated reporting and oversight of risk management across the four financial crime risks.

To further embed financial crime as a principal risk, the Barclays Bank UK Group updated its financial crime risk appetite statement. Recognising the risk-based approach to financial crime risk management, Barclays financial crime risk appetite, approved by the Group Executive Committee, is that "Barclays has no appetite for Financial Crime Risk issues and events that are material, systemic, not promptly remediated, not reported to regulators in a timely manner where required, and/or are likely to result in regulatory enforcement".

The Barclays Bank UK Group continued to incur costs in relation to litigation and conduct matters, refer to Note 24 Legal, competition and regulatory matters and Note 22 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 Barclays Bank UK Group's strategy and an ongoing commitment to improve oversight of culture and conduct.

Reputation risk

The Barclays Bank UK Group is committed to identifying reputation risks and issues as early as possible and managing them appropriately. At a Barclays Bank UK Group level throughout 2025, reputation risks and issues were overseen by the Barclays Bank UK Board. The top live and emerging reputation risks and issues within the Barclays Bank UK Group are included within an over-arching quarterly report at the respective Board level.

The Barclays Bank UK Board reviews reputation risks escalated by 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 Bank UK Group's response to the cost of living crisis; Barclays Bank UK Group's association with sensitive sectors; access to banking; lending practices and the resilience of key Barclays systems and processes.

The Barclays Bank UK Group continued to incur costs in relation to litigation and conduct matters, please refer to Note 24 Legal, competition and regulatory matters and Note 22 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.

Legal risk

The Barclays Bank UK Group remains committed to continuous improvements in managing legal risk effectively. During 2025, the Group-wide LRMF was updated in line with other Principal Risk Frameworks to provide consistency in the bank's risk management documentation. The Barclays Group wide LRMF continues to complement CRMF (and described in more detail on page 85), which includes a requirement for the Legal Function to proactively identify, communicate and provide legal advice on applicable laws, rules and regulations.

Other improvements during 2025 included a review and update of the established supporting legal risk policies, standards and mandatory training, reinforced by ongoing engagement with and education of the Barclays Group's businesses and functions by Legal Function colleagues. Legal risk tolerances and legal risk appetite have also been reviewed.

Tolerance 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 CRMF referred to above (and described in more detail on pages 85-86) also mitigates legal risk.

Supervision of the Barclays Bank UK Group

The Barclays Bank UK Group's operations are subject to a large number of rules and regulations applicable to the conduct of banking and other financial services business. 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.

The day-to-day regulation and supervision of the Barclays Bank UK Group is divided between the Prudential Regulation Authority (PRA) (a division of the Bank of England (BoE)) and the Financial Conduct Authority (FCA). In addition, the Financial Policy Committee (FPC) of the BoE has influence on the prudential requirements that may be imposed on the banking system through its powers of direction and recommendation. Certain members of the Barclays Bank UK 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. The Government is proposing that the FCA take on all of the PSR's responsibilities and relevant members of the Group will continue to be subject to payment supervision by the FCA when this transfer of powers comes into effect. Members of the Group may also be subject to claims managed by the Financial Ombudsman Service (FOS) which, whilst not a regulator, provides a means of redress in customer disputes without the involvement of the UK courts. In July 2025, the FCA consulted on modernising the redress system administered by the FOS with the aim of identifying areas of duplication and/or complexity and improving the role that the FOS plays in customer disputes.

Barclays Bank UK PLC is an authorised person, with permission to accept deposits, amongst other things, and is subject to prudential regulation and supervision by the PRA and is subject to conduct regulation and supervision by the FCA. The Barclays Bank UK Group is subject to prudential supervision on a group sub-consolidated basis and Barclays Bank UK PLC is subject to prudential supervision on an individual basis. The Barclays Group as a whole is 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.

Certain members of the Barclays Bank UK Group are regulated on a solo basis by the FCA, including Kensington Mortgage Company Limited.

Barclays Global Service Centre Private Limited and Barclays Execution Services Limited are appointed representatives of Barclays Bank UK PLC and 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 Barclays Bank UK 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, stress testing regular supervisory visits to firms and regular continuous assessment meetings with the Barclays Bank UK Group's management and relevant stakeholders to discuss matters such as strategy, governance, controls, 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 Barclays Bank UK Group is carried out through a combination of proactive engagement meetings, regular supervisory visits, information gathering and regular meetings with Barclays Bank UK Group's management and relevant stakeholders to discuss matters such as business and 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, operational resilience (including cyber risk), the controls framework and payment account access and closures.

PRA supervision has focused on strategic transformation, financial and operational resilience (including cyber risk), governance, capital 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 UK law following the UK's departure from the EU (known as "assimilated law"). The Financial Services and Markets Act 2023 (FSMA 2023) established a framework for the revocation of assimilated law relating to financial services. 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. 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 to adapt systems and controls as a result of these developments, 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. 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.

Prudential regulation

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 EU. Under the assimilated law version of the CRR (the UK CRR), the Barclays 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), a Tier 1 capital ratio of 6.0% of RWAs and a total capital ratio of 8.0% of RWAs. However, in practice the Barclays Group is required to and does hold capital significantly in excess of this requirement. Additional capital requirements apply to the Barclays Group including Pillar 2A minimum requirements and capital buffers, including the capital conservation buffer (CCB), the countercyclical capital buffer (CCyB), the other systemically important institutions (O-SII) buffer and the global systemically important institutions (G-SII) 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 (including via the G-SII buffer requirement) above the level otherwise required by Basel III standards.

The Barclays Group is subject to a 'combined buffer requirement' consisting of (i) a CCB of 2.5% of RWAs, (ii) systemic risk buffers (G-SII and O-SII buffers) and (iii) a CCyB of 1% of RWAs. The level of the G-SII buffer is set by the PRA which follows the Basel Committee on Banking Supervision G-SIB framework. The G-SII buffer ranges from 1% to 3.5% of RWAs in line with a bank's systemic importance, and must be met with CET1 capital. On 27 November 2025, the FSB published an update to its list of G-SIBs, maintaining the 1.5% G-SII buffer that applies to the Barclays Group. 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. The CCyB is used to help ensure capital levels respond to the risk environment. By increasing the CCyB when vulnerabilities are judged to be building up, the FPC seeks to ensure banks have an additional cushion of capital with which to absorb potential losses, enhancing their resilience and helping to ensure the stable provision of financial services. The CCyB is composed of UK and overseas elements, set by authorities in individual jurisdictions. In the UK, the CCyB rate is set by the FPC and is calculated by reference to a bank's relevant UK exposures. The CCyB rate applicable to the Barclays Group is currently 1%. Like the CCB, 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 February and October 2025, the PRA issued two policy statements (PS2/25 and PS18/25) regarding 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. In January 2026, the final rules retiring the refined methodology to Pillar 2A were published as part of PS2/26.

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.

On 2 December 2025, the FPC published its assessment of the appropriate level of capital requirements for the UK banking system. The FPC judged that the appropriate benchmark for the system-wide level of tier 1 capital is now at around 13% of RWAs, compared with 14% of RWAs in 2015.

In addition, Barclays Bank UK Group is subject to prudential regulation by the PRA and is required to meet a minimum Common Equity Tier 1 (CET1) ratio of 12.5% comprising a 4.5% Pillar 1 requirement, a 2.5% capital conservation buffer, a 2% countercyclical buffer, a 1% O-SII buffer and a 2.6% Pillar 2A add on.

On 22 April 2025, the PRA announced that it will introduce new rules that require firms to manage their step-in risk, that is, the risk which a bank incurs when it provides financial support to an unconsolidated entity that is facing stress in the absence of, or in excess of, any contractual obligations to provide such support. The PRA's supervisory statement concerning step-in risk takes effect from 1 January 2026 and will require firms to put in place policies and processes to identify and evaluate their relationship with certain unconsolidated entities where they act as a sponsor, invest in their debt or equity, or have other contractual or non-contractual exposures that lead them to be exposed to the performance of the entity. Additionally, they must consider whether there are any indicators of significant step-in risk in relation to those entities that have been assessed as being material and determining whether mitigating action is needed when significant step-in risk is identified.

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 addition, with effect from 1 January 2026, the PRA has made amendments to the Own Funds and Eligible Liabilities (CRR) Part and Definition of Capital Part of the PRA Rulebook, among others, to assimilate provisions of the onshored CRR into the PRA Rulebook, with certain changes. Further, on 28 October 2025, through PS19/25, the PRA issued "near final" provisions proposed to take effect on 1 January 2027. As well as transposing certain UK CRR provisions into the PRA Rulebook, including those on securitisation, groups and consolidation, settlement risk and counterparty credit risk, with accompanying changes to PRA guidance, the near-final provisions implement a number of policy changes, in particular in relation to securitisation. In January 2026, through PS3/26, the PRA published the final policy materials and confirmed that there is no substantive difference between these and the near final rules published as part of PS19/25. In PS1/26, the PRA announced that it is taking forward adjustments to the implementation of the comprehensive amendments to the market risk framework under Basel 3.1, known as the Fundamental Review of the Trading Book (FRTB), and is seeking to implement the majority of these changes from 1 January 2027 (except the introduction of a new internal model approach (FRTB-IMA), the implementation of which will be delayed to 1 January 2028).

PRA CP14/24 proposed certain changes to the large exposures (LE) framework. A number of the proposals took effect on 1 January 2026. The PRA has removed the option for firms to exempt exposures to the UK deposit guarantee scheme (DGS) for large exposure limits, as well as the option for firms to use immovable property as credit risk mitigation (CRM) for large exposure purposes and it has eliminated the stricter requirements on large exposures to certain French counterparties. The PRA is expected to finalise the remaining proposals in CP14/24 in 2026. These proposals include (i) removing the possibility for firms to use internal model (IM) methods to calculate exposure values to securities financing transactions (SFTs), (ii) amending the limits to trading book exposures for third-party exposures and for intra-group exposures and (iii) introducing a mandatory substitution approach to calculate the effect of the use of CRM techniques.

Additional minimum prudential requirements that apply to the Barclays 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.

Stress testing

The Barclays Group and certain of its members, including Barclays Bank UK PLC, are subject to supervisory stress testing exercises pursuant to the annual stress testing programme of the BoE. These exercises are 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 BoE, as the UK resolution authority, has the power to resolve a UK financial institution that is failing or likely to fail by exercising certain stabilisation tools, including (i) bail-in: the cancellation, transfer or dilution of a relevant entity's equity and write-down or conversion of the claims of a relevant entity's unsecured creditors (including holders of capital instruments) and conversion of those claims into equity as necessary to restore solvency; (ii) the transfer of all or part of a relevant entity's' business to a private sector purchaser; and (iii) the transfer of all or part of a relevant entity's business to a "bridge bank" controlled by the BoE. When exercising any of its stabilisation powers, the BoE must generally provide that shareholders bear first losses, followed by creditors in accordance with the priority of their claims in insolvency.

In order to enable the exercise of its stabilisation powers, the BoE may impose a temporary stay on the rights of creditors to terminate, accelerate or close out contracts, or override events of default or termination rights that might otherwise be invoked as a result of a resolution action and modify contractual arrangements in certain circumstances (including a variation of the terms of any securities). HM Treasury may also amend the law for the purpose of enabling it to use its powers under this regime effectively, potentially with retrospective effect.

In addition and distinct from bail-in, the BoE has the power to permanently write-down, or convert into equity, tier 1 capital instruments, tier 2 capital instruments and internal eligible liabilities at the point of non-viability of an institution pursuant to broader resolution powers under the Banking Act.

The BoE's preferred approach for the resolution of the Barclays Group is a bail-in strategy with a single point of entry at Barclays PLC. Under such a strategy, Barclays PLC's subsidiaries (including entities within the Barclays Bank UK Group) would remain operational while Barclays PLC's capital instruments and eligible liabilities would be written down or converted to equity in order to recapitalise the Barclays Group and allow for the continued provision of services and operations throughout the resolution. The order in which the bail-in tool is applied reflects the hierarchy of capital instruments under applicable UK legislation and rules, and otherwise respecting the hierarchy of claims in an ordinary insolvency. Accordingly, the more subordinated the claim, the more likely losses will be suffered by owners of the claim.

The PRA has made rules that require authorised firms to draw up recovery plans and resolution packs. Recovery plans are designed to outline credible actions that authorised firms could implement in the event of severe stress in order to restore their business to a stable and sustainable condition. The submission of resolution packs was suspended by the PRA in 2018 until further notice and replaced by annual resolution reporting. It continues to be suspended pending PRA assessment of areas of potential duplication between different reporting expectations. The Barclays Group, however, is required to provide the PRA with a recovery plan periodically, although the Barclays 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 through exercising its various powers to direct to address any firm relevant issues. 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 identified that there were 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. Barclays is taking steps to ensure that these enhancements are made as part of Barclays' broader commitment to further embed, test and refine the Group's resolution capabilities and operational preparedness for resolution. In January 2025, amendments to the PRA rules were introduced that 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 require firms to submit their next resolution self-assessment in 2026, with a public disclosure to be made in 2027.

TLAC and MREL

The Barclays Group is under the supervision of the BoE, as the UK resolution authority, and is subject to a Minimum Requirement for Own Funds and Eligible Liabilities (MREL), which includes a component reflecting the FSB's standards on total loss absorbing 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 2025 on the basis of a bail-in resolution strategy comprising a binding minimum capital requirement of 12.8% of RWAs, MREL of 25.7% of RWAs, and a loss-absorbing capacity (MREL plus buffers) of 30.5% 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. On 15 July 2025, the BoE published a policy statement on amendments to its statement of policy (the MREL SoP) regarding its approach to setting MREL, which took effect on 1 January 2026. The focus of the amendments is consolidation and simplification through the restatement (where appropriate and with modifications) of provisions relating to TLAC in the MREL SoP.

The Financial Services Compensation Scheme (FSCS)

The UK has a statutory compensation fund called the Financial Services Compensation Scheme (FSCS), which is intended to protect customers on the failure of authorised financial services firms, and which is funded by way of annual levies on most authorised firms. The maximum cover under the FSCS in relation to a deposit is £120,000 per eligible depositor per bank.

The Bank Resolution (Recapitalisation) Act 2025 introduced a new option for funding the continuity of banking services through the recapitalisation of a failing firm. The funds needed for recapitalisation may now be provided by the FSCS at the direction of the Bank of England and subsequently recouped via a levy on firms. This option may support the sale of all, or part, of the firm to a private sector purchaser or a transfer to a bridge bank, where that is judged to be in the public interest. This expands the functions of the FSCS in relation to the failure of deposit takers beyond enabling the making of compensation payments to eligible depositors of failed banks to include enabling the making of recapitalisation payments where required to do so by the Bank of England acting as resolution authority.

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 UK Chancellor's 2025 Mansion House speech the UK Government committed to meaningful reform of the UK's ring-fencing regime, with HM Treasury confirming it will undertake a short review of the ring-fencing regime, working with the BoE and reporting into the Economic Secretary to HM Treasury. The review will focus on allowing ring-fenced banks to provide more products and services to UK businesses, addressing inefficiencies in how ring-fencing is applied to banking groups, and examining the case for allowing banks to share resources and services more flexibly across the ring-fence. The review is expected to report by early 2026.

Market infrastructure regulation

In recent years, regulators as well as global-standard setting bodies such as the International Organisation 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.

Other regulation

Consumer protection, non-financial misconduct, SMCR reform, access to cash, account closures and push payment fraud

The FCA's consumer duty has effect in relation to 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 Bank UK Group's relationships with partners, suppliers and third parties. There are ongoing costs for the industry as a result of extensive monitoring and evidential requirements in respect of the consumer duty. The FCA has engaged with the industry on streamlining its rules in light of the introduction of the consumer duty, and will continue to look for opportunities to streamline requirements and reduce complexity for businesses. The consumer duty remains a priority for the FCA for its supervision of the retail banking industry and its expectations for firms to embed the consumer duty into their culture and purpose continue in 2026.

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. The FCA is consulting on a new regulatory regime in the UK for previously unregulated buy-now-pay later consumer credit (CP25/23).

The FCA is consulting on an industry-wide compensation scheme for motor finance customers who were treated unfairly, following the landmark Supreme Court judgement in *Johnson v FirstRand Bank Ltd (London Branch) (t/a MotoNovo Finance)* (2025) UKSC 33. In *Johnson*, the Supreme Court found that an unfair relationship under the Consumer Credit Act 1974 existed between a motor finance lender and its customer, based on the particular facts of the case. The final terms of the compensation scheme remain uncertain pending responses to the FCA's consultation paper and publication of the FCA's Policy Statement and final scheme rules, which is currently expected in early 2026. Accordingly, the legal and regulatory outcomes and the nature, extent and timing of any remediation action, if required, remain uncertain. However, it is not expected that the Barclays Bank UK Group will be materially impacted, given it never operated in the motor finance market.

On 12 December 2025, following its 2 July 2025 consultation paper (CP25/18). the FCA published its policy statement in relation to tackling non-financial misconduct in financial services (PS25/23). The policy statement provides firms with more power to take robust action against serious misconduct and provides further clarity on situations where non-financial misconduct amounts to a breach of the FCA's rules. The new guidance comes into force on 1 September 2026 alongside the new FCA rule explicitly covering bullying, harassment and violence.

In July 2025, the PRA and the FCA both released consultation papers (CP18/25 and CP25/21) regarding SMCR reform, including allowing greater flexibility for firms where unexpected or temporary changes in management are required. The UK government is also considering the abolition of the certification regime to replace this with a more proportionate approach.

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 closure of cash access facilities (branches, shared banking hubs and cash machines that provide cash deposit or withdrawal services) 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.

HM Treasury previously announced plans to increase the notice period for closing accounts to 90 days and introduce a requirement to provide reasons for the decision to exit (save in financial crime exits), which have now been enshrined through statutory instrument (The Payment Services and Payment Accounts (Contract Termination)(Amendment) Regulations 2025) that are to take effect from April 2026.

FSMA 2023 contains provisions mandating that the Payment Systems Regulator (PSR) and any successor regulator (including, as described above, the potential transfer of the PSRs functions to the FCA) 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.

Data protection

Most jurisdictions where the Barclays 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. As the global data protection regulatory landscape develops, non-compliance with any such requirements and rules could lead to regulatory fines and other penalties. With legal and regulatory developments, the Barclays Bank UK Group will continue to assess where there is any potential nexus given Barclays' operational and geographic model.

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 UK's Data (Use and Access) Act 2025 (DUAA) became law on 19 June 2025, with the first provisions coming into force on 19 August. One of the effects on the DUAA is a divergence between the EU GDPR and UK GDPR, including the threshold approach to international data transfers, and more flexible rules for automated decision-making.

In India, the implementation rules of the Digital Personal Data Protection Act, 2023 (namely Digital Personal Data Protection Rules, 2025) has been published on 13 November 2025 to fully implement the Act in 2027 in a phased manner for a robust mechanism of privacy protection and rights. Except under certain exemptions, its scope would include the processing of personal data in India and would extend to the processing of, and offering goods and services to, India-based individuals outside of India.

Cybersecurity, cryptoassets 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 in-scope firms to identify their important business services, set impact tolerances metrics for the maximum tolerable level of disruption for each important business service, and carry out an annual self-assessment of the firm's operational resilience, which is approved by the board and informed by the firm's scenario testing regime. 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's consultation period ended in March 2025 and we are still expecting publication of its finalised rules. The PRA has stated that the proposed implementation date for its proposals will be no earlier than the second half of 2026.

The UK Government's response to its consultation on proposed legislative measures on ransomware was published in July 2025, considering proposals for the introduction of a ransomware payment prevention regime and mandatory incident reporting. It is unclear at this stage whether or how these proposals will be reflected in legislation and/or regulation, but if progressed they would constitute the first specific measures in UK law to counter ransomware payment.

On 17 July 2024, the Basel Committee on Banking Supervision (BCBS) finalised revisions to the prudential framework for banks' exposures to cryptoassets. The standards set out minimum requirements, which means implementation by BCBS members may result in stricter standards that may include outright prohibition in bank dealings in certain cryptoassets. Implementation of the standards by member jurisdictions, including the PRA and BoE, was expected by 1 January 2026, although the BCBS announced in November 2025 that it intends to conduct a further, targeted review of the standards. Furthermore, on 6 November 2023, the PRA published a 'Dear CEO' letter setting out its expectations for deposit-takers which plan to introduce innovations in the use of deposits, e-money and regulated stablecoins. In this letter, the PRA provided that deposit-taking entities must only provide innovations in digital money to retail customers in the form of deposits, and any issuance of e-money or regulated stablecoins to retail customers must be done from separate non-deposit taking entities within the banking group. Separately, amendments to the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (MLRs) have brought cryptoassets within the scope of AML restrictions, including customer due diligence requirements and the FATF travel rule. Banks must therefore comply with these requirements when facilitating transactions in cryptoassets. The Financial Services and Markets Act 2000 (Cryptoassets) Regulations 2026 will introduce new regulated activities in relation to certain categories of cryptoassets from 25 October 2027, and enable the FCA to issue directions, guidance and rules in advance of full commencement on 25 October 2027.

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 Barclays Bank UK Group incurred in connection with updating existing supplier arrangements to reflect the new CTP requirements where suppliers are designated as critical CTPs.

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. The UK's original NIS Directive was transposed into UK law under the NIS Regulations 2018. These regulations are set to be strengthened under the new Cyber Security and Resilience Bill, which was introduced to Parliament on 12 November 2025. The Bill aims to enhance national resilience by expanding the scope of the regulations to cover more digital services and supply chains, increase incident reporting, and grant regulators greater powers to collect information and investigate potential vulnerabilities. The existing and anticipated requirements specified in the UK and EU for increased controls will serve to improve industry standardisation and resilience capabilities, enhancing the Barclays Group's ability to deliver services during periods of potential disruption. Such measures are resulting in increased technology and compliance costs for the Barclays Bank UK Group.

Artificial Intelligence

A number of jurisdictions where the Barclays Bank UK Group operates have adopted or are considering adopting new 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 (albeit this obligation may be removed as a result of the EU's Digital Omnibus proposals put forward in November 2025) and categorises AI systems based on their level of risk. It has a phased approach to compliance, with the literacy obligations and the first set of requirements prohibiting certain uses of AI having applied from 2 February 2025, and rules on general purpose AI models having applied from 2 August 2025. It also establishes a rigorous compliance regime for high-risk AI applications (which provisions apply from 2 August 2027, subject to possible delay under the EU's Digital Omnibus proposals). The extraterritorial effect of the 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.

Regulatory initiatives on sustainability

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. In April 2025, the FCA confirmed that it had paused plans to extend the SDR and investment labels regime to portfolio management.

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. As a result of these reforms, the CMA is 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 been actively focusing on misleading environmental claims. 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 stated 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 consulted on how best to take that commitment forward in June to September 2025 but has yet to publish the outcome. 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. In June 2025, the IFRS Foundation published a guidance document about transition plans, building on the material developed by the TPT. If the Government and UK regulators do mandate transition plan disclosures, it is widely expected that the work of the TPT will likely form the basis of these requirements.

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 carried out its consultation on the UK SRS in June to September 2025 and is expected to publish the first two UK Sustainability Reporting Standards (SRS) in early 2026. As there is some overlap between IFRS S2 and the TPT Disclosure Framework, the FCA reviewed, through its consultation on implementing UK-endorsed ISSB standards, the possibility of 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).

On 3 December 2025, the PRA published a policy statement (PS25/25) providing feedback to responses the PRA received in relation to consultation paper 10/25 (Updates to SS3/19 (Enhancing banks' and insurers' approaches to managing the financial risks from climate change)). The PRA also published a supervisory statement (SS5/25) which replaces SS3/19 and sets out updated PRA expectations for firms' approaches to managing climate-related risks, reflecting new international standards and embedding improved understanding of climate-related risks. It aims to ensure that firms build the capabilities and resilience needed to effectively manage these risks. SS5/25 took effect on 3 December 2025. The PRA confirmed in PS25/25 that firms will be expected to carry out an internal review of their current status in meeting the expectations set out in SS5/25 within six months of commencement and the PRA does not expect firms to close identified gaps within the six-month review period.

Recent EU developments in sustainability disclosure initiatives will also impact UK companies which fall within the scope of applicable regimes. In February 2025, the European Commission published the Omnibus I Package which aims to simplify certain EU sustainability-related regulations, the main changes being those to the Corporate Sustainability Reporting Directive (CSRD) and the Directive on Corporate Sustainability Due Diligence (CSDDD). The EU Parliament and Council of the European Union reached a provisional political agreement on the "Requirements" Proposal, which amends the substantive provisions of the CSRD and CSDDD, in December 2025. The CSRD introduced 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') were published in 2023 but are currently being revised in order to reduce the amount of data collection. Disclosure requirements apply to companies in respect of their global operations, and not just their operations within the EU.

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, CSDDD currently covers own operations and the upstream value chain but not the activities of their downstream business partners that receive their financial services and products. These obligations will apply after transposition into national laws in each EU Member State on a phased basis from July 2029. CSDDD has the potential to be a particularly significant measure, with failure to comply with obligations under the CSDDD potentially giving rise to the imposition of administrative fines based on net worldwide turnover.

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. The Economic Crime and Corporate Transparency Act 2023 (ECCTA) extends the concept of corporate criminal liability such that certain economic crimes (such as fraud and false accounting) committed by "senior managers" acting within the scope of their actual or apparent authority, can be attributed to the company, for the purposes of holding the company criminally liable. The ECCTA has also created a new offence, in force from 1 September 2025, of failing to prevent a person associated with the Barclays Bank UK Group from committing fraud for the benefit of the Barclays Bank UK Group. These offences have broad application and in certain circumstances may have extraterritorial impact on entities, persons or activities located outside the UK. If enacted, reforms proposed under the draft Crime and Policing Bill 2025 would expand corporate criminal liability to all criminal offences (and not just certain economic crimes, as is currently the case under ECCTA), if any such offence is committed by a senior manager acting within the scope of their authority.

The UK Bribery Act requires the Barclays Bank UK Group to have adequate procedures to prevent bribery which, due to the extraterritorial nature of the Act, makes this both complex and costly. Additionally, the Criminal Finances Act requires the Barclays Bank UK Group to have reasonable procedures in place to prevent the criminal facilitation of tax evasion by persons acting for, or on behalf of, any entity in the Barclays Bank UK Group. The ECCTA similarly requires the Barclays Bank UK Group to have reasonable procedures in place to prevent a person associated with the Barclays Bank UK 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.

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 compliance with such laws could have serious legal, financial and reputational consequences for the institution.

Financial statements
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Independent Auditor's report

Independent Auditor's report to the members of Barclays Bank UK PLC

1 Our opinion is unmodified

We have audited the financial statements of Barclays Bank UK Group ("the Group") for the year ended 31 December 2025 which comprise the consolidated and Barclays Bank UK PLC ("the Parent Company") balance sheets as at 31 December 2025, the consolidated income statement and statement of comprehensive income, the consolidated and Parent Company statements of changes in equity and cash flow statements for the year then ended and the related notes, including the accounting policies in Note 1.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2025 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with UK-adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

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.

We were first appointed as auditor by the directors on 21 March 2018 for the audit of the financial year ended 31 December 2017. The period of total uninterrupted engagement is for the nine financial years ended 31 December 2025. We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to public interest entities. We have not performed any non-audit services during FY25 or subsequently which are prohibited by the FRC Ethical Standard.

2 Key audit matters: our assessment of risks of material misstatement

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, in arriving at our audit opinion above, together with our key audit procedures to address those matters and, as required for public interest entities, our results from those procedures.

These matters were addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.

Independent Auditor's report to the members of Barclays Bank UK PLC

Key audit matter	The risk	Our response
Impairment allowances on loans and advances at amortised cost, including off-balance sheet elements of the allowance **31 December 2025 £1,642m, 31 December 2024 £1,623m** Refer to page 215 for the accounting policy for the impairment of financial assets under IFRS9, page 98 for the credit risk disclosures, and page 215 for the financial disclosure Note 8; Credit impairment charge	**Subjective estimate:** **Risk vs 2024: ▲** 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 inappropriate if certain models or underlying assumptions do not accurately predict defaults or recoveries over time, become out of line with wider industry experience, or fail to reflect the credit risk of financial assets. As a result, certain IFRS 9 models and model assumptions are the key drivers of complexity and uncertainty in the Group's calculation of the ECL estimate, representing a significant risk due to error. • 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. As such, the management judgement relating to the selection of scenarios, the material economic variables, and the associated scenario probability weightings represent a significant risk due to error. • 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 9% of the ECL. These adjustments are inherently judgemental, requiring the Group to determine the relevant risk themes, the size and direction of any adjustment and the appropriateness of the adjustment as conditions and risks change. Due to the level of judgement and estimation uncertainties involved, the completeness of qualitative adjustments represent a significant risk of error and fraud.	Our procedures to address the risk included: **Risk assessment:** We performed granular and detailed risk assessment procedures over the entirety of the balances within the Group's financial statements (i.e. impairment allowances on loans and advances at amortised cost, including off-balance sheet elements of the allowance). 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. **Control 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 **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 management's 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

Independent Auditor's report to the members of Barclays Bank UK PLC

Key audit matter	The risk	Our response
	• 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 98 -154) disclose the sensitivities estimated by the Group.	• 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.
	Disclosure quality The disclosures regarding the Group's application of IFRS 9 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 testing in addition to those set out above involved: • agreeing a sample of key inputs in the ECL calculations to underlying source documentation; and • selecting a sample of post model adjustments, considering the size and complexity of the adjustments, to assess the reasonableness of the adjustments by challenging key assumptions, and inspecting, reperforming the calculation methodology and tracing a sample of the data used back to source data; and • assessing the completeness of post model adjustments identified based on our knowledge gained from other risk-assessment and substantive audit procedures. Assessing transparency: We assessed whether the disclosures appropriately disclose and address the uncertainty which exists when determining the ECL. In addition, we assessed whether the disclosure of the key judgements and assumptions was sufficiently clear. Our results: The results of our testing were satisfactory and we considered the ECL charge, Impairment allowance and the related disclosures to be acceptable (2024 result: acceptable).

Independent Auditor's report to the members of Barclays Bank UK PLC

Key audit matter	The risk	Our response
Valuation of financial instruments held at fair value 31 December 2025 £1,397m, 31 December 2024 £1,525m Refer to page 206 (accounting policy for financial assets and liabilities) and page 234 (financial disclosure Note 16: Fair value of financial instruments)	**Subjective valuation** **Risk vs 2024:** ⟷ The fair value of the Group and Parent company's financial instruments is determined through the application of valuation techniques which requires the exercise of significant judgement by the Group and Parent Company in selecting appropriate models, determining key pricing inputs which can involve the exercise of significant judgement by management in relation to the choice of the valuation models, pricing inputs and post-model pricing adjustments, including fair value adjustments (FVAs). These financial instruments are classified as Level 3, with management having controls in place over the boundary between Level 2 and 3 positions. Level 3 financial instruments have significant pricing inputs which are unobservable. For those assets, the inherent subjectivity and estimation uncertainty are high. As such, the valuations of Level 3 financial instruments are considered to have a significant risk of material misstatement due to error and fraud. Our significant audit risk is, therefore, primarily over significant Level 3 portfolios, which is the Education, Social Housing and Local Authority ("ESHLA") loan portfolio. As at 31 December 2025, the Group and Parent Company have outstanding ESHLA loans which require significant judgement in the valuation due to the long-dated nature of the portfolio, the lack of secondary market in the relevant loans and unobservable loan spreads. At 31 December 2025, Level 3 instruments (£1,397m) represented 4% of the Group's and Parent Company's financial assets carried at fair value. **Disclosure quality** The disclosures are key to explaining the valuation techniques, key judgements, assumptions and material inputs.	Our procedures to address the risk included: **Risk assessment:** We performed granular and detailed risk assessment procedures, involving our valuation specialists, throughout the audit period over the ESHLA loan portfolio within the Group and Parent company's financial statements. As part of these risk assessment procedures, we identified the associated valuation inputs that have a risk of material misstatement including those arising from significant judgements over valuation due to unobservable inputs. **Controls testing:** We attended management's Valuation Committee throughout the year and observed discussion and challenge over valuation themes including items related to the valuation of certain harder-to-value financial instruments recorded at fair value. We performed end to end process walkthroughs to identify the key systems, applications and controls used in the valuations processes. We tested the design, implementation and operating effectiveness of key controls relating to this portfolio. Key aspects of our controls testing involved evaluating the design 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 process; • FVAs, including exit adjustments (to mark the portfolio to bid or offer prices) and model shortcoming reserves to address model limitations; • The validation, completeness, implementation and usage of valuation models. This included controls over assessment of model limitations and assumptions. **Our valuations expertise:** We involved our own valuations specialists in the following: • Independently re-pricing a selection of fair value financial instruments and challenging management on the valuations where they were outside our tolerance; and • challenging the appropriateness of significant models and methodologies used in calculating fair values, risk exposures and in calculating FVAs, including comparison to industry practice. **Inspection of movements:** We inspected trading revenue arising on level 3 positions to assess whether material 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 partial/full redemptions and restructurings throughout the audit period. We evaluated whether these data points indicated elements of fair value which may not be 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:** We assessed the adequacy of the Group and Parent company's financial statements disclosures in the context of the relevant accounting standards.

Key audit matter	The risk	Our response
		Our results: The results of our testing were satisfactory and we considered the fair value of level 3 financial assets recognised to be acceptable (2024 result: acceptable).
User access management	Control performance Risk vs 2024: ◄► The Group and Parent company's IT operations support a wide range of products and services, resulting in a large and complex IT infrastructure relevant to the financial reporting processes and related internal controls. User access management controls are an integral part of the IT environment to ensure both system access and changes made to systems and data are authorised and appropriate. Our audit approach relies on the effectiveness of IT access management controls. Our audit procedures identified deficiencies in certain IT access controls for systems relevant to financial reporting, similar to those identified in the prior years. The Group continues to remediate the identified deficiencies around monitoring activities performed by privileged users on infrastructure components. Since some of these deficiencies remained open during the year and as at year end, 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: Controls 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 re-evaluated the risk associated with these controls based on previously identified control deficiencies and increased sampling where relevant. We further 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 the Group's detective controls. 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.

We continue to perform procedures over the acquired assets and liabilities from the 2024 acquisition of the retail banking business of Tesco Personal Finance plc. However, following the recognition of assets and liabilities at fair value as at the date of acquisition in 2024, we have not assessed this as one of the most significant risks in our current year audit and, therefore, it is not separately identified as a Key Audit Matter in our report this year.

Independent Auditor's report to the members of Barclays Bank UK PLC

3 Our application of materiality and an overview of the scope of our audit

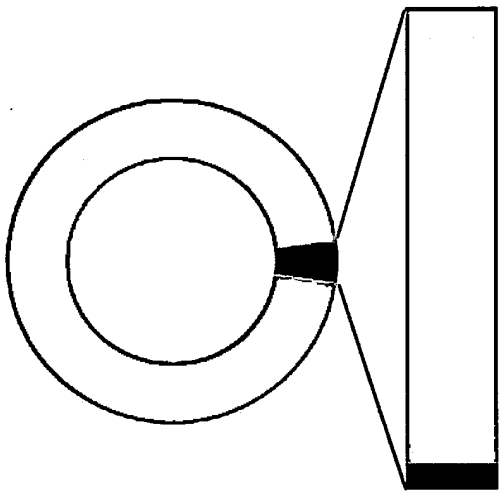
Materiality for the Group and Parent Company financial statements as a whole was set at £151m (2024: £151m) and £150m (2024: £150m) respectively, determined with reference to a benchmark of profit before tax from continuing operations, of which it represents 4.8% (2024: 4.7%) for the Group and 4.7% (2024: 4.6%) for the Parent Company. In the prior year materiality was determined by normalising the benchmark downwards by £348m, for both the Group and Parent Company to adjust for the one-off gain on the acquisition of the Tesco Bank business (£558m) less the associated ECL impact (£210m), in the year as the transaction is considered to be outside the normal course of operations.

In line with our audit methodology, 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.

Performance materiality for the Group and Parent Company was set at 75% (2024: 75%) of materiality for the financial statements as a whole, which equates to £113m (2024: £113m) for the Group and £112.5m (2024: £112.5m) for the Parent Company. We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

We agreed to report to the Board Audit Committee any correct or uncorrected identified misstatements exceeding £7.5m (2024: £7.5m), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Normalised Group profit before tax
£3,116m (2024: £3,002m)*



£151m
Whole financial statements materiality (2024: £151m)

£113.3m
Whole financial statements performance materiality (2024: £113m)

£7.5m
Misstatements reported to the Audit Committee (2024: £7.5m)

*2024: adjusted to deduct the gain on acquisition of Tesco Bank, as well as the associated ECL impact in the period which does not represent normal, continuing operations

Scope – general

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.

In total, we identified two (2024: two) components, having considered our evaluation of the Group's operational structure; the Group's legal structure; the existence of common 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 one (2024: one) quantitatively significant components which contained the largest percentages of either total revenue or total assets of the Group, for which we performed audit procedures.

Consistent with prior year, we performed audit procedures over the Parent Company, which represents the majority of the Group's profit and net assets. We performed audit procedures on the items excluded from the Group profit before tax used as the benchmark for our materiality where we assessed there to be a risk of material misstatement.

The Group has certain centralised processes in India, the outputs of which are also included in the aggregated set of financial information. These services are subject to specified audit procedures, predominantly the testing of transaction processing and controls. We evaluated the work which the participating auditor performed in these areas. We communicated with the participating audit team throughout the audit by holding regular meetings and visiting their office.

4 Going concern

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").

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 or recession.

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.

Our conclusions based on this work:

- We consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- We have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's or Parent Company's ability to continue as a going concern for the going concern period; and
- We found the going concern disclosure in Note 1 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.

5 Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

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 General Counsel, Barclays UK, Chief Risk Officer Barclays UK, and Chief Compliance Officer Barclays UK, and inspection of the Group's 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 and whether they have knowledge of any actual, suspected or alleged fraud; and

- the internal controls established to mitigate risks related to fraud;

- The Group's and Parent Company's remuneration policies, key drivers for remuneration and bonus levels;

- The full population of all journal entries to analyse using KPMG audit tools 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. FY25 marked the second 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 risk factors 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.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular: the risk that Group and Parent Company management may be in a position to make inappropriate accounting entries; the risk of fraudulent revenue recognition, which we isolate to certain assumptions used in the calculation of the Effective Interest Rate (EIR) on the mortgages portfolio; and the risk of bias in accounting estimates and judgements; and

We also identified a fraud risk related to qualitative adjustments to the model-driven ECL results given these adjustments are inherently uncertain and significant management judgement is involved in estimating these amounts, and the valuation of level 3 ESHLA loans held at fair value given there is significant management judgement around the valuation.

Our audit procedures included evaluating the design and implementation and operating effectiveness of relevant internal controls, assessing significant accounting estimates for bias, as well as substantive procedures to address the fraud risks.

These procedures also included identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation.

Further details of the testing we perform over the identified fraud risks for ECL, and ESHLA fair value loans 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.

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.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

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;
- discussion with the directors and other management (as required by auditing standards);
- inspection of the Group's and Parent Company's regulatory and legal correspondence;
- inspection of the policies and procedures regarding compliance with laws and regulations;
- relevant discussions with the Group's and Parent Company's external legal counsel;

- relevant discussions with the Group's and Parent Company's key regulatory supervisors including the Prudential Regulation Authority and Financial Conduct Authority; and
- the Group's and Parent Company's own assessment of the risks of non-compliance with laws and regulations and the internal controls established to mitigate these.

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 and Parent Company operates in a highly regulated environment, our assessment of risks of material misstatement also considered the control environment, including the Group and Parent Company'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.

Our identified laws and regulations risks were communicated throughout our team, and we remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group and Parent Company 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.

Secondly, the Group and Parent Company 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 or litigation. We identified the following areas as those most likely to have such an effect:

- Specific aspects of regulatory capital and liquidity;
- Other banking laws and regulations, including securities issuance law;
- Customer conduct rules (including the consumer duty)
- Money laundering;
- Ring-fencing rules;
- Sanctions list and financial crime;
- Market abuse regulations;
- Certain aspects of company 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.

In relation to the legal, competition and regulatory matters disclosed in Note 24 we performed audit procedures which included making enquiries of Barclays internal counsel and inspection of minutes of meetings and regulatory correspondence. For a subset of these matters which we deemed to be more significant we also made enquiries of external counsel and obtained legal confirmations from Barclays' external counsel.

In respect of regulatory matters relating to conduct risk, our procedures included inspection of regulatory correspondence, independent enquiry of the Group's and Parent Company's main regulators and performing audit procedures to respond to risks of material misstatement identified in recognised conduct provisions.

We consider management's response where potential non-compliance with laws and regulations has been identified that could reasonably be expected to have a material effect on the financial statements, including their communication with those charged with governance and regulators, remediation actions and controls implemented to prevent future recurrence. Refer to further disclosures in Note 24.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events

and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

6 We have nothing to report on the 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.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Strategic report and directors' report

Based solely on our work on the other information:

- 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.

7 We have nothing to report on the other matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

8 Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 41, 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 www.frc.org.uk/auditorsresponsibilities.

Independent Auditor's report to the members of Barclays Bank UK PLC

9 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.



Karyn Nicoll (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

9 February 2026

Consolidated financial statements
Consolidated income statement

For the year ended 31 December	Note	2025 £m	2024 £m
Interest and similar income	3	13,136	12,588
Interest and similar expense	3	(5,371)	(5,851)
Net interest income		7,765	6,737
Fee and commission income	4	1,565	1,507
Fee and commission expense	4	(482)	(411)
Net fee and commission income		1,083	1,096
Net trading expense	5	(48)	(16)
Net investment (expense)/income	6	(7)	41
Gain on acquisition		—	558
Other income		18	7
Total income		8,811	8,423
Staff costs	28	(1,555)	(1,215)
Infrastructure costs	7	(300)	(258)
Administration and general expenses	7	(3,104)	(2,939)
UK regulatory levies		(85)	(78)
Litigation and conduct		(49)	(21)
Operating expenses		(5,093)	(4,511)
Profit before impairment		3,718	3,912
Credit impairment charges	8	(393)	(352)
Profit before tax		3,325	3,560
Taxation	9	(731)	(940)
Profit after tax		2,594	2,620
Attributable to:			
Equity holders of the parent		2,380	2,422
Other equity instrument holders		214	198
Profit after tax		2,594	2,620

As permitted by section 408(3) of the Companies Act 2006 an income statement for the parent company has not been presented.

Consolidated financial statements
Consolidated statement of comprehensive income

For the year ended 31 December	2025 £m	2024 £m
Profit after tax	2,594	2,620
Other comprehensive income/(loss) that may be recycled to profit or loss:		
Fair value through other comprehensive income reserve movement relating to debt securities		
Net gains/(losses) from changes in fair value	328	(23)
Net (losses)/gains due to fair value hedging	(172)	7
Net gains transferred to net profit on disposal	(9)	(30)
Tax	(41)	13
Cash flow hedging reserve		
Net gains from changes in fair value	891	246
Net losses transferred to net profit	154	154
Tax	(293)	(112)
Other comprehensive income that may be recycled to profit or loss	858	255
Other comprehensive income/(loss) not recycled to profit or loss:		
Retirement benefit remeasurements	64	—
Taxation	(18)	—
Other comprehensive income not recycled to profit or loss:	46	—
Other comprehensive income for the year	904	255
Total comprehensive income for the year	3,498	2,875

Consolidated financial statements
Consolidated balance sheet

As at 31 December	Note	2025 £m	2024 £m
Assets			
Cash and balances at central banks		21,208	29,819
Cash collateral and settlement balances		6,120	6,002
Debt securities at amortised cost		13,492	17,983
Loans and advances at amortised cost to banks		228	281
Loans and advances at amortised cost to customers		215,634	206,435
Reverse repurchase agreements and other similar secured lending at amortised cost		6,001	5,894
Trading portfolio assets	11	385	242
Financial assets at fair value through the income statement	12	1,413	1,543
Derivative financial instruments	13	890	1,901
Financial assets at fair value through other comprehensive income	14	31,572	27,045
Goodwill and intangible assets	20	3,933	3,948
Property, plant and equipment	18	287	239
Deferred tax assets	9	884	1,212
Retirement benefit assets		69	—
Other assets		708	635
Total assets		302,824	303,179
Liabilities			
Deposits at amortised cost from banks		125	85
Deposits at amortised cost from customers		244,666	244,376
Cash collateral and settlement balances		828	1,779
Repurchase agreements and other similar secured borrowing at amortised cost		13,600	15,506
Debt securities in issue		4,703	2,619
Subordinated liabilities	25	14,049	13,512
Trading portfolio liabilities	11	908	726
Financial liabilities designated at fair value	15	1,003	2,848
Derivative financial instruments	13	195	300
Current tax liabilities		598	954
Provisions	22	364	323
Other liabilities	21	1,507	1,566
Total liabilities		282,546	284,594
Equity			
Called up share capital and share premium	26	5	5
Other equity instruments	26	2,227	2,425
Other reserves	27	(38)	(896)
Retained earnings		18,084	17,051
Total equity		20,278	18,585
Total liabilities and equity		302,824	303,179

The Board of Directors approved the financial statements on pages 197 to 279 on 9 February 2026.

Sir John Kingman
Chair

Vim Maru
Chief Executive

Claire Peel
Chief Financial Officer

Consolidated statement of changes in equity

	Called up share capital and share premium[1] £m	Other equity instruments[1] £m	Other reserves[2] £m	Retained earnings £m	Total equity £m
Balance as at 1 January 2025	5	2,425	(896)	17,051	18,585
Profit after tax	—	214		2,380	2,594
Fair value through other comprehensive income reserve	—	—	106	—	106
Cash flow hedges	—	—	752	—	752
Pension remeasurement	—	—	—	46	46
Total comprehensive income for the year	—	214	858	2,426	3,498
Employee share schemes	—	—	—	72	72
Issue and redemption of other equity	—	(198)	—	(9)	(207)
Other equity instruments coupons paid	—	(214)	—	—	(214)
Vesting of Barclays PLC shares under share based payment schemes	—	—	—	(28)	(28)
Dividends paid	—	—	—	(1,425)	(1,425)
Other reserve movements	—	—	—	(3)	(3)
Balance as at 31 December 2025	5	2,227	(38)	18,084	20,278
Balance as at 1 January 2024	5	2,429	(1,151)	15,578	16,861
Profit after tax	—	198	—	2,422	2,620
Fair value through other comprehensive income reserve	—	—	(33)	—	(33)
Cash flow hedges	—	—	288	—	288
Total comprehensive income for the year	—	198	255	2,422	2,875
Employee share schemes	—	—	—	42	42
Issue and exchange of other equity	—	(4)	—	—	(4)
Other equity instruments coupons paid	—	(198)	—	—	(198)
Vesting of Barclays Plc shares under share based payment schemes	—	—	—	(15)	(15)
Dividends paid	—	—	—	(975)	(975)
Other reserve movements	—	—	—	(1)	(1)
Balance as at 31 December 2024	5	2,425	(896)	17,051	18,585

Notes
1 For further details, refer to Note 26.
2 For further details, refer to Note 27.

Consolidated financial statements
Consolidated cash flow statement

For the year ended 31 December	Note	2025 £m	2024[1] £m
Reconciliation of profit before tax to net cash flows from operating activities:			
Profit before tax		3,325	3,560
Adjustment for non-cash items:			
Credit impairment charges		393	352
Depreciation, amortisation and impairment of property, plant, equipment and intangibles		97	95
Other provisions, including pensions		144	68
Other adjustment including non-cash and exchange rate movements		375	228
Changes in operating assets and liabilities			
Net (increase)/decrease in cash collateral and settlement balances		(944)	414
Net (increase)/decrease in loans and advances at amortised cost		(9,592)	3,023
Net (increase) in reverse repurchase agreements and other similar secured lending		(107)	(2,327)
Net increase/(decrease) in deposits at amortised cost		330	(3,686)
Net increase/(decrease) in debt securities in issue		2,084	(1,242)
Net (decrease)/increase in repurchase agreements and other similar secured borrowing		(1,906)	241
Net decrease/(increase) in derivative financial instruments		906	(413)
Net (increase) in trading portfolio assets		(143)	(199)
Net increase/(decrease) in trading portfolio liabilities		182	(182)
Net decrease in financial assets at fair value through the income statement		130	173
Net (decrease)/increase in financial liabilities designated at fair value		(1,845)	2,652
Net (increase) in other assets and liabilities		(215)	(276)
Corporate income tax paid		(1,074)	(522)
Net cash from operating activities		(7,860)	1,959
Purchase of debt securities at amortised cost		(3,727)	(4,615)
Proceeds from redemption or sale of debt securities at amortised cost		8,061	3,932
Purchase of financial assets at fair value through other comprehensive income		(20,764)	(21,343)
Proceeds from sale or redemption of financial assets at fair value through other comprehensive income		16,812	14,959
Purchase of property, plant and equipment and investment in intangibles		(52)	(13)
Acquisition of business, net of cash acquired		—	(228)
Net cash from investing activities		330	(7,308)
Dividends paid and other coupon payments on equity instruments		(1,639)	(1,173)
Issuance of subordinated liabilities	25	3,600	2,277
Redemption of subordinated liabilities	25	(2,703)	(372)
Issue of shares and other equity instruments	26	990	618
Repurchase of shares and other equity instruments	26	(1,188)	(622)
Lease liability payments		(41)	(53)
Vesting of employee share schemes		(28)	(15)
Net cash from financing activities		(1,009)	660
Net decrease in cash and cash equivalents		(8,539)	(4,689)
Cash and cash equivalents at beginning of year		35,675	40,364
Cash and cash equivalents at end of year		27,136	35,675
Cash and cash equivalents comprise:			
Cash and balances at central banks		21,208	29,819
Loans and advances to banks with original maturity less than three months		178	231
Cash collateral balances with central banks with original maturity less than three months		5,750	5,625
Cash and cash equivalents at end of year		27,136	35,675

Note

1 In the prior year, the reconciliation of profit before tax to net cash from operating activities presented a single line item for changes in trading portfolio assets and liabilities. In the current year, these changes have been disaggregated, with movements in trading portfolio assets shown separately from those in trading portfolio liabilities, to enhance transparency for users of the financial statements. Accordingly, the prior year comparatives have been re-presented to reflect changes in trading portfolio assets of (£199m) and changes in trading portfolio liabilities of (£182m), rather than the previously aggregated amount of (£381m). Within the financing activities section, the prior year line item Redemption of shares and other equity instruments has been renamed Repurchase of shares and other equity instruments.

Interest received was £13,017m (2024: £12,501m) and interest paid was £5,446m (2024: £5,585m).

As at 31 December 2025, the Barclays Bank UK Group had interbank payment schemes settlements of £529m (2024: £628m), which is considered restricted.

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.

Financial statements of Barclays Bank UK PLC
Parent company accounts

Balance sheet As at 31 December	Note	2025 £m	2024 £m
Assets			
Cash and balances at central banks		21,208	29,819
Cash collateral and settlement balances		6,120	6,002
Debt securities at amortised cost		13,492	17,983
Loans and advances at amortised cost to banks		131	316
Loans and advances at amortised cost to customers		216,111	206,786
Reverse repurchase agreements and other similar secured lending at amortised cost		6,001	5,894
Trading portfolio assets	11	385	242
Financial assets at fair value through the income statement	12	1,413	1,543
Derivative financial instruments	13	884	1,901
Financial assets at fair value through other comprehensive income	14	31,572	27,045
Investment in subsidiaries	36	406	495
Goodwill and intangible assets	20	3,451	3,460
Property, plant and equipment	18	284	236
Deferred tax assets	9	875	1,203
Retirement benefit assets		69	—
Other assets		716	646
Total assets		303,118	303,571
Liabilities			
Deposits at amortised cost from banks		75	35
Deposits at amortised cost from customers		246,598	245,409
Cash collateral and settlement balances		828	1,779
Repurchase agreements and other similar secured borrowing at amortised cost		13,600	15,506
Debt securities in issue		4,022	2,065
Subordinated liabilities	25	13,277	13,512
Trading portfolio liabilities	11	908	726
Financial liabilities designated at fair value	15	1,003	2,848
Derivative financial instruments	13	202	319
Current tax liabilities		599	958
Provisions	22	312	267
Other liabilities	21	1,542	1,578
Total liabilities		282,966	285,002
Equity			
Called up share capital and share premium	26	5	5
Other equity instruments	26	2,227	2,425
Other reserves	27	(25)	(794)
Retained earnings[1]		17,945	16,933
Total equity		20,152	18,569
Total liabilities and equity		303,118	303,571

Note
1 As permitted by section 408(3) of the Companies Act 2006 an income statement for the parent company has not been presented. Included in shareholders' equity for the parent company is a profit after tax for the year ended 31 December 2025 of £2,572m (2024: £2,657m).

The Board of Directors approved the financial statements on pages 202 to 204 on 9 February 2026.

Sir John Kingman
Chair

Vim Maru
Chief Executive

Claire Peel
Chief Financial Officer

Statement of changes in equity

	Called up share capital and share premium[1] £m	Other equity instruments[1] £m	Other reserves[2] £m	Retained earnings £m	Total equity £m
Balance as at 1 January 2025	**5**	**2,425**	**(794)**	**16,933**	**18,569**
Profit after tax	—	214		2,358	2,572
Financial assets at fair value through other comprehensive income	—	—	106	—	106
Cash flow hedges	—	—	752	—	752
Pension remeasurement	—	—	—	46	46
Total comprehensive income for the year	**—**	**214**	**858**	**2,404**	**3,476**
Equity settled share schemes	—	—	—	72	72
Issue and redemption of other equity	—	(198)	—	(9)	(207)
Other equity instruments coupons paid	—	(214)	—	—	(214)
Vesting of Barclays PLC shares under share based payment schemes	—	—	—	(28)	(28)
Dividends paid	—	—	—	(1,425)	(1,425)
Net equity impact of merger reserve transfer[3]	—	—	(89)	—	(89)
Other movements	—	—	—	(2)	(2)
Balance as at 31 December 2025	**5**	**2,227**	**(25)**	**17,945**	**20,152**
Balance as at 1 January 2024	5	2,429	(1,049)	15,423	16,808
Profit after tax	—	198	—	2,459	2,657
Financial assets at fair value through other comprehensive income	—	—	(33)	—	(33)
Cash flow hedges	—	—	288	—	288
Total comprehensive income for the year	—	198	255	2,459	2,912
Equity settled share schemes	—	—	—	42	42
Issue and redemption of other equity	—	(4)	—	—	(4)
Other equity instruments coupons paid	—	(198)	—	—	(198)
Vesting of Barclays Plc shares under share based payment schemes	—	—	—	(15)	(15)
Dividends paid	—	—	—	(975)	(975)
Other movements	—	—	—	(1)	(1)
Balance as at 31 December 2024	5	2,425	(794)	16,933	18,569

Notes
1 For further details, refer to Note 26.
2 For further details, refer to Note 27.
3 For further details, refer to Note 36.

Cash flow statement

For the year ended 31 December	Note	2025 £m	2024[1] £m
Reconciliation of profit before tax to net cash flows from operating activities:			
Profit before tax		3,301	3,593
Adjustment for non-cash items:		—	
Credit impairment charges		393	351
Depreciation, amortisation and impairment of property, plant, equipment and intangibles		95	95
Other provisions, including pensions		142	61
Other adjustment including non-cash and exchange rate movements		366	218
Changes in operating assets and liabilities			
Net (increase)/decrease in cash collateral and settlement balances		(944)	414
Net (increase)/decrease in loans and advances at amortised cost		(9,718)	3,160
Net (increase) in reverse repurchase agreements and other similar secured lending		(107)	(2,327)
Net increase/(decrease) in deposits at amortised cost		1,229	(3,900)
Net increase/(decrease) in debt securities in issue		1,957	(1,242)
Net (decrease)/increase in repurchase agreements and other similar secured borrowing		(1,906)	241
Net decrease/(increase) in derivative financial instruments		900	(423)
Net (increase) in trading portfolio assets		(143)	(199)
Net increase/(decrease) in trading portfolio liabilities		182	(182)
Net decrease in financial assets at fair value through the income statement		130	173
Net (decrease)/increase in financial liabilities designated at fair value		(1,845)	2,652
Net (increase) in other assets and liabilities		(183)	(235)
Corporate income tax paid		(1,074)	(510)
Net cash from operating activities		(7,225)	1,940
Purchase of debt securities at amortised cost		(3,727)	(4,614)
Proceeds from sale or redemption of debt securities at amortised cost		8,061	3,932
Purchase of financial assets at fair value through other comprehensive income		(20,764)	(21,343)
Proceeds from sale or redemption of financial assets at fair value through other comprehensive income		16,812	14,959
Purchase of property, plant and equipment and investment in intangibles		(52)	(4)
Acquisition of business, net of cash acquired		—	(228)
Net cash from investing activities		330	(7,298)
Dividends paid and other coupon payments on equity instruments		(1,639)	(1,173)
Issuance of subordinated liabilities	25	2,833	2,277
Redemption of subordinated liabilities	25	(2,703)	(372)
Issue of shares and other equity instruments	26	990	618
Repurchase of shares and other equity instruments	26	(1,188)	(622)
Lease liability payments		(41)	(53)
Vesting of employee share schemes		(28)	(15)
Net cash from financing activities		(1,776)	660
Net decrease in cash and cash equivalents		(8,671)	(4,698)
Cash and cash equivalents at beginning of year		35,760	40,458
Cash and cash equivalents at end of year		27,089	35,760
Cash and cash equivalents comprise:			
Cash and balances at central banks		21,208	29,819
Loans and advances to banks with original maturity less than three months		131	316
Cash collateral balances with central banks with original maturity less than three months		5,750	5,625
Cash and cash equivalents at end of year		27,089	35,760

Note

1 In the prior year, the reconciliation of profit before tax to net cash from operating activities presented a single line item for changes in trading portfolio assets and liabilities. In the current year, these changes have been disaggregated, with movements in trading portfolio assets shown separately from those in trading portfolio liabilities, to enhance transparency for users of the financial statements. Accordingly, the prior year comparatives have been re-presented to reflect changes in trading portfolio assets of (£199m) and changes in trading portfolio liabilities of (£182m), rather than the previously aggregated amount of (£381m). Within the financing activities section, the prior year line-item Redemption of shares and other equity instruments has been renamed Repurchase of shares and other equity instruments.

Interest received was £13,020m (2024: £12,503m) and interest paid was £5,413m (2024: £5,592m). Dividends received were £nil (2024: £30m).

As at 31 December 2025, Barclays Bank UK PLC had interbank payment schemes settlements of £529mm (2024: £628m), which is considered restricted.

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.

This section describes the Barclays Bank UK Group's material accounting policies and critical accounting judgements and estimates that relate to the financial statements and notes as a whole. If an accounting policy or a critical accounting judgement or estimate relates to a particular note, disclosure is contained within the relevant note.

1 Material accounting policies

1 Reporting entity

Barclays Bank UK PLC is a public company limited by shares, registered in England under company number 9740322, having its registered office at 1 Churchill Place, London, E14 5HP.

These financial statements are prepared for Barclays Bank UK PLC (BBUK PLC) and its subsidiaries (the Barclays Bank UK Group) under Section 399 of the Companies Act 2006. The Barclays Bank UK Group (BBUK Group) is a major UK financial services provider engaged in retail banking, credit cards, and wholesale banking. In addition, separate financial statements have been presented for the parent company.

2 Compliance with International Financial Reporting Standards (IFRS)

The consolidated financial statements of the Barclays Bank UK Group, and the separate financial statements of Barclays Bank UK PLC, have been prepared in accordance with UK-adopted international accounting standards.

The consolidated financial statements of the Barclays Bank UK Group, and the separate financial statements of Barclays Bank UK PLC, have also been prepared in accordance with IFRS as issued by the International Accounting Standards Board (IASB), including interpretations issued by the IFRS Interpretations Committee, as there are no applicable differences between UK-adopted international accounting standards and 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.

3 Basis of preparation

The consolidated and separate financial statements have been prepared under the historical cost convention modified to the extent required or permitted under IFRS as set out in the relevant accounting policies.

The financial statements are stated in millions of Pounds Sterling (£m), the functional currency of Barclays Bank UK PLC.

The financial statements have been prepared on a going concern basis, in accordance with the Companies Act 2006 as applicable to companies using IFRS. The financial statements are prepared on a going concern basis, as the Board is satisfied that the Barclays Bank UK Group and parent company have the resources to continue in business for a period of at least 12 months from approval of the financial statements.

In making this assessment, the Board has considered a wide range of information relating to present and future conditions and includes a review of a working capital report (WCR). The WCR is used by the Board to assess the future performance of the Barclays Bank UK 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 Barclays Bank UK Group's medium-term plan as well as projections of regulatory capital requirements and business funding needs. The WCR also includes an assessment of the impact of internally generated stress testing scenarios on the liquidity and capital requirement forecasts. The stress tests used were based upon an assessment of reasonably possible downside economic scenarios that the Barclays Bank UK Group could experience.

The WCR showed that the Barclays Bank UK Group had sufficient capital in place to support its future business requirements and remained above its regulatory minimum requirements in the stress scenarios. Accordingly, the Board concluded that there was a reasonable expectation that the Barclays Bank UK Group has adequate resources to continue as a going concern for a period of at least 12 months from the date of approval of the financial statements.

1 Material accounting policies (continued)

4. Accounting policies

The Barclays Bank UK Group prepares financial statements in accordance with IFRS. The Barclays Bank UK Group's material accounting policies relating to specific financial statement items, together with a description of the accounting estimates and judgements that were critical to preparing those items, are set out under the relevant notes. Accounting policies that affect the financial statements as a whole are set out below.

(i) Consolidation

The consolidated financial statements combine the financial statements of Barclays Bank UK PLC and all its subsidiaries. Subsidiaries are entities over which Barclays Bank UK PLC has control. The Barclays Bank UK Group has control over another entity when the Barclays Bank UK 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.

None of the Barclays Bank UK Group's subsidiaries are significant in the context of the Barclays Bank UK Group's business, results or financial position. A complete list of all subsidiaries is presented in Note 37.

In the individual financial statements of Barclays Bank UK PLC, investments in subsidiaries are stated at cost less impairment.

(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.

(iii) Financial assets and liabilities

Recognition

The Barclays Bank UK Group recognises financial assets and liabilities when it becomes a party to the terms of the contract. Trade date or settlement date accounting is applied depending on the classification of the financial asset.

Classification and measurement

Financial assets are classified on the basis of two criteria:

i) the business model within which financial assets are managed; and
ii) their contractual cash flow characteristics (whether the cash flows represent 'solely payments of principal and interest' (SPPI)).

The Barclays Bank UK Group assesses the business model criteria at a portfolio level. Information that is considered in determining the applicable business model includes (i) policies and objectives for the relevant portfolio, (ii) how the performance and risks of the portfolio are managed, evaluated and reported to management, and (iii) the frequency, volume and timing of sales in prior periods, sales expectation for future periods, and the reasons for such sales.

The contractual cash flow characteristics of financial assets are assessed with reference to whether the cash flows represent SPPI. Terms that could change the contractual cash flows so that it would not meet the condition for SPPI are considered, including: (i) contingent and leverage features, (ii) non-recourse arrangements, (iii) features that could modify the time value of money, and (iv) Social, Environmental and Sustainability-linked features. Terms with de-minimis impact do not preclude cash flows from representing SPPI.

The accounting policy for each type of financial asset or liability is included within the relevant note for the item. The Barclays Bank UK Group's policies for determining the fair values of the assets and liabilities are set out in Note 16.

1 Material accounting policies (continued)

Derecognition

The Barclays Bank UK 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.

It may not be obvious whether substantially all of the risks and rewards of a transferred asset, or portion of an asset, have been transferred. It is often necessary to perform a quantitative analysis that compares the Barclays Bank UK 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.

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.

Accounting for reverse repurchase and repurchase agreements including other similar lending and borrowing

Reverse repurchase agreements (and stock borrowing or similar transactions) are a form of secured lending whereby the Barclays Bank UK Group provides a loan or cash collateral in exchange for the transfer of collateral, generally in the form of marketable securities subject to an agreement to transfer the securities back at a fixed price in the future. Repurchase agreements are where the Barclays Bank UK Group obtains such loans or cash collateral, in exchange for the transfer of collateral.

The Barclays Bank UK Group purchases (a reverse repurchase agreement) or borrows securities subject to a commitment to resell or return them. The securities are not included in the balance sheet as the Barclays Bank UK Group does not acquire the risks and rewards of ownership. Consideration paid (or cash collateral provided) is accounted for as a loan asset at amortised cost, unless it is designated or mandatorily at fair value through profit and loss.

The Barclays Bank UK Group may also sell (a repurchase agreement) or lend securities subject to a commitment to repurchase or redeem them. The securities are retained on the balance sheet as the Barclays Bank UK Group retains substantially all the risks and rewards of ownership. Consideration received (or cash collateral provided) is accounted for as a financial liability at amortised cost, unless it is designated at fair value through profit and loss.

(iv) Issued debt and equity instruments

Issued financial instruments or their components are classified as liabilities if the contractual arrangement results in the Barclays Bank UK 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.

1 Material accounting policies (continued)

(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.

(vi) Accounting for business combinations

In accordance with IFRS 3, the Barclays Bank UK Group accounts for business combinations using the acquisition method. Under the acquisition method, the identifiable assets and liabilities of the acquiree are recognised by the acquirer on the acquisition date, which is determined to be the date the acquirer obtains control of the acquiree under IFRS 10.

The identifiable assets and liabilities are initially recognised at fair value by the acquirer, unless required otherwise by another accounting standard, such as IAS 12 Income Taxes and IAS 19 Employee Benefits.

A non-controlling interest, also known as a minority interest, arises where the acquirer does not acquire 100% of the acquiree.

Goodwill is recognised if the fair value of the consideration transferred is greater than the fair value of the identifiable assets and liabilities assumed. Goodwill is tested annually for impairment or more frequently if an indicator of impairment is identified. If the fair value of consideration transferred is less than the fair value of the identifiable assets and liabilities assumed then a gain is recognised in the income statement.

5 New and amended standards and interpretations

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. The adoption of the derecognition amendments is expected to result in a change of policy for derecognising certain types of financial liabilities. As a result of these amendments, it is expected that the impacted liabilities will be reclassified from Cash collateral and settlement balances to Trading portfolio liabilities. No other material impacts are anticipated from the adoption of these derecognition amendments or from the other changes introduced to IFRS 9. The quantitative impact of IFRS 9 and IFRS 7 amendments will continue to be assessed in 2026.

1 Material accounting policies (continued)

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements, which replaces IAS 1. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals, it requires entities to classify all income and expenses into five categories: operating, investing, financing, income tax and discontinued operations, and introduces defined subtotals, including operating profit.

IFRS 18 requires entities to assess whether they have a IFRS 18 defined specified main business activity. For those entities with a specified main business activity, certain income and expenses will be recorded in the operating category, which may have been recorded in another category if the entity did not have a specified main business activity.

The standard introduces new aggregation and disaggregation principles for financial information and narrow scope amendments to IAS 7 Statement of Cash Flows by using operating profit as the starting point for the indirect method and removing optionality in the classification of interest and dividends.The standard requires disclosure of management-defined performance measures (MPMs).

The Barclays Bank UK Group has commenced its IFRS 18 impact assessment. The Barclays Bank UK Group expects to have an IFRS 18 specified main business activity, allowing significant items from the Barclays Bank UK Group's operations to be reported within the operating category.

The Barclays Bank UK Group is also assessing the impact on management-defined performance measures (MPMs) and the enhanced disaggregation requirements introduced by IFRS 18. In 2026, the Barclays Bank UK Group will continue to assess the impact of IFRS 18.

The new standard is effective from 1 January 2027.

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. Information about estimates, and other sources of estimation uncertainty at the end of the reporting period, that are considered to have a significant risk of resulting in material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed within the relevant note.

- Credit impairment charges on page 218
- Fair value of financial instruments on page 234
- Goodwill and intangible assets on page 247
- Provisions including conduct and legal, competition and regulatory matters on page 253
- Pensions and post-retirement benefit obligations on page 264

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 78 to 80 and the tables on pages 98 to 154
- Market risk on page 80 and the narratives on page 155
- Treasury and capital risk – liquidity on pages 81 to 82 and the tables on pages 157 to 164
- Treasury and capital risk – capital on pages 81 to 82 and the tables on page 165

These disclosures are covered by the Audit opinion (included on pages 186 to 196) where referenced as audited.

The notes included in this section focus on the results and performance of the Barclays Bank UK Group. Information on the income generated, expenditure incurred, segmental performance, tax and dividends are included here.

2 Segmental reporting

Presentation of segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Executive Committee, which is responsible for allocating resources to, and assessing performance of, the operating segments, and has been identified as the chief operating decision maker. All transactions between business segments are conducted on an arm's-length basis, with intra-segment revenue and costs being eliminated in Head Office. Income and expenses directly associated with each segment are included in determining business segment performance.

For segmental reporting purposes, the Barclays Bank UK Group divisions are defined as:

- **Retail Banking** Offers retail solutions to help customers with their day-to-day banking needs and comprises Personal and Premier banking, Mortgages including Kensington Mortgage Company, Barclaycard UK, Savings and from 1 November 2024 Tesco Bank (the retail banking business acquired from Tesco Personal Finance plc).
- **Business Banking** Offers products, services and specialist advice to business clients ranging from start-ups to medium-sized businesses and is also where the ESHLA loan portfolio is held.

The below table also includes Head Office which includes central support functions.

Analysis of results by segment

For the year ended 31 December 2025	Retail Banking[1] £m	Business Banking £m	Head Office £m	Barclays Bank UK Group £m
Net interest income	5,955	1,751	59	7,765
Non-interest income/(expense)	781	380	(115)	1,046
Total income	6,736	2,131	(56)	8,811
Of which inter-segmental income/(expense)	(473)	473	—	—
Operating costs	(3,887)	(1,083)	11	(4,959)
UK regulatory levies	(66)	(19)	—	(85)
Litigation and conduct	(35)	(16)	2	(49)
Total operating expenses	(3,988)	(1,118)	13	(5,093)
Profit before impairment	2,748	1,013	(43)	3,718
Credit impairment (charges)	(354)	(39)	—	(393)
Profit/(loss) before tax	2,394	974	(43)	3,325
Total assets (£bn)	254.1	48.6	0.1	302.8
Total liabilities (£bn)	225.6	56.8	0.1	282.5
Number of employees (full time equivalent)				18,000
Average number of employees (full time equivalent)				18,300
Average number of employees (headcount)				19,600

For the year ended 31 December 2024	£m	£m	£m	£m
Net interest income	5,063	1,617	57	6,737
Non-interest income/(expense)	1,327	400	(41)	1,686
Total income	6,390	2,017	16	8,423
Of which inter-segmental income/(expense)	*(322)*	*322*	—	—
Operating costs	(3,399)	(1,034)	21	(4,412)
UK regulatory levies	(60)	(18)	—	(78)
Litigation and conduct	(15)	(1)	(5)	(21)
Total operating expenses	(3,474)	(1,053)	16	(4,511)
Profit before impairment	2,916	964	32	3,912
Credit impairment (charges)/releases	(380)	28	—	(352)
Profit before tax	2,536	992	32	3,560
Total assets (£bn)	246.2	57.0	—	303.2
Total liabilities (£bn)	225.7	58.7	0.2	284.6
Number of employees (full time equivalent)				18,200
Average number of employees (full time equivalent)				16,200
Average number of employees (headcount)				17,300

Note:
1 During H125 Barclays Bank UK Group revised its internal reporting structure to align with strategic changes and allocation of resources. As a result, Retail Banking has replaced the previously reported Personal Banking and Barclaycard Consumer UK segments.

Inter-segmental income/(expense) refers to the internal charging of revenues between different business segments, reflecting how resources such as funding, capital, or services are utilised across the organisation. Segments which operate with a net customer deposit position contribute surplus deposits as a funding source for other Barclays Bank UK Group segment activities.

Income by geographic region

The Barclays Bank UK Group generates income from business activities in the United Kingdom.

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 and interest expense on financial liabilities held at amortised cost are calculated using the effective interest method which allocates interest, and direct and incremental fees and costs, over the expected lives of the assets and liabilities.

The effective interest rate method requires the Barclays Bank UK Group to estimate future cash flows, in some cases based on its experience of customers' behaviour, considering all contractual terms of the financial instrument, as well as the expected lives of the assets and liabilities.

The Barclays Bank UK Group derives certain fees and incurs certain costs in the origination of mortgage products. Such fees and costs where directly attributable and incremental to the origination of the instrument are deferred on the balance sheet and subsequently included within the calculation of the effective interest rate (EIR). They are amortised to interest income over the period of expected life.

Similarly, for mortgage products with distinct periods (initial and follow-on) and contractual margins over the original term wherein the initial contractual margin varies from the average calculated return, additional interest is deferred on the balance sheet and released to interest income over the remaining expected life. This adjustment results in a constant rate of return over contractual rate(s) recognised in the income statement. This requires a prediction of how long customers will stay on the follow-on rate after their initial rate period finishes. If customers are predicted to stay on the follow-on rate for a shorter period, the size of the EIR asset reduces with the opposite also being true. How customer switching behaviour develops affects the behavioural life of the mortgage product and assumptions are made based on an appropriate period of historical experience.

There is judgement involved in application of the EIR method for loans measured at amortised cost, in particular developing repayment expectations for long dated instruments such as mortgages. Application of the EIR method adjusts the timing and amount of interest recognition, with qualifying revenue and expenses deferred and recognised through the life of the instrument as well as the deferred or accelerated recognition of interest where instruments have contractually specified decreases or increases in the calculation of interest.

EIR is subject to judgements regarding the rate at which loans are repaid, the key judgement being the prepayment rate following the end of the initial discount period, which is informed by internal modelling and reviewed quarterly. The review considers prepayment estimates against recent observed customer behaviour, with the carrying value of the EIR asset adjusted accordingly.

EIR calculations are performed at a portfolio level, aggregating financial instruments with similar characteristics and contractual terms. The values in the table below reflect net interest income post application of the EIR method.

	2025 £m	2024 £m
Cash and balances at central banks	971	1,509
Debt securities at amortised cost	868	708
Loans and advances at amortised cost to banks and customers	9,479	8,245
Fair value through other comprehensive income	1,290	1,467
Other[1]	528	659
Interest and similar income	13,136	12,588
Deposits at amortised cost from banks and customers	(3,534)	(3,684)
Debt securities in issue	(171)	(251)
Subordinated liabilities	(955)	(1,000)
Other[2]	(711)	(916)
Interest and similar expense	(5,371)	(5,851)
Net interest income	7,765	6,737

Notes
1 Includes interest income from cash collateral and reverse repurchase agreements and other similar secured lending at amortised cost.
2 Includes interest expense from cash collateral and repurchase agreement, other similar secured borrowing at amortised cost and lease expense .

The carrying value of the mortgage assets impacting the Barclays follow-on rate EIR calculation is £153bn (2024: £144bn). For a 1% increase in the number of customers leaving within 12 months of their initial rate maturing, a charge to interest income of £90m (2024: £100m) would occur based on the current mortgage asset. When considering indicators of the potential sensitivity in future financial years, the movement in the EIR asset in each of the last five financial years has been below the 1% sensitivity level of £90m.

4 Net fee and commission income

Accounting for net fee and commission income

The Barclays Bank UK Group recognises fee and commission income charged for services provided by the Barclays Bank UK Group as and when performance obligations are satisfied, for example, on completion of the underlying transaction. Incremental costs are reported within fee and commission expense if they are directly attributable to generating identifiable fee and commission income. Where the contractual arrangements also result in the Barclays Bank UK Group recognising financial instruments in scope of IFRS 9, such financial instruments are initially recognised at fair value in accordance with IFRS 9 before applying the provisions of IFRS 15.

Fee and commission income is disaggregated below by fee types that reflect the nature of the services offered across the Barclays Bank UK Group and operating segments, in accordance with IFRS 15. The table below includes a total for fees in scope of IFRS 15. Refer to Note 2 for more detailed information about operating segments.

	2025			
	Retail Banking	Business Banking	Head Office	Total
	£m	£m	£m	£m
Fee type				
Transactional	**997**	**229**	**—**	**1,226**
Brokerage and execution	**107**	**94**	**—**	**201**
Other	**111**	**26**	**1**	**138**
Fee and commission income	**1,215**	**349**	**1**	**1,565**
Fee and commission expense	**(471)**	**(11)**	**—**	**(482)**
Net fee and commission income	**744**	**338**	**1**	**1,083**

	2024			
	Retail Banking	Business Banking	Head Office	Total
	£m	£m	£m	£m
Fee type				
Transactional	906	244	—	1,150
Brokerage and execution	114	101	—	215
Other	102	25	15	142
Fee and commission income	1,122	370	15	1,507
Fee and commission expense	(397)	(14)	—	(411)
Net fee and commission income	725	356	15	1,096

Fee types

Transactional

Transactional fees are service charges on deposit accounts, cash management services fees and transactional processing fees. These include interchange and merchant fee income generated from credit and bank card usage. Transaction and processing fees are recognised at the point in time the transaction occurs or service is performed. Interchange and merchant fees are recognised upon settlement of the card transaction payment.

The Barclays Bank UK 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 is presented in fee and commission expense. Payments based on profitability are presented in fee and commission expense.

Brokerage and execution
Brokerage and execution fees are earned for 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.

Contract assets and contract liabilities
The Barclays Bank UK Group had no material contract assets or contract liabilities as at 31 December 2025 (2024: £nil).

Impairment of fee receivables and contract assets
During 2025, there have been no material impairments recognised in relation to fees receivable and contract assets (2024: £nil). Fees in relation to transactional business can be added to outstanding customer balances. These amounts may be subsequently impaired as part of the overall loans and advances balance.

Remaining performance obligations
The Barclays Bank UK Group applies the practical expedient of IFRS 15 and does not disclose information about remaining performance obligations that have original expected durations of one year or less or because the Barclays Bank UK Group has a right to consideration that corresponds directly with the value of the service provided to the client or customer.

Costs incurred in obtaining or fulfilling a contract
The Barclays Bank UK 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 2025 are £30m (2024: £19m).

Capitalised contract costs are amortised over the customer relationship period depending on the transfer of services to which the asset pertains. In 2025, the amount of amortisation was £6m (2024: £4m) and there was no impairment loss recognised in connection with the capitalised contract costs (2024: £nil).

5 Net trading expense

Accounting for net trading expense
Trading positions are held at fair value, and the resulting gains and losses are included in net trading income, together with interest 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 and from changes in fair value caused by movements in interest and exchange rates 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 where the business model is to manage assets and liabilities on a fair value basis, which includes the use of derivatives. Gains and losses are also reported in net trading income where an instrument is designated at fair value to eliminate an accounting mismatch.

	2025	2024
	£m	£m
Net losses from assets and liabilities held for trading[1]	(90)	(45)
Net gains from financial instruments designated at fair value	42	29
Net trading expense	**(48)**	(16)

Note
1 Net trading income within Barclays Bank UK Group predominantly comprises gains and losses on derivatives in treasury which are held as economic hedges to manage risk and foreign exchange revaluations.

6 Net investment (expense)/income

Accounting for net investment (expense)/income

Dividends are recognised when the right to receive the dividend has been established. Incremental costs are reported within net investment income if they are directly attributable to generating identifiable investment income. Other accounting policies relating to net investment income are set out in Note 12 and Note 14.

	2025 £m	2024 £m
Net gains from disposal of financial assets at fair value through other comprehensive income	9	30
Net (losses)/gains from disposal of financial assets and liabilities measured at amortised cost	(12)	16
Net losses on other investments	(4)	(5)
Net investment (expense)/income	**(7)**	**41**

7 Infrastructure, administration and general expenses

	2025 £m	2024 £m
Infrastructure costs		
Property and equipment	203	163
Depreciation and amortisation	95	80
Impairment of property, equipment and intangible assets	2	15
Total infrastructure costs	**300**	258
Administration and general expenses		
Consultancy, legal and professional fees	109	113
Marketing and advertising	135	140
Other administration and general expenses	2,860	2,686
Total administration and general expenses	**3,104**	2,939
Total infrastructure, administration and general expenses	**3,404**	3,197

8 Credit impairment charges

Accounting for the impairment of financial assets

Impairment

The Barclays Bank UK Group is required to recognise expected credit losses (ECL) based on unbiased forward-looking information for all financial assets at amortised cost, lease receivables, debt financial assets at fair value through other comprehensive income, loan commitments and financial guarantee contracts. Intercompany exposures in the individual financial statements, including loan commitments and financial guarantee contracts, are also in scope of IFRS 9 for ECL purposes.

At the reporting date, an allowance (or provision for loan commitments and financial guarantees) is required for the 12-month (Stage 1) ECLs. If the credit risk has significantly increased since initial recognition (Stage 2), or if the financial instrument is credit impaired (Stage 3), an allowance (or provision) should be recognised for the lifetime ECLs.

The measurement of ECL is calculated using three main components: (i) probability of default (PD) (ii) loss given default (LGD) and (iii) the exposure at default (EAD).

The 12-month and lifetime ECLs are calculated by multiplying the respective PD, LGD and the EAD. The 12-month and lifetime PDs represent the PD occurring over the next 12 months and the remaining maturity of the instrument respectively. The EAD represents the expected balance at default, taking into account the repayment of principal and interest from the balance sheet date to the default event together with any expected drawdowns of committed facilities. The LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money.

Expected credit loss measurement is based on the ability of borrowers to make payments as they fall due. The Barclays Bank UK Group also considers sector-specific risks and whether additional adjustments are required in the measurement of ECL. Credit risk may be impacted by climate considerations for certain sectors, such as oil and gas.

Determining a significant increase in credit risk since initial recognition:

The Barclays Bank UK Group assesses when a significant increase in credit risk has occurred based on quantitative and qualitative assessments. The credit risk of an exposure is considered to have significantly increased when:

i) Quantitative test

The annualised lifetime PD has increased by more than an agreed threshold relative to the equivalent at origination.

PD deterioration thresholds are defined as percentage increases, and are set at an origination score band and segment level to ensure the test appropriately captures significant increases in credit risk at all risk levels. Generally, thresholds are inversely correlated to the origination PD, i.e. as the origination PD increases, the threshold value reduces.

The assessment of the point at which a PD increase is deemed 'significant', is based upon analysis of the portfolio's risk profile against a common set of principles and performance metrics (consistent across both retail and wholesale businesses), incorporating expert credit judgement where appropriate. Application of quantitative PD floors does not represent the use of the low credit risk exemption as exposures can separately move into Stage 2 via the qualitative route described below.

Wholesale assets apply a 100% increase in PD and 0.2% PD floor to determine a significant increase in credit risk.

Retail assets apply bespoke relative increase and absolute PD thresholds based on product type and origination PD. Thresholds are subject to maximums defined by Barclays Bank UK Group policy including absolute PD floor maximum of 0.3% and maximum relative PD increase of 400% (applied to strongest credit quality customers only).

For existing/historical exposures where origination point scores or data are no longer available or do not represent a comparable estimate of lifetime PD, a proxy origination score is defined, based upon:

- back-population of the approved lifetime PD score either to origination date or, where this is not feasible, as far back as possible (subject to a data start point no later than 1 January 2015); or
- use of available historical account performance data and other customer information, to derive a comparable 'proxy' estimation of origination PD.

ii) Qualitative test

This is relevant for accounts that meet the portfolio's 'high risk' criteria and are subject to closer credit monitoring.

High risk customers may not be in arrears but either through an event or an observed behaviour exhibit credit distress. The definition and assessment of high risk includes as wide a range of information as reasonably available, such as industry and Barclays Bank UK 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 follow 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 123 for further details.

Definition of default, credit impaired assets, write-offs, and interest income recognition
The definition of default for the purpose of determining ECLs, and for internal credit risk management purposes, has been aligned to the Regulatory Capital CRR Article 178 definition of default, to maintain a consistent approach with IFRS 9 and associated regulatory guidance. The Regulatory Capital CRR Article 178 definition of default considers indicators that the debtor is unlikely to pay, includes exposures in forbearance and is no later than when the exposure is more than 90 days past due. When exposures are identified as credit impaired at the time when they are purchased or originated, interest income is calculated on the carrying value net of the impairment allowance.

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

Uncollectible loans are written off against the related allowance for loan impairment on completion of the Barclays Bank UK 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.

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 Bank 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 Barclays Bank UK Group may enter into a financial guarantee contract which requires the issuer of such contract to reimburse the Barclays Bank UK Group for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. For these separate financial guarantee contracts, the Barclays Bank UK 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
Key areas involving a higher degree of judgement or estimation include:

Judgements	Estimates
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.

These estimates are considered to have a significant risk of resulting in material adjustment to the carrying amounts of financial instruments in scope of IFRS 9 impairment within the next financial year.

IFRS 9 impairment involves several important areas of judgement, including estimating forward-looking modelled parameters (PD, LGD and EAD), developing a range of unbiased future economic scenarios, estimating expected lives and assessing significant increases in credit risk, based on the Barclays Bank UK Group's experience of managing credit risk. The determination of expected life is most material for Barclays Bank UK Group's credit card portfolios which is obtained via behavioural life analysis to materially capture the risk of these facilities.

Within the retail and small businesses portfolios, which comprise large numbers of small 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 Barclays Bank UK Group's position relative to other claimants, the reliability of customer information and the likely cost and duration of the work-out process. The level of the impairment allowance is the difference between the value of the discounted expected future cash flows (discounted at the loan's original effective interest rate), and its carrying amount. Furthermore, judgements change with time as new information becomes available or as work-out strategies evolve, resulting in frequent revisions to the impairment allowance as individual decisions are taken. Changes in these estimates would result in a change in the allowances and have a direct impact on the impairment charge.

Temporary adjustments to calculated IFRS 9 impairment allowances may be applied in limited circumstances to account for situations where known or expected risk factors or information have not been considered in the ECL assessment or modelling process. For further information, please see page 120 in 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.

Credit impairment charges/(releases)

	2025			2024		
	Impairment charges/ (releases)	Recoveries and reimbursements[1]	Total	Impairment charges/ (releases)	Recoveries and reimbursements[1]	Total
	£m	£m	£m	£m	£m	£m
Loans and advances at amortised cost[2]	441	(49)	392	416	(52)	364
Off-balance sheet loan commitments and financial guarantee contracts	1	—	1	(12)	—	(12)
Total	442	(49)	393	404	(52)	352
Other financial assets measured at amortised cost	—	—	—	—	—	—
Credit impairment charges /(releases)	442	(49)	393	404	(52)	352

Notes
1 Recoveries and reimbursements include £4m (2024: £4m) for reimbursements expected to be received where the Barclays Bank UK 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 £45m (2024: £48m).
2 Includes Debt securities at amortised cost.

Write-offs that can still 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 £266m (2024: £229m). This is lower than the write-offs presented in the movement in gross exposures and impairment allowance table due to assets sold during the year post write-offs and post write-off recoveries.

Modification of financial assets

Financial assets of £487m (2024: £561m), with a loss allowance measured at an amount equal to lifetime ECL, were subject to non-substantial modifications during the year, with a resulting loss of £4m (2024: £3m). There is no material movement in financial assets subject to non-substantial modification for which the loss allowance has changed to a 12-month ECL.

9 Tax

Accounting for income taxes

The Barclays Bank UK Group applies IAS 12 Income Taxes in accounting for taxes on income. Income tax payable on taxable profits (current tax) is recognised as an expense in the periods in which the profits arise. Withholding taxes are also treated as income taxes. Income tax recoverable on tax allowable losses is recognised as a current tax asset only to the extent that it is regarded as recoverable by offsetting against taxable profits arising in the current or prior periods. Current tax is measured using tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred tax liabilities are recognised for all taxable temporary differences except for the initial recognition of goodwill. Deferred tax is not recognised where the temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. Deferred tax is determined using tax rates and legislation enacted or substantively enacted by the balance sheet date which are expected to apply when the deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets and liabilities are only offset when there is both a legal right to set-off and an intention to settle on a net basis.

The Barclays Bank UK Group has adopted the International Tax Reform - Pillar Two Model Rules amendments to IAS 12, which were issued on 23 May 2023 and approved by the UK Endorsement Board on 19 July 2023, and has applied the exception set out in paragraph 4A in respect of recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

The Barclays Bank UK Group considers an uncertain tax position to exist when it considers that ultimately, in the future, the amount of profit subject to tax may be greater than the amount initially reflected in the Barclays Bank UK Group's tax returns.

A current tax provision is recognised when it is considered probable that the outcome of a review by a tax authority of an uncertain tax position will alter the amount of cash tax due to, or from, a tax authority in the future. From recognition, the current tax provision is then measured at the amount the Barclays Bank UK Group ultimately expects to pay the tax authority to resolve the position.

Deferred tax assets have been recognised based on business profit forecasts which included consideration for the current view of climate impacts.

	2025 £m	2024 £m
Current tax charge/(credit)		
Current year	865	923
Adjustments in respect of prior years	(127)	21
	738	944
Deferred tax (credit)/charge		
Current year	(5)	6
Adjustments in respect of prior years	(2)	(10)
	(7)	(4)
Tax charge	731	940

The table below shows the reconciliation between the actual tax charge and the tax charge that would result from applying the standard UK corporation tax rate to the Barclays Bank UK Group's profit before tax.

	2025 £m	2025 %	2024 £m	2024 %
Profit before tax	**3,325**		3,560	
Tax charge based on the standard UK corporation tax rate of 25% (2024: 25%)	**831**	**25.0%**	890	25.0%
Recurring items:				
Banking surcharge[1] and other items	**90**	**2.7%**	99	2.8%
Impact of UK bank levy being non-deductible	**10**	**0.3%**	9	0.2%
Non-deductible expenses	**8**	**0.3%**	10	0.3%
Tax relief on holdings of inflation-linked government bonds	**(27)**	**(0.8%)**	(29)	(0.8%)
Tax relief on payments made under AT1 instruments	**(53)**	**(1.6%)**	(50)	(1.4%)
Adjustments in respect of prior years	**(129)**	**(3.9%)**	11	0.3%
Non-recurring items:				
Non-deductible provisions for investigations and litigation	**1**	**0.0%**	—	—
Total tax charge	**731**	**22.0%**	940	26.4%

Note
1 Banking surcharge includes the impact of the 3% UK banking surcharge rate on profits and tax adjustments relating to UK banking entities.

Factors influencing the effective tax rate

The effective tax rate of 22.0% is lower than the UK corporation tax rate of 25.0% primarily due to adjustments in respect of prior years and tax relief on payments made under AT1 instruments. These factors, which have each decreased the effective tax rate, are partially offset by banking surcharge and other items.

The tax charge for the year includes a credit in respect of prior years of £133m in relation to the gain which arose on the acquisition of Tesco Bank. During the year the Barclays Bank UK Group has engaged with HM Revenue & Customs (HMRC) to help determine the tax treatment of this gain and following that engagement that amount is being treated as non-taxable in Barclays Bank UK PLC's corporation tax return for the year ended 31 December 2024.

Barclays Bank UK Group's future tax charge will be sensitive to the tax rates in force and changes to the tax rules in the UK.

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 £37m credit (2024: £19m credit) relating to share-based payments and deductible costs on issuing other equity instruments.

Deferred tax assets and liabilities

The deferred tax asset on the balance sheet for Barclays Bank UK Group is £884m (2024: £1,212m) and for Barclays Bank UK PLC is £875m (2024: £1,203m). All of these deferred tax assets are in the UK Tax Group and relate entirely to temporary differences. Business profit forecasts indicate these amounts will be fully recovered.

Of the deferred tax asset of £884m (2024: £1,212m), an amount of £nil (2024: £nil) relates to entities which have suffered a loss in either the current or prior year. 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 as they are presented before offsetting asset and liability balances where there is a legal right to set-off and an intention to settle on a net basis.

Barclays Bank UK Group	Fixed asset timing differences	Cash flow hedges	Loan impairment allowance	Other temporary differences	Total
	£m	£m	£m	£m	£m
Assets	**701**	**309**	**92**	**125**	**1,227**
Liabilities	**—**	**—**	**—**	**(15)**	**(15)**
As at 1 January 2025	**701**	**309**	**92**	**110**	**1,212**
Income statement	**28**	**—**	**(31)**	**10**	**7**
Other comprehensive income and reserves	**—**	**(293)**	**—**	**(42)**	**(335)**
	729	**16**	**61**	**78**	**884**
Assets	**729**	**16**	**61**	**108**	**914**
Liabilities	**—**	**—**	**—**	**(30)**	**(30)**
As at 31 December 2025	**729**	**16**	**61**	**78**	**884**
Assets	684	421	123	114	1,342
Liabilities	—	—	—	(46)	(46)
As at 1 January 2024	684	421	123	68	1,296
Income statement	17	—	(31)	18	4
Other comprehensive income and reserves	—	(112)	—	24	(88)
	701	309	92	110	1,212
Assets	701	309	92	125	1,227
Liabilities	—	—	—	(15)	(15)
As at 31 December 2024	701	309	92	110	1,212

Barclays Bank UK PLC	Fixed asset timing differences	Cash flow hedges	Loan impairment allowance	Other temporary differences	Total
	£m	£m	£m	£m	£m
Assets	**699**	**309**	**92**	**114**	**1,214**
Liabilities	**—**	**—**	**—**	**(11)**	**(11)**
As at 1 January 2025	**699**	**309**	**92**	**103**	**1,203**
Income statement	**28**	**—**	**(31)**	**10**	**7**
Other comprehensive income and reserves	**—**	**(293)**	**—**	**(42)**	**(335)**
	727	**16**	**61**	**71**	**875**
Assets	**727**	**16**	**61**	**101**	**905**
Liabilities	**—**	**—**	**—**	**(30)**	**(30)**
As at 31 December 2025	**727**	**16**	**61**	**71**	**875**
Assets	682	421	123	104	1,330
Liabilities	—	—	—	(43)	(43)
As at 1 January 2024	682	421	123	61	1,287
Income statement	17	—	(31)	18	4
Other comprehensive income and reserves	—	(112)	—	24	(88)
	699	309	92	103	1,203
Assets	699	309	92	114	1,214
Liabilities	—	—	—	(11)	(11)
As at 31 December 2024	699	309	92	103	1,203

Following the sectionalisation of the UK Retirement Fund, which was effective from 1 July 2025, deferred tax related to the Barclays UK section has been recognised and included within other temporary differences in the tables above. See note 30 for further details.

The amount of deferred tax asset expected to be recovered after more than 12 months for the Barclays Bank UK Group is £860m (2024: £1,177m). The amount of deferred tax liability expected to be settled after more than 12 months for the Barclays Bank UK Group is £21m (2024: £15m). 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.

The amount of deferred tax asset expected to be recovered after more than 12 months for Barclays Bank UK PLC is £858m (2024: £1,165m). The amount of deferred tax liability expected to be settled after more than 12 months for Barclays Bank UK PLC is £29m (2024: £11m). 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 tax losses of £230m (2024: £236m) in Barclays Bank UK Group and Barclays Bank UK PLC. These tax losses are comprised entirely of capital losses which 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 gains will be available against which they can be utilised.

Barclays Bank UK Group investments in subsidiaries, branches and associates

The amount of unrecognised deferred tax relating to temporary differences on investments in subsidiaries, branches and associates in both Barclays Bank UK Group and Barclays Bank UK PLC is £nil (2024: £nil).

10 Dividends on ordinary shares

The 2025 financial statements include £1,425m (2024: £975m) of dividends paid on ordinary shares. This comprises 2025 interim dividend of £600m (2024: £225m) and 2024 full year dividend £825m (2024: £750m). This results in a total dividend for the year of £2.82 (2024: £1.93) per ordinary share.

The Directors have approved a 2025 full year dividend of £1,400m. The financial statements for the year ended 31 December 2025 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 2026.

The notes included in this section focus on assets and liabilities the Barclays Bank UK Group holds and recognises at fair value. Detail regarding the Barclays Bank UK Group's approach to managing market risk can be found on page 80.

11 Trading portfolio

Accounting for trading portfolio assets and liabilities
All assets and liabilities held for trading purposes are held at fair value with gains and losses in the changes in fair value taken to the income statement in net trading expense (Note 5).

	BBUK Group and BBUK PLC	
	2025	2024
	£m	£m
Debt securities and other eligible bills	385	242
Trading portfolio assets	**385**	242
Debt securities and other eligible bills	(908)	(726)
Trading portfolio liabilities	**(908)**	(726)

Trading debt securities (assets) are part of managed assets within treasury. Trading debt securities (liabilities) relate to short positions held for hedging fair value loans and managed assets within treasury.

12 Financial assets at fair value through the income statement

Accounting for financial assets designated at fair value

Financial assets, other than those held for trading, are classified in this category if they are so irrevocably designated at inception and the use of the designation removes or significantly reduces an accounting mismatch.

Subsequent changes in fair value for these instruments are recognised in the income statement in net investment income, except if reporting it in trading income reduces an accounting mismatch.

The details on how the fair value amounts are derived for financial assets at fair value are described in Note 16.

Accounting for financial assets mandatorily at fair value

Financial assets that are held for trading are recognised at fair value through profit or loss. In addition, financial assets are held at fair value through profit or loss if they do not contain contractual terms that give rise on specified dates to cash flows that are 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.

The table does not include equity investments mandatorily at fair value as the value is minimal.

	BBUK Group and BBUK PLC	
	2025	2024
	£m	£m
Loans and advances	1,413	1,543
Financial assets designated at fair value	**1,413**	1,543
Total	1,413	1,543

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.

	BBUK Group and BBUK PLC					
	Maximum exposure as at 31 December		Changes in fair value during the year ended		Cumulative changes in fair value from inception	
	2025	2024	2025	2024	2025	2024
	£m	£m	£m	£m	£m	£m
Loans and advances designated at fair value, attributable to credit risk	1,413	1,543	—	—	(4)	(4)

13 Derivative financial instruments

Accounting for derivatives

Derivative instruments are contracts whose value is derived from one or more underlying financial instruments or indices defined in the contract. They include swaps, forward-rate agreements, futures, options and combinations of these instruments and primarily affect the Barclays Bank UK 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.

All derivative instruments are held at fair value through profit or loss, except for derivatives that are in a designated cash flow hedge accounting relationship. Derivatives are classified as assets when their fair value is positive or as liabilities when their fair value is negative.

Hedge accounting

The Barclays Bank UK Group applies the requirements of IAS 39 Financial Instruments: Recognition and Measurement for hedge accounting purposes. The Barclays Bank UK Group applies hedge accounting to represent the economic effects of its interest rate, currency and contractually linked inflation risk management strategies. Where derivatives are held for risk management purposes, and when transactions meet the required criteria for documentation and hedge effectiveness, the Barclays Bank UK Group applies fair value hedge accounting and cash flow hedge accounting.

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. For hedged items classified as fair value through other comprehensive income, fair value movements attributable to the hedged risk are transferred from other comprehensive income to the income statement.

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.

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.

Total derivatives	Barclays Bank UK Group			Barclays Bank UK PLC		
	Notional contract amount	Fair value		Notional contract amount	Fair value	
		Assets	Liabilities		Assets	Liabilities
	£m	£m	£m	£m	£m	£m
As at 31 December 2025						
Total derivative assets/(liabilities) held for trading	**661,377**	**82**	**(111)**	**658,025**	**76**	**(118)**
Total derivative assets/(liabilities) held for risk management	**84,310**	**808**	**(84)**	**84,310**	**808**	**(84)**
Derivative assets/(liabilities)	**745,687**	**890**	**(195)**	**742,335**	**884**	**(202)**
As at 31 December 2024						
Total derivative assets/(liabilities) held for trading	589,637	155	(163)	590,131	155	(182)
Total derivative assets/(liabilities) held for risk management	76,059	1,746	(137)	76,059	1,746	(137)
Derivative assets/(liabilities)	665,696	1,901	(300)	666,190	1,901	(319)

Further information on netting arrangements of derivative financial instruments can be found within Note 17.

The fair values and notional amounts of derivatives held for trading are set out in the following table:

Derivatives held for trading[1]	Barclays Bank UK Group			Barclays Bank UK PLC		
	Notional contract amount	Fair value		Notional contract amount	Fair value	
		Assets	Liabilities		Assets	Liabilities
	£m	£m	£m	£m	£m	£m
As at 31 December 2025						
Foreign exchange derivatives						
OTC derivatives	10,023	39	(45)	9,901	27	(45)
Foreign exchange derivatives	10,023	39	(45)	9,901	27	(45)
Interest rate derivatives						
OTC derivatives	7,857	24	(59)	4,011	18	(57)
Interest rate derivatives cleared by central counterparty	643,497	19	(7)	643,497	19	(7)
Interest rate derivatives	651,354	43	(66)	647,508	37	(64)
Derivatives with subsidiaries	—	—	—	616	12	(9)
Derivative assets/(liabilities) held for trading	661,377	82	(111)	658,025	76	(118)
Total OTC derivatives	17,880	63	(104)	13,912	45	(102)
Total derivatives cleared by central counterparty	643,497	19	(7)	643,497	19	(7)
Derivatives with subsidiaries	—	—	—	616	12	(9)
Derivative assets/(liabilities) held for trading	661,377	82	(111)	658,025	76	(118)
As at 31 December 2024						
Foreign exchange derivatives						
OTC derivatives	9,953	115	(68)	9,831	107	(68)
Foreign exchange derivatives	9,953	115	(68)	9,831	107	(68)
Interest rate derivatives						
OTC derivatives	4,918	3	(70)	4,918	3	(70)
Interest rate derivatives cleared by central counterparty	574,766	37	(25)	574,766	37	(25)
Interest rate derivatives	579,684	40	(95)	579,684	40	(95)
Derivatives with subsidiaries	—	—	—	616	8	(19)
Derivative assets/(liabilities) held for trading	589,637	155	(163)	590,131	155	(182)
Total OTC derivatives	14,871	118	(138)	14,749	110	(138)
Total derivatives cleared by central counterparty	574,766	37	(25)	574,766	37	(25)
Derivatives with subsidiaries	—	—	—	616	8	(19)
Derivative assets/(liabilities) held for trading	589,637	155	(163)	590,131	155	(182)

Note
1 Derivatives held for trading mainly includes derivatives held as economic hedges to manage risk.

The fair values and notional amounts of derivative instruments held for risk management are set out in the following table:

Derivatives held for risk management	Barclays Bank UK Group			Barclays Bank UK PLC		
	Notional contract amount	Fair value		Notional contract amount	Fair value	
		Assets	Liabilities		Assets	Liabilities
	£m	£m	£m	£m	£m	£m
As at 31 December 2025						
Derivatives designated as cash flow hedges						
Currency swaps	4,381	808	(48)	4,381	808	(48)
Interest rate swaps	—	—	—	—	—	—
Interest rate derivatives cleared by central counterparty	32,816	—	—	32,816	—	—
Derivatives designated as cash flow hedges	37,197	808	(48)	37,197	808	(48)
Derivatives designated as fair value hedges						
Interest rate swaps	501	—	(36)	501	—	(36)
Interest rate derivatives cleared by central counterparty	46,612	—	—	46,612	—	—
Derivatives designated as fair value hedges	47,113	—	(36)	47,113	—	(36)
Derivative assets/(liabilities) held for risk management	84,310	808	(84)	84,310	808	(84)
Total OTC derivatives	4,882	808	(84)	4,882	808	(84)
Total derivatives cleared by central counterparty	79,428	—	—	79,428	—	—
Derivative assets/(liabilities) held for risk management	84,310	808	(84)	84,310	808	(84)
As at 31 December 2024						
Derivatives designated as cash flow hedges						
Currency swaps	8,637	1,727	(12)	8,637	1,727	(12)
Interest rate swaps	—	—	—	—	—	—
Interest rate derivatives cleared by central counterparty	21,099	—	—	21,099	—	—
Derivatives designated as cash flow hedges	29,736	1,727	(12)	29,736	1,727	(12)
Derivatives designated as fair value hedges						
Interest rate swaps	4,867	19	(125)	4,867	19	(125)
Interest rate derivatives cleared by central counterparty	41,456	—	—	41,456	—	—
Derivatives designated as fair value hedges	46,323	19	(125)	46,323	19	(125)
Derivative assets/(liabilities) held for risk management	76,059	1,746	(137)	76,059	1,746	(137)
Total OTC derivatives	13,504	1,746	(137)	13,504	1,746	(137)
Total derivatives cleared by central counterparty	62,555	—	—	62,555	—	—
Derivative assets/(liabilities) held for risk management	76,059	1,746	(137)	76,059	1,746	(137)

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
- Contractually-linked inflation risk – arises from financial instruments with contractually specified inflation risk. The Barclays Bank UK Group does not hedge inflation risk that arises from other activities

In order to hedge these risks, the Barclays Bank UK 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 exposure into the entity's functional currency
- Inflation derivatives to swap inflation exposures into either fixed or variable interest rates

In some cases, certain items which are economically hedged may be ineligible hedged items for the purposes of IAS 39, such as core deposits and equity. In these instances, a proxy hedging solution can be utilised whereby portfolios of floating rate assets are designated as eligible hedged items in cash flow hedges.

In some hedging relationships, the Barclays Bank UK 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 Barclays Bank UK Group's hedge accounting relationships, the hedged item and hedging instrument change frequently due to the dynamic nature of the risk management and hedge accounting strategy. The Barclays Bank UK 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 a de-designated relationship is replaced with a different hedge accounting relationship.

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
- Cash flow hedges using external swaps with non-zero fair values

Hedged items in fair value hedges

BBUK Group and BBUK PLC		Accumulated fair value adjustment included in carrying amount			
Hedged item statement of financial position classification and risk category	Carrying amount	Total	Of which: Accumulated fair value adjustment on items no longer in a hedge relationship	Change in fair value used as a basis to determine ineffectiveness	Hedge ineffectiveness recognised in the income statement[1]
	£m	£m	£m	£m	£m
2025					
Assets					
Loans and advances at amortised cost					
– Interest rate risk	1,292	(3,187)	(1,710)	(200)	2
Debt securities classified at amortised cost					
– Interest rate risk	265	—	—	1	—
– Inflation risk	566	—	(3)	25	(5)
Financial assets at fair value through other comprehensive income					
– Interest rate risk	20,791	(125)	10	195	53
– Inflation risk	7,487	(80)	(28)	67	(2)
Total assets	30,401	(3,392)	(1,731)	88	48
Liabilities					
Subordinated liabilities					
- Interest rate risk	(12,010)	214	62	(308)	(2)
Debt securities in issue					
- Interest rate risk	(1,023)	71	(6)	(5)	(21)
Total liabilities	(13,033)	285	56	(313)	(23)
Total hedged items	17,368	(3,107)	(1,675)	(225)	25
2024					
Assets					
Loans and advances at amortised cost					
– Interest rate risk	1,684	(3,693)	(1,785)	(830)	18
Debt securities classified at amortised cost					
– Interest rate risk	551	(2)	—	12	3
– Inflation risk	1,752	(58)	(39)	23	(11)
Financial assets at fair value through other comprehensive income					
– Interest rate risk	17,778	(219)	29	6	50
– Inflation risk	5,498	(158)	(54)	(54)	(13)
Total assets	27,263	(4,130)	(1,849)	(843)	47
Liabilities					
Subordinated liabilities					
– Interest rate risk	(12,382)	564	103	38	(5)
Debt securities in issue					
– Interest rate risk	(973)	70	(7)	(18)	(18)
Total liabilities	(13,355)	634	96	20	(23)
Total hedged items	13,908	(3,496)	(1,753)	(823)	24

Note
1 Hedge ineffectiveness is recognised in net interest income.

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.

The following table shows the fair value hedging instruments which are carried on the balance sheet:

BBUK Group and BBUK PLC		Carrying value			Change in fair value used as a basis to determine ineffectiveness
Hedge type	Risk category	Derivative assets £m	Derivative liabilities £m	Nominal amount £m	£m
As at 31 December 2025					
Fair value	Interest rate risk	—	—	**40,553**	**349**
	Inflation risk	—	**(36)**	**6,560**	**(99)**
	Total	—	**(36)**	**47,113**	**250**
As at 31 December 2024					
Fair value	Interest rate risk	—	—	39,715	840
	Inflation risk	19	(125)	6,608	7
	Total	19	(125)	46,323	847

The following table profiles the expected notional values of current hedging instruments in future years:

BBUK Group and BBUK PLC	2025 £m	2026 £m	2027 £m	2028 £m	2029 £m	2030 £m	2031 and later £m
As at 31 December 2025							
Fair value hedges of:							
Interest rate risk (outstanding notional amount)	**40,553**	**36,006**	**33,002**	**26,707**	**21,331**	**14,586**	**11,538**
Inflation risk (outstanding notional amount)	**6,560**	**6,066**	**4,909**	**4,166**	**2,515**	**1,511**	**693**

There are 1,155 (2024: 1,235) interest rate risk fair value hedges with an average fixed rate of 3.79% (2024: 3.84%) across the relationships in Barclays Bank UK Group and Barclays Bank UK PLC, and 102 (2024: 91) inflation risk fair value hedges with an average rate of 0.87% (2024: 0.53%) across the relationships.

The following table shows hedged items in cash flow hedges:

Hedged items in cash flow hedges BBUK Group and BBUK PLC	Change in value of hedged item used as the basis for recognising ineffectiveness	Balance in cash flow hedging reserve for continuing hedges	Balances remaining in cash flow hedging reserve for which hedge accounting is no longer applied	Hedging (gains) or losses recognised in other comprehensive income	Hedge ineffectiveness recognised in the income statement[1]
Description of hedge relationship and hedged risk	£m	£m	£m	£m	£m
2025					
Assets					
Cash flow hedge of					
Interest rate risk					
Loans and advances at amortised cost	**(369)**	**(146)**	**134**	**(369)**	**7**
Cash and balances at central banks	**(218)**	**(76)**	**164**	**(218)**	**2**
Foreign exchange risk					
Debt securities classified at amortised cost	**(309)**	**(23)**	**—**	**(309)**	**1**
Liabilities					
Cash flow hedge of					
Foreign exchange risk					
Subordinated Liabilities	**5**	**4**	**—**	**5**	**—**
Total Cash flow hedge	**(891)**	**(241)**	**298**	**(891)**	**10**
2024					
Cash flow hedge of:					
Interest rate risk					
Loans and advances at amortised cost	78	227	248	78	11
Cash and balances at central banks	111	113	374	111	5
Foreign exchange risk					
Debt securities classified at amortised cost	(450)	142	—	(450)	—
Liabilities					
Cash flow hedge of					
Foreign exchange risk					
Subordinated Liabilities	15	(3)	—	15	—
Total cash flow hedge	(246)	479	622	(246)	16

Note
1 Hedge ineffectiveness is recognised in net interest income.

There are 19 (2024: 43) foreign exchange risk cash flow hedges with an average foreign exchange rate of 162.70 JPY: 1 GBP (2024: 149.58 JPY: 1 GBP) in Barclays Bank UK Group and Barclays Bank UK PLC, there are 2 (2024: 2) with an average foreign exchange rate of 1.95 AUD: 1 GBP (2024: 1.95), and 2 (2024: 2) with an average foreign exchange rate of 1.12 CHF: 1 GBP (2024: 1.12).

The following table shows the cash flow hedging instruments which are carried on the balance sheet:

BBUK Group and BBUK PLC		Carrying value			
Hedge type	Risk category	Derivative assets £m	Derivative liabilities £m	Nominal amount £m	Change in fair value used as a basis to determine ineffectiveness £m
As at 31 December 2025					
Cash flow	Interest rate risk	—	—	**32,816**	**596**
	Foreign exchange risk	**808**	**(48)**	**4,381**	**305**
	Total	**808**	**(48)**	**37,197**	**901**
As at 31 December 2024					
Cash flow	Interest rate risk	—	—	21,099	(173)
	Foreign exchange risk	1,727	(12)	8,637	435
	Total	1,727	(12)	29,736	262

The effect on the income statement and other comprehensive income of recycling amounts in respect of cash flow hedges is set out in the following table:

	2025		2024	
	Amount recycled from other comprehensive income due to hedged item affecting income statement £m	Amount recycled from other comprehensive income due to sale or disposal of investment £m	Amount recycled from other comprehensive income due to hedged item affecting income statement £m	Amount recycled from other comprehensive income due to sale or disposal of investment £m
BBUK Group and BBUK PLC				
Cash flow hedge of interest rate risk				
Recycled to net interest income	**(299)**	—	(394)	—
Cash flow hedge of foreign exchange risk				
Recycled to net trading income	**165**	**(20)**	240	—

A detailed reconciliation of the movements of the cash flow hedging reserve is as follows:

BBUK Group and BBUK PLC	2025 Cash flow hedging reserve £m	2024 Cash flow hedging reserve £m
Balance on 1 January	**(793)**	(1,081)
Hedging gains/(losses) for the year	**891**	246
Amounts reclassified in relation to cash flows affecting profit or loss	**154**	154
Tax	**(293)**	(112)
Balance on 31 December	**(41)**	(793)

14 Financial assets at fair value through other comprehensive income

Accounting for financial assets at fair value through other comprehensive income (FVOCI)

Financial assets that are debt instruments held in a business model that is achieved by both collecting contractual cash flows and selling, and that contain contractual terms that give rise on specified dates to cash flows that are SPPI are measured at FVOCI. They are subsequently 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 in other comprehensive income is included in net investment (expense) / income (Note 6).

In determining whether the business model is achieved by both collecting contractual cash flows and selling financial assets, it is determined that both collecting contractual cash flows and selling financial assets are integral to achieving the objective of the business model. The Barclays Bank UK Group will consider past sales and expectations about future sales to establish if the business model is achieved.

	BBUK Group and BBUK PLC	
	2025	2024
	£m	£m
Debt securities and other eligible bills	31,572	27,045
Financial assets at fair value through other comprehensive income	31,572	27,045

15 Financial liabilities designated at fair value

Accounting for liabilities designated at fair value through profit and loss

The Barclays Bank UK Group has the ability to make the fair value designation when holding the instruments at fair value reduces an accounting mismatch (caused by an offsetting liability or asset being held at fair value), or is managed by the Barclays Bank UK Group on the basis of its fair value, or includes terms that have substantive derivative characteristics (Note 13). 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 expense (Note 5) and net investment (expense) / income (Note 6). Movements in own credit are reported through other comprehensive income, unless the effects of changes in the liability's credit risk would create or enlarge an accounting mismatch in profit and loss. In these scenarios, all gains and losses on that liability (including the effects of changes in the credit risk of the liability) are presented in profit and loss. On derecognition of the financial liability no amount relating to own credit risk is recycled to the income statement.

The details on how the fair value amounts are arrived at for financial liabilities designated at fair value are described in Note 16.

	BBUK Group and BBUK PLC			
	2025		2024	
	Fair value	Contractual amount due on maturity	Fair value	Contractual amount due on maturity
	£m	£m	£m	£m
Debt securities	1,003	1,004	2,848	2,849
Financial liabilities designated at fair value	1,003	1,004	2,848	2,849

16 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 Barclays Bank UK Group's financial assets and liabilities, 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 and currency rates.

For financial liabilities measured at fair value, the carrying amount also reflects the effect on fair value of changes in own credit spreads derived from observable market data.

The Barclays Bank UK 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 Barclays Bank UK 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.

On initial recognition, the transaction price often reflects the fair value of the asset or liability. However, in some circumstances, fair value may differ to the transaction price when there is information to the contrary. If the fair value of the instrument is observable from current market transactions in the same instrument, or based on a valuation technique whose inputs only include observable inputs, then the instrument is initially recognised at fair value and the difference to the transaction price is recognized in profit or loss.

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 238.

Valuation Control Framework

The Barclays Group has an established valuation control framework that oversees valuation methodologies, standards and procedures.

Critical accounting estimates and judgements

Key areas involving a higher degree of judgement or estimation include:

Judgements	Estimates
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.

These estimates are considered to have a significant risk of resulting in a material adjustment to the carrying amounts of financial assets and financial liabilities measured at fair value within the next financial year.

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.

For assets and liabilities traded in active markets, it is determined that the market valuation includes a representation of the prevailing view of climate-related risks. 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 2025 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.

Valuation techniques using 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 techniques 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. 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. Valuations based on observable inputs include assets and liabilities such as swaps and forwards which are valued using market standard pricing techniques, and options that are commonly traded in markets where all the inputs to the market standard pricing models are observable. For certain instruments that derive a fair value using unobservable inputs that are not considered significant, then the asset or liability may be classified as Level 2.

Valuation techniques 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). Unobservable input levels are generally determined via reference to observable inputs, historical observations or using other analytical techniques.

The following table shows Barclays Bank UK Group's assets and liabilities that are held at fair value disaggregated by fair value hierarchy and balance sheet classification. This is materially similar for Barclays Bank UK PLC.

Assets and liabilities held at fair value

	2025				2024			
	Valuation techniques used				Valuation techniques used			
	Quoted market price	Observable inputs	Significant unobservable inputs		Quoted market price	Observable inputs	Significant unobservable inputs	
	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	385	—	—	385	180	62	—	242
Financial assets at fair value through the income statement	—	43	1,370	1,413	—	79	1,464	1,543
Derivative financial assets	—	890	—	890	—	1,901	—	1,901
Financial assets at fair value through other comprehensive income	20,077	11,468	27	31,572	6,892	20,092	61	27,045
Total assets	20,462	12,401	1,397	34,260	7,072	22,134	1,525	30,731
Trading portfolio liabilities	(908)	—	—	(908)	(661)	(65)	—	(726)
Financial liabilities designated at fair value	—	(1,003)	—	(1,003)	—	(2,848)	—	(2,848)
Derivative financial liabilities	—	(195)	—	(195)	—	(300)	—	(300)
Total liabilities	(908)	(1,198)	—	(2,106)	(661)	(3,213)	—	(3,874)

Hedged items in fair value hedges

BBUK Group and BBUK PLC		Accumulated fair value adjustment included in carrying amount			
Hedged item statement of financial position classification and risk category	Carrying amount	Total	Of which: Accumulated fair value adjustment on items no longer in a hedge relationship	Change in fair value used as a basis to determine ineffectiveness	Hedge ineffectiveness recognised in the income statement[1]
	£m	£m	£m	£m	£m
2025					
Assets					
Loans and advances at amortised cost					
– Interest rate risk	1,292	(3,187)	(1,710)	(200)	2
Debt securities classified at amortised cost					
– Interest rate risk	265	—	—	1	—
– Inflation risk	566	—	(3)	25	(5)
Financial assets at fair value through other comprehensive income					
– Interest rate risk	20,791	(125)	10	195	53
– Inflation risk	7,487	(80)	(28)	67	(2)
Total assets	30,401	(3,392)	(1,731)	88	48
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Subordinated liabilities					
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Total liabilities	(13,033)	285	56	(313)	(23)
Total hedged items	17,368	(3,107)	(1,675)	(225)	25
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Assets					
Loans and advances at amortised cost					
– Interest rate risk	1,684	(3,693)	(1,785)	(830)	18
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– Interest rate risk	551	(2)	—	12	3
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Financial assets at fair value through other comprehensive income					
– Interest rate risk	17,778	(219)	29	6	50
– Inflation risk	5,498	(158)	(54)	(54)	(13)
Total assets	27,263	(4,130)	(1,849)	(843)	47
Liabilities					
Subordinated liabilities					
– Interest rate risk	(12,382)	564	103	38	(5)
Debt securities in issue					
– Interest rate risk	(973)	70	(7)	(18)	(18)
Total liabilities	(13,355)	634	96	20	(23)
Total hedged items	13,908	(3,496)	(1,753)	(823)	24

Note
1 Hedge ineffectiveness is recognised in net interest income.

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.

The following table shows the fair value hedging instruments which are carried on the balance sheet:

BBUK Group and BBUK PLC		Carrying value			Change in fair value used as a basis to determine ineffectiveness
Hedge type	Risk category	Derivative assets £m	Derivative liabilities £m	Nominal amount £m	£m
As at 31 December 2025					
Fair value	Interest rate risk	—	—	**40,553**	**349**
	Inflation risk	—	**(36)**	**6,560**	**(99)**
	Total	—	**(36)**	**47,113**	**250**
As at 31 December 2024					
Fair value	Interest rate risk	—	—	39,715	840
	Inflation risk	19	(125)	6,608	7
	Total	19	(125)	46,323	847

The following table profiles the expected notional values of current hedging instruments in future years:

BBUK Group and BBUK PLC	2025 £m	2026 £m	2027 £m	2028 £m	2029 £m	2030 £m	2031 and later £m
As at 31 December 2025							
Fair value hedges of:							
Interest rate risk (outstanding notional amount)	**40,553**	**36,006**	**33,002**	**26,707**	**21,331**	**14,586**	**11,538**
Inflation risk (outstanding notional amount)	**6,560**	**6,066**	**4,909**	**4,166**	**2,515**	**1,511**	**693**

There are 1,155 (2024: 1,235) interest rate risk fair value hedges with an average fixed rate of 3.79% (2024: 3.84%) across the relationships in Barclays Bank UK Group and Barclays Bank UK PLC, and 102 (2024: 91) inflation risk fair value hedges with an average rate of 0.87% (2024: 0.53%) across the relationships.

The following table shows hedged items in cash flow hedges:

Hedged items in cash flow hedges BBUK Group and BBUK PLC	Change in value of hedged item used as the basis for recognising ineffectiveness	Balance in cash flow hedging reserve for continuing hedges	Balances remaining in cash flow hedging reserve for which hedge accounting is no longer applied	Hedging (gains) or losses recognised in other comprehensive income	Hedge ineffectiveness recognised in the income statement[1]
Description of hedge relationship and hedged risk	£m	£m	£m	£m	£m
2025					
Assets					
Cash flow hedge of					
Interest rate risk					
Loans and advances at amortised cost	**(369)**	**(146)**	**134**	**(369)**	**7**
Cash and balances at central banks	**(218)**	**(76)**	**164**	**(218)**	**2**
Foreign exchange risk					
Debt securities classified at amortised cost	**(309)**	**(23)**	**—**	**(309)**	**1**
Liabilities					
Cash flow hedge of					
Foreign exchange risk					
Subordinated Liabilities	**5**	**4**	**—**	**5**	**—**
Total Cash flow hedge	**(891)**	**(241)**	**298**	**(891)**	**10**
2024					
Cash flow hedge of:					
Interest rate risk					
Loans and advances at amortised cost	78	227	248	78	11
Cash and balances at central banks	111	113	374	111	5
Foreign exchange risk					
Debt securities classified at amortised cost	(450)	142	—	(450)	—
Liabilities					
Cash flow hedge of					
Foreign exchange risk					
Subordinated Liabilities	15	(3)	—	15	—
Total cash flow hedge	(246)	479	622	(246)	16

Note
1 Hedge ineffectiveness is recognised in net interest income.

There are 19 (2024: 43) foreign exchange risk cash flow hedges with an average foreign exchange rate of 162.70 JPY: 1 GBP (2024: 149.58 JPY: 1 GBP) in Barclays Bank UK Group and Barclays Bank UK PLC, there are 2 (2024: 2) with an average foreign exchange rate of 1.95 AUD: 1 GBP (2024: 1.95), and 2 (2024: 2) with an average foreign exchange rate of 1.12 CHF: 1 GBP (2024: 1.12).

The following table shows the cash flow hedging instruments which are carried on the balance sheet:

BBUK Group and BBUK PLC		Carrying value			
Hedge type	Risk category	Derivative assets £m	Derivative liabilities £m	Nominal amount £m	Change in fair value used as a basis to determine ineffectiveness £m
As at 31 December 2025					
Cash flow	Interest rate risk	—	—	**32,816**	**596**
	Foreign exchange risk	**808**	**(48)**	**4,381**	**305**
	Total	**808**	**(48)**	**37,197**	**901**
As at 31 December 2024					
Cash flow	Interest rate risk	—	—	21,099	(173)
	Foreign exchange risk	1,727	(12)	8,637	435
	Total	1,727	(12)	29,736	262

The effect on the income statement and other comprehensive income of recycling amounts in respect of cash flow hedges is set out in the following table:

	2025		2024	
	Amount recycled from other comprehensive income due to hedged item affecting income statement £m	Amount recycled from other comprehensive income due to sale or disposal of investment £m	Amount recycled from other comprehensive income due to hedged item affecting income statement £m	Amount recycled from other comprehensive income due to sale or disposal of investment £m
BBUK Group and BBUK PLC				
Cash flow hedge of interest rate risk				
Recycled to net interest income	**(299)**	—	(394)	—
Cash flow hedge of foreign exchange risk				
Recycled to net trading income	**165**	**(20)**	240	—

A detailed reconciliation of the movements of the cash flow hedging reserve is as follows:

BBUK Group and BBUK PLC	2025 Cash flow hedging reserve £m	2024 Cash flow hedging reserve £m
Balance on 1 January	**(793)**	(1,081)
Hedging gains/(losses) for the year	**891**	246
Amounts reclassified in relation to cash flows affecting profit or loss	**154**	154
Tax	**(293)**	(112)
Balance on 31 December	**(41)**	(793)

14 Financial assets at fair value through other comprehensive income

Accounting for financial assets at fair value through other comprehensive income (FVOCI)

Financial assets that are debt instruments held in a business model that is achieved by both collecting contractual cash flows and selling, and that contain contractual terms that give rise on specified dates to cash flows that are SPPI are measured at FVOCI. They are subsequently 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 in other comprehensive income is included in net investment (expense) / income (Note 6).

In determining whether the business model is achieved by both collecting contractual cash flows and selling financial assets, it is determined that both collecting contractual cash flows and selling financial assets are integral to achieving the objective of the business model. The Barclays Bank UK Group will consider past sales and expectations about future sales to establish if the business model is achieved.

	BBUK Group and BBUK PLC	
	2025	2024
	£m	£m
Debt securities and other eligible bills	31,572	27,045
Financial assets at fair value through other comprehensive income	31,572	27,045

15 Financial liabilities designated at fair value

Accounting for liabilities designated at fair value through profit and loss

The Barclays Bank UK Group has the ability to make the fair value designation when holding the instruments at fair value reduces an accounting mismatch (caused by an offsetting liability or asset being held at fair value), or is managed by the Barclays Bank UK Group on the basis of its fair value, or includes terms that have substantive derivative characteristics (Note 13). 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 expense (Note 5) and net investment (expense) / income (Note 6). Movements in own credit are reported through other comprehensive income, unless the effects of changes in the liability's credit risk would create or enlarge an accounting mismatch in profit and loss. In these scenarios, all gains and losses on that liability (including the effects of changes in the credit risk of the liability) are presented in profit and loss. On derecognition of the financial liability no amount relating to own credit risk is recycled to the income statement.

The details on how the fair value amounts are arrived at for financial liabilities designated at fair value are described in Note 16.

	BBUK Group and BBUK PLC			
	2025		2024	
	Fair value	Contractual amount due on maturity	Fair value	Contractual amount due on maturity
	£m	£m	£m	£m
Debt securities	1,003	1,004	2,848	2,849
Financial liabilities designated at fair value	1,003	1,004	2,848	2,849

16 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 Barclays Bank UK Group's financial assets and liabilities, 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 and currency rates.

For financial liabilities measured at fair value, the carrying amount also reflects the effect on fair value of changes in own credit spreads derived from observable market data.

The Barclays Bank UK 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 Barclays Bank UK 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.

On initial recognition, the transaction price often reflects the fair value of the asset or liability. However, in some circumstances, fair value may differ to the transaction price when there is information to the contrary. If the fair value of the instrument is observable from current market transactions in the same instrument, or based on a valuation technique whose inputs only include observable inputs, then the instrument is initially recognised at fair value and the difference to the transaction price is recognized in profit or loss.

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 238.

Valuation Control Framework

The Barclays Group has an established valuation control framework that oversees valuation methodologies, standards and procedures.

Critical accounting estimates and judgements

Key areas involving a higher degree of judgement or estimation include:

Judgements	Estimates
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.

These estimates are considered to have a significant risk of resulting in a material adjustment to the carrying amounts of financial assets and financial liabilities measured at fair value within the next financial year.

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.

For assets and liabilities traded in active markets, it is determined that the market valuation includes a representation of the prevailing view of climate-related risks. 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 2025 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.

Valuation techniques using 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 techniques 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. 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. Valuations based on observable inputs include assets and liabilities such as swaps and forwards which are valued using market standard pricing techniques, and options that are commonly traded in markets where all the inputs to the market standard pricing models are observable. For certain instruments that derive a fair value using unobservable inputs that are not considered significant, then the asset or liability may be classified as Level 2.

Valuation techniques 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). Unobservable input levels are generally determined via reference to observable inputs, historical observations or using other analytical techniques.

The following table shows Barclays Bank UK Group's assets and liabilities that are held at fair value disaggregated by fair value hierarchy and balance sheet classification. This is materially similar for Barclays Bank UK PLC.

Assets and liabilities held at fair value

	2025				2024			
	Valuation techniques used				Valuation techniques used			
	Quoted market price	Observable inputs	Significant unobservable inputs		Quoted market price	Observable inputs	Significant unobservable inputs	
	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	385	—	—	385	180	62	—	242
Financial assets at fair value through the income statement	—	43	1,370	1,413	—	79	1,464	1,543
Derivative financial assets	—	890	—	890	—	1,901	—	1,901
Financial assets at fair value through other comprehensive income	20,077	11,468	27	31,572	6,892	20,092	61	27,045
Total assets	20,462	12,401	1,397	34,260	7,072	22,134	1,525	30,731
Trading portfolio liabilities	(908)	—	—	(908)	(661)	(65)	—	(726)
Financial liabilities designated at fair value	—	(1,003)	—	(1,003)	—	(2,848)	—	(2,848)
Derivative financial liabilities	—	(195)	—	(195)	—	(300)	—	(300)
Total liabilities	(908)	(1,198)	—	(2,106)	(661)	(3,213)	—	(3,874)

Assets and liabilities transferred between levels

During the year ended 31 December 2025, there were £9,247m assets and £(45)m liability transfers from Level 2 to Level 1 (year ended 31 December 2024: there were no material transfers). Additionally, there were £27m assets transferred from Level 2 to Level 3 (year ended 31 December 2024: there were no material transfers). These transfers reflect enhancement to the Barclays Bank UK Group's levelling policy, including the use of additional data in the active market assessment of Level 1 government bonds and updated assessments of unobservable market parameters for government bonds; resulting in an increase in Level 3 balances,.

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

BBUK Group and BBUK PLC	As at 1 January 2025	Purchases	Sales	Issues	Settlements	Total gains and (losses) in the period recognised in the income statement: Trading income[1]	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 2025
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Loans	1,464	—	—	—	(171)	98	—	—	1	(22)	1,370
Financial assets at fair value through the income statement	1,464	—	—	—	(171)	98	—	—	1	(22)	1,370
Government and Government sponsored debt	—	27	—	—	—	—	—	—	—	—	27
Corporate debt	61	—	(49)	—	—	—	—	—	—	(12)	—
Financial assets at fair value through other comprehensive income	61	27	(49)	—	—	—	—	—	—	(12)	27
Total	1,525	27	(49)	—	(171)	98	—	—	1	(34)	1,397

BBUK Group and BBUK PLC	As at 1 January 2024	Purchases	Sales	Issues	Settlements	Total gains and (losses) in the period recognised in the income statement: Trading income[1]	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
Loans	1,629	—	—	—	(154)	3	—	—	1	(15)	1,464
Financial assets at fair value through the income statement	1,629	—	—	—	(154)	3	—	—	1	(15)	1,464
Government and Government sponsored debt	—	—	—	—	—	—	—	—	—	—	—
Corporate debt	298	—	—	—	—	—	—	(1)	49	(285)	61
Financial assets at fair value through other comprehensive income	298	—	—	—	—	—	—	(1)	49	(285)	61
Total	1,927	—	—	—	(154)	3	—	(1)	50	(300)	1,525

Note

1 Trading income represents gains and losses on Level 3 financial assets which are mainly offset by losses and gains on derivative hedges disclosed within Level 2.

Unrealised gains and losses on Level 3 assets and liabilities

The following table discloses the unrealised gains and losses recognised in the year arising on Level 3 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

	2025				2024			
	Income statement		Other comprehensive income		Income statement		Other comprehensive income	
BBUK Group and BBUK PLC	Trading income[1] £m	Other income £m	£m	Total £m	Trading income[1] £m	Other income £m	£m	Total £m
Financial assets at fair value through the income statement	98	—	—	98	3	—	—	3
Financial assets at fair value through other comprehensive income	—	—	—	—	—	—	(1)	(1)
Total	98	—	—	98	3	—	(1)	2

Note
1 Trading income represents gains and losses on Level 3 financial assets which are mainly offset by losses and gains on derivative hedges disclosed within Level 2.

Valuation techniques

The valuation techniques and observability used are described below.

Loans
Description: Largely made up of fixed rate loans, extended to counterparties in the Education, Social Housing and Local Authority sectors.

Valuation: Fixed rate loans are valued using models that discount expected future cash flows based on interest rates and loan spreads.

Observability: Within this loan population, the loan spread is generally unobservable. Unobservable loan spreads are determined by incorporating funding costs, the level of comparable assets such as gilts, issuer credit quality and other factors.

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 credit default swap (CDS) spreads for actively traded instruments issued by or referencing the same (or a similar) issuer.

Government and Government sponsored 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: Observability assessment is performed with reference to bond market trading data. Bonds are assessed at Level 1 if they are traded in active market with a quoted price in line with requirements of IFRS 13. 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 Bank UK plc.

Valuation: Issued debt is valued using discounted cash flow techniques incorporating interest rates and credit inputs.

Observability: Barclays Bank UK plc issued notes are generally observable.

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:

Significant unobservable inputs							
			2025 Range[1]		2024 Range		
	Valuation technique(s)	Significant unobservable inputs	Min	Max	Min	Max	Units[2]
Loans	Discounted cash flows	Loan spread	30	281	35	291	bps
Corporate debt	Comparable Pricing	Comparable price	—	—	99	102	points

Note

1 '-' represents no Level 3 balances for the current year

2 The units used to disclose ranges for significant unobservable inputs are 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%.

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.

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.

The ESHLA portfolio primarily consists of long-dated fixed rate loans extended to counterparties in the UK Education, Social Housing and Local Authority sectors. Valuation uncertainty arises from the long-dated nature of the portfolio, the lack of secondary market in the loans and the lack of observable loan spreads. The majority of ESHLA loans are to borrowers in heavily regulated sectors that are considered low credit risk and have a history of near zero defaults since inception and where Barclays Bank UK Group is often afforded a position as a secured creditor. While the overall loan spread range is from 30 bps to 281 bps (2024: 35bps to 291bps), the vast majority of spreads sit in the tighter half of this range

In general, a significant increase in loan spreads in isolation will result in a fair value decrease for a loan.

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.

In general, a significant increase in comparable price in isolation will result in an increase in the price of the unobservable instrument.

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 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.

Sensitivity analysis of valuations using unobservable inputs (relates to Level 3 portfolios)				
	2025		2024	
	Favourable changes	Unfavourable changes	Favourable changes	Unfavourable changes
	£m	£m	£m	£m
Loans	43	(27)	76	(24)
Total	43	(27)	76	(24)

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 £43m (2024: £76m) or to decrease fair values by up to £27m (2024: £24m) with substantially all the potential effect impacting profit and loss.

The prudent valuation framework requires Barclays Bank UK PLC to be capitalised to 50% of the impact of such unfavourable valuation uncertainty.

A methodology asymmetry in calculating the favourable and unfavourable changes in the sensitivity analysis exists and is attributable to Investing and Funding costs contributing to the unfavourable side only.

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

The amount that is yet to be recognised in income, relating 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, is £6m (2024: £6m) for financial instruments measured at fair value. There are additions and FX revaluation of £1m (2024 £1m) and amortisation and releases of £1m (2024: £1m) for these instruments. For financial instruments carried at amortised cost, the amount that is yet to be recognised in income is £149m (2024: £156m). There are additions of £nil (2024: £nil) and amortisation and releases of £7m (2024: £18m) for these instruments.

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

The following tables shows the fair value of financial assets and liabilities measured at amortised cost on Barclays Bank UK Group's and Barclays Bank UK PLC's balance sheet disaggregated by the fair value hierarchy and balance sheet classification:

	2025					2024				
Barclays Bank UK Group	Carrying amount £m	Fair value £m	Level 1 £m	Level 2 £m	Level 3 £m	Carrying amount £m	Fair value £m	Level 1 £m	Level 2 £m	Level 3 £m
Financial assets										
Debt securities at amortised cost	13,492	13,447	2,443	10,980	24	17,983	17,954	1,034	16,920	—
Loans and advances at amortised cost	215,862	213,862	138	10,494	203,230	206,716	201,914	152	12,947	188,815
Reverse repurchase agreements and other similar secured lending	6,001	6,001	—	6,001	—	5,894	5,894	—	5,894	—
Financial liabilities										
Deposits at amortised cost	(244,791)	(244,813)	(205,885)	(36,089)	(2,839)	(244,461)	(244,466)	(207,544)	(34,661)	(2,261)
Repurchase agreements and other similar secured borrowing	(13,600)	(13,600)	—	(13,600)	—	(15,506)	(15,506)	—	(15,506)	—
Debt securities in issue	(4,703)	(4,779)	—	(3,757)	(1,022)	(2,619)	(2,693)	—	(1,575)	(1,118)
Subordinated liabilities	(14,049)	(14,570)	—	(14,416)	(154)	(13,512)	(13,883)	—	(13,883)	—

	2025					2024				
Barclays Bank UK PLC[1]	Carrying amount £m	Fair value £m	Level 1 £m	Level 2 £m	Level 3 £m	Carrying amount £m	Fair value £m	Level 1 £m	Level 2 £m	Level 3 £m
Financial assets										
Loans and advances at amortised cost	216,242	214,242	96	10,917	203,229	207,102	202,300	113	13,372	188,815
Financial liabilities										
Deposits at amortised cost	(246,673)	(246,697)	(205,852)	(38,006)	(2,839)	(245,444)	(245,380)	(207,552)	(35,567)	(2,261)
Debt securities in issue	(4,022)	(4,098)	—	(3,076)	(1,022)	(2,065)	(2,141)	—	(1,023)	(1,118)

Note
1 Balance sheet classifications where underlying financial instruments are materially similar to Barclays Bank UK Group have not been re-presented.

The fair value is an estimate of the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. As a wide range of valuation techniques are available, it may not be appropriate to directly compare this fair value information to independent market sources or other financial institutions. Different valuation methodologies and assumptions can have a significant impact on fair values which are based on unobservable inputs.

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. Observability assessment is performed with reference to bond market trading data. Bonds are assessed at Level 1 if they are traded in active market with a quoted price in line with requirements of IFRS 13. Where market data for the underlying bond is unavailable, a number of proxy/extrapolation techniques are employed to determine the appropriate fair value. The enhancements noted in levelling policy are applicable to the government bonds reported at amortised cost.

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 or loan spreads of the borrowers. Where market data or credit information on the underlying borrowers is unavailable, a number of proxy/extrapolation techniques are employed to determine the appropriate discount rates.

Reverse repurchase agreements and other similar secured lending
The fair value of reverse repurchase agreements approximates carrying amount as these balances are generally short dated and fully collateralised.

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, other deposits, and short-term debt securities.

The fair value for deposits with longer-term maturities, mainly time deposits, are estimated using discounted cash flows applying either market rates or current rates for deposits of similar remaining maturities. Consequently, the fair value discount is minimal.

Repurchase agreements and other similar secured borrowing
The fair value of repurchase agreements approximates carrying 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.

17 Offsetting financial assets and financial liabilities

The Barclays Bank UK 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.

Barclays Bank UK Group	Amounts subject to enforceable netting arrangements							
	Effects of offsetting on-balance sheet			Related amounts not offset				
As at 31 December 2025	Gross amounts £m	Amounts offset[1] £m	Net amounts reported on the balance sheet £m	Financial instruments £m	Financial collateral[2] £m	Net amount £m	Amounts not subject to enforceable netting arrangements[3] £m	Balance sheet total[4] £m
Derivative financial assets	**890**	—	**890**	**(51)**	**(828)**	**11**	—	**890**
Reverse repurchase agreements and other similar secured lending[5]	**6,576**	**(575)**	**6,001**	—	**(6,001)**	—	—	**6,001**
Total assets	**7,466**	**(575)**	**6,891**	**(51)**	**(6,829)**	**11**	—	**6,891**
Derivative financial liabilities	**(195)**	—	**(195)**	**51**	**142**	**(2)**	—	**(195)**
Repurchase agreements and other similar secured borrowing[5]	**(4,076)**	**575**	**(3,501)**	—	**3,501**	—	**(10,099)**	**(13,600)**
Total liabilities	**(4,271)**	**575**	**(3,696)**	**51**	**3,643**	**(2)**	**(10,099)**	**(13,795)**
As at 31 December 2024								
Derivative financial assets	1,901	—	1,901	(211)	(1,688)	2	—	1,901
Reverse repurchase agreements and other similar secured lending[5]	6,049	(155)	5,894	—	(5,894)	—	—	5,894
Total assets	7,950	(155)	7,795	(211)	(7,582)	2	—	7,795
Derivative financial liabilities	(291)	—	(291)	211	80	—	(9)	(300)
Repurchase agreements and other similar secured borrowing[5]	(478)	155	(323)	—	323	—	(15,183)	(15,506)
Total liabilities	(769)	155	(614)	211	403	—	(15,192)	(15,806)

Notes

1 No other significant recognised financial assets and liabilities were offset in the balance sheet. Therefore, the only balance sheet categories necessary for inclusion in the table are those shown above.

2 Financial cash collateral of £828m (2024: £1,688m) was received in respect of derivative assets. Financial cash collateral of £142m (2024: £80m) was placed in respect of derivative liabilities. The collateral amounts are limited to net balance sheet exposure so as to not include over-collateralisation.

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 Repurchase and other similar secured lending and Reverse Repurchase and other similar secured lending held at amortised cost.

These offsetting and collateral arrangements and other credit risk mitigation strategies used by Barclays Bank UK are further explained in the Credit risk management section.

Barclays Bank UK PLC	Amounts subject to enforceable netting arrangements							
	Effects of offsetting on-balance sheet			Related amounts not offset				
As at 31 December 2025	Gross amounts £m	Amounts offset[1] £m	Net amounts reported on the balance sheet £m	Financial instruments £m	Financial collateral[2] £m	Net amount £m	Amounts not subject to enforceable netting arrangements[3] £m	Balance sheet total[4] £m
Derivative financial assets	**884**	**—**	**884**	**(51)**	**(816)**	**17**	**—**	**884**
Reverse repurchase agreements and other similar secured lending[5]	**6,576**	**(575)**	**6,001**	**—**	**(6,001)**	**—**	**—**	**6,001**
Total assets	**7,460**	**(575)**	**6,885**	**(51)**	**(6,817)**	**17**	**—**	**6,885**
Derivative financial liabilities	**(202)**	**—**	**(202)**	**51**	**142**	**(9)**	**—**	**(202)**
Repurchase agreements and other similar secured borrowing[5]	**(4,076)**	**575**	**(3,501)**	**—**	**3,501**	**—**	**(10,099)**	**(13,600)**
Total liabilities	**(4,278)**	**575**	**(3,703)**	**51**	**3,643**	**(9)**	**(10,099)**	**(13,802)**
As at 31 December 2024								
Derivative financial assets	1,901	—	1,901	(211)	(1,680)	10	—	1,901
Reverse repurchase agreements and other similar secured lending[5]	6,049	(155)	5,894	—	(5,894)	—	—	5,894
Total assets	7,950	(155)	7,795	(211)	(7,574)	10	—	7,795
Derivative financial liabilities	(310)	—	(310)	211	80	(19)	(9)	(319)
Repurchase agreements and other similar secured borrowing[5]	(478)	155	(323)	—	323	—	(15,183)	(15,506)
Total liabilities	(788)	155	(633)	211	403	(19)	(15,192)	(15,825)

Notes
1 No other significant recognised financial assets and liabilities were offset in the balance sheet. Therefore, the only balance sheet categories necessary for inclusion in the table are those shown above.
2 Financial cash collateral of £816m (2024: £1,680m) was received in respect of derivative assets. Financial cash collateral of £142m (2024: £80m) was placed in respect of derivative liabilities. The collateral amounts are limited to net balance sheet exposure so as to not include over-collateralisation.
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 Repurchase and other similar secured lending and Reverse Repurchase and other similar secured lending held at amortised cost.

The notes included in this section focus on the Barclays Bank UK Group's property, plant and equipment, leases and goodwill and intangible assets. Details regarding the Barclays Bank UK Group's liquidity and capital position can be found on pages 157 to 169.

18 Property, plant and equipment

Accounting for property, plant and equipment

Property, plant and equipment is stated at cost, which includes direct and incremental acquisition costs less accumulated depreciation and provisions for impairment, if required. Subsequent costs are capitalised if these result in enhancement of the asset.

Depreciation is provided on the depreciable amount of items of property, plant and equipment on a straight-line basis over their estimated useful economic lives. Depreciation rates, methods and the residual values underlying the calculation of depreciation of items of property, plant and equipment are kept under review to take account of any change in circumstances including consideration on future Climate and Sustainability investments.

The Barclays Bank UK Group and Barclays Bank UK PLC 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%

	Barclays Bank UK Group			
	Property	Equipment	Right of use assets[1]	Total
	£m	£m	£m	£m
Cost				
As at 1 January 2025	**500**	**4**	**381**	**885**
Additions	**32**	**10**	**14**	**56**
Disposals[2]	**(41)**	**(7)**	**(52)**	**(100)**
Exchange and other movements	**(3)**	**140**	**9**	**146**
As at 31 December 2025	**488**	**147**	**352**	**987**
Accumulated depreciation and impairment				
As at 1 January 2025	**(363)**	**—**	**(283)**	**(646)**
Disposals[2]	**40**	**7**	**51**	**98**
Depreciation charge[3]	**(30)**	**(8)**	**(33)**	**(71)**
Impairment charge[3]	**—**	**—**	**(2)**	**(2)**
Exchange and other movements	**2**	**(81)**	**—**	**(79)**
As at 31 December 2025	**(351)**	**(82)**	**(267)**	**(700)**
Net book value	**137**	**65**	**85**	**287**
Cost				
As at 1 January 2024	586	1	438	1,025
Additions	27	3	25	55
Disposals[2]	(113)	—	(79)	(192)
Exchange and other movements	—	—	(3)	(3)
As at 31 December 2024	500	4	381	885
Accumulated depreciation and impairment				
As at 1 January 2024	(440)	—	(324)	(764)
Disposals[2]	111	—	77	188
Depreciation charge[3]	(34)	—	(37)	(71)
Impairment charge[3]	(1)	—	(14)	(15)
Exchange and other movements	1	—	15	16
As at 31 December 2024	(363)	—	(283)	(646)
Net book value	137	4	98	239

Notes
1 Right of use (ROU) asset balances relate to Property Leases under IFRS 16. Refer Note 19 for further details.
2 Disposals primarily pertain to fully depreciated assets which are not in use.
3 Depreciation charge and impairment charge is part of Infrastructure, administration and general expenses shown in Note 7.

	Barclays Bank UK PLC			
	Property	Equipment	Right of use assets[1]	Total
	£m	£m	£m	£m
Cost				
As at 1 January 2025	**495**	**3**	**378**	**876**
Additions	32	10	13	55
Disposals[2]	(40)	(6)	(49)	(95)
Exchange and other movements	—	136	9	145
As at 31 December 2025	**487**	**143**	**351**	**981**
Accumulated depreciation and impairment				
As at 1 January 2025	**(360)**	**—**	**(280)**	**(640)**
Disposals[2]	39	6	48	93
Depreciation charge[3]	(30)	(7)	(32)	(69)
Impairment charge[3]	—	—	(2)	(2)
Exchange and other movements	—	(79)	—	(79)
As at 31 December 2025	**(351)**	**(80)**	**(266)**	**(697)**
Net book value	**136**	**63**	**85**	**284**
Cost				
As at 1 January 2024	583	—	435	1,018
Additions	25	3	25	53
Disposals[2]	(113)	—	(79)	(192)
Exchange and other movements	—	—	(3)	(3)
As at 31 December 2024	495	3	378	876
Accumulated depreciation and impairment				
As at 1 January 2024	(437)	—	(322)	(759)
Disposals[2]	111	—	77	188
Depreciation charge[3]	(33)	—	(36)	(69)
Impairment charge[3]	(1)	—	(14)	(15)
Exchange and other movements	—	—	15	15
As at 31 December 2024	(360)	—	(280)	(640)
Net book value	135	3	98	236

Notes
1 Right of use (ROU) asset balances relate to Property Leases under IFRS 16. Refer Note 19 for further details.
2 Disposals primarily pertain to fully depreciated assets which are not in use.
3 Depreciation charge and impairment charge is part of Infrastructure, administration and general expenses shown in Note 7.

There is no significant income from property rentals in 2025 (2024: £nil) in Barclays Bank UK Group and Barclays Bank UK PLC.

19 Leases

Accounting for leases

When the Barclays Bank UK Group and Barclays Bank UK PLC are the lessee, they are required to recognise both:

- a lease liability, measured at the present value of remaining cash flows on the lease
- a right of use (ROU) asset, measured at the amount of the initial measurement of the lease liability, plus any lease payments made prior to commencement date, initial direct costs, and estimated costs of restoring the underlying asset to the condition required by the lease, less any lease incentives received.

Subsequently the lease liability will increase for the accrual of interest, resulting in a constant rate of return throughout the life of the lease, and reduce when payments are made. The right of use asset will amortise to the income statement over the life of the lease.

On the balance sheet, the ROU assets are included within property, plant and equipment and the lease liabilities are included within other liabilities.

The Barclays Bank UK Group and Barclays Bank UK PLC apply the recognition exemption in IFRS 16 for leases with a term not exceeding 12 months. For these leases the lease payments are recognised as an expense on a straight-line basis over the lease term unless another systematic basis is more appropriate.

As a lessee

The Barclays Bank UK Group and Barclays Bank UK PLC lease various offices, branches and other premises under non-cancellable lease arrangements to meet their operational business requirements. In some instances, Barclays Bank UK Group and Barclays Bank UK PLC will sublease property to third parties when it is no longer needed to meet business requirements. Currently, Barclays Bank UK Group and Barclays Bank UK PLC do not have any material subleasing arrangements.

ROU asset balances relate to property leases only. Refer to Note 18 for the carrying amount of ROU assets.

The Barclays Bank UK Group and Barclays Bank UK PLC did not have material short term leases during the year (2024: £1m). The portfolio of short term leases to which Barclays Bank UK Group and Barclays Bank UK PLC are exposed at the end of the year is not dissimilar to the expenses recognised in the year.

Lease liabilities	BBUK Group and BBUK PLC	
	2025	2024
	£m	£m
As at 1 January	132	162
Interest	6	6
New leases	14	22
Disposals	(6)	(17)
Cash payments	(47)	(53)
Exchange and other movements	8	12
As at 31 December (see Note 21)	107	132

Note: There is no significant difference in the lease portfolio for Barclays Bank UK Group and Barclays Bank UK PLC.

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	BBUK Group and BBUK PLC	
	2025	2024
	£m	£m
Not more than one year	37	45
One to two years	23	32
Two to three years	17	21
Three to four years	12	14
Four to five years	8	10
Five to ten years	23	23
Greater than ten years	10	14
Total undiscounted lease liabilities as at 31 December	130	159

In addition to the cash flows identified above, Barclays Bank UK Group and Barclays Bank UK PLC are exposed to:

- Variable lease payments: This variability will typically arise from either inflation index instruments or market based pricing adjustments. Currently, Barclays Bank UK Group and Barclays Bank UK PLC has 124 (2024: 173) leases out of the total 422 (2024: 453) leases with variable payment terms. Of the gross cash flows identified above, £97m (2024: £97m) are attributable to leases with some degree of payment variability.

- Extension and termination options: The table above represents Barclays Bank UK Group's and Barclays Bank UK PLC's best estimate of future cash outflows for leases, including assumptions regarding the exercising of contractual extension and termination options. The above gross cash flows include adjustments of £5m (2024: £1m) and £1m (2024: £1m) in respect of leases for which Barclays Bank UK Group and Barclays Bank UK PLC is highly likely to exercise an early termination and a lease extension option, respectively.

The Barclays Bank UK Group and Barclays Bank UK PLC do not have any restrictions or covenants imposed by the lessor on its property leases which restrict its businesses.

20 Goodwill and intangible assets

Accounting for goodwill and intangible assets

Goodwill

Goodwill arising on the acquisition of subsidiaries represents the excess of the fair value of the purchase consideration over the fair value of the Barclays Bank UK 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 provisions for impairment, if any, and are amortised over their useful lives in a manner that reflects the pattern to which they contribute to future cash flows, generally using the amortisation periods set out below:

Annual rates in calculating amortisation	Amortisation period
Goodwill	Not amortised
Internally generated software[1]	12 months to 6 years
Other Software	12 months to 6 years
Core Deposits	12 months to 5 years
Customer lists	12 months to 25 years
Brand	12 months to 10 years
Licences and other	12 months to 25 years

Note

1 Exceptions to the above period relate to useful lives of certain core banking platforms that are assessed individually and, if appropriate, amortised over longer periods ranging from 10 years to 15 years

Intangible assets are reviewed for impairment when there are indications that impairment may have occurred. Intangible assets not yet available for use are reviewed annually for impairment.

	Barclays Bank UK Group							
	Goodwill	Internally Generated Software	Other software	Core deposits	Customer lists	Brand	Licences and other	Total
	£m	£m	£m	£m	£m	£m	£m	£m
Cost								
As at 1 January 2025	3,837	—	34	17	66	7	2	3,963
Additions	—	7	3	—	—	—	—	10
Disposals[1]	—	—	(2)	—	—	—	—	(2)
Exchange and other adjustments	—	—	—	—	—	—	—	—
As at 31 December 2025	3,837	7	35	17	66	7	2	3,971
Accumulated amortisation and impairment								
As at 1 January 2025	—	—	(10)	(1)	(2)	(2)	—	(15)
Disposals[1]	—	—	1	—	—	—	—	1
Amortisation charge[2]	—	—	(7)	(3)	(13)	(1)	—	(24)
Exchange and other adjustments	—	—	—	—	—	—	—	—
As at 31 December 2025	—	—	(16)	(4)	(15)	(3)	—	(38)
Net book value	3,837	7	19	13	51	4	2	3,933
Cost								
As at 1 January 2024	3,837	—	30	—	90	7	2	3,966
Additions[3]	—	—	4	17	66	—	—	87
Disposals[1]	—	—	—	—	(90)	—	—	(90)
Exchange and other adjustments	—	—	—	—	—	—	—	—
As at 31 December 2024	3,837	—	34	17	66	7	2	3,963
Accumulated amortisation and impairment								
As at 1 January 2024	—	—	(5)	—	(90)	(1)	—	(96)
Disposals[1]	—	—	—	—	90	—	—	90
Amortisation charge[2]	—	—	(5)	(1)	(2)	(1)	—	(9)
Exchange and other adjustments	—	—	—	—	—	—	—	—
As at 31 December 2024	—	—	(10)	(1)	(2)	(2)	—	(15)
Net book value	3,837	—	24	16	64	5	2	3,948

Notes
1 Disposals pertain to fully amortised assets which are not in use
2 Amortisation charge is part of Infrastructure, administration and general expenses under Note 7
3 2024 additions are related to the acquisition of Tesco bank

	Barclays Bank UK PLC							
	Goodwill	Internally Generated Software	Other software	Core deposits	Customer lists	Brand	Licences and other	Total
	£m	£m	£m	£m	£m	£m	£m	£m
Cost								
As at 1 January 2025	3,378	—	—	17	66	—	2	3,463
Additions	—	7	—	—	—	—	—	7
Disposals[1]	—	—	—	—	—	—	—	—
Exchange and other adjustments	—	—	—	—	—	—	—	—
As at 31 December 2025	3,378	7	—	17	66	—	2	3,470
Accumulated amortisation and impairment								
As at 1 January 2025	—	—	—	(1)	(2)	—	—	(3)
Disposals[1]	—	—	—	—	—	—	—	—
Amortisation charge[2]	—	—	—	(3)	(13)	—	—	(16)
Exchange and other adjustments	—	—	—	—	—	—	—	—
As at 31 December 2025	—	—	—	(4)	(15)	—	—	(19)
Net book value	3,378	7	—	13	51	—	2	3,451
Cost								
As at 1 January 2024	3,378	—	—	—	90	—	2	3,470
Additions[3]	—	—	—	17	66	—	—	83
Disposals[1]	—	—	—	—	(90)	—	—	(90)
Exchange and other adjustments	—	—	—	—	—	—	—	—
As at 31 December 2024	3,378	—	—	17	66	—	2	3,463
Accumulated amortisation and impairment								
As at 1 January 2024	—	—	—	—	(90)	—	—	(90)
Disposals[1]	—	—	—	—	90	—	—	90
Amortisation charge[2]	—	—	—	(1)	(2)	—	—	(3)
Exchange and other adjustments	—	—	—	—	—	—	—	—
As at 31 December 2024	—	—	—	(1)	(2)	—	—	(3)
Net book value	3,378	—	—	16	64	—	2	3,460

Notes
1 Disposals pertain to fully amortised assets which are not in use
2 Amortisation charge is part of Infrastructure, administration and general expenses under Note 7
3 2024 additions are related to acquisition of Tesco bank

As part of the Barclays PLC Group strategy, internally generated software and other purchased software is held in Barclays Execution Services Limited. Barclays Bank UK Group receives the required services from Barclays Execution Services Limited, which are charged for on a cost plus basis.

Critical accounting estimates and judgements

Goodwill
Key areas involving a higher degree of judgement or estimation include:

Judgements	Estimates
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.

These estimates have a significant risk of resulting in a material adjustment to the carrying amount of goodwill within the next financial year.

Testing goodwill for impairment involves a significant amount of judgement. Goodwill is allocated to Cost Generating Units (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 future 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.

2025 impairment review
The 2025 impairment review was performed during Q4 2025, with the approach and results of this analysis set out below.

Determining the carrying value of CGUs
The carrying value for each CGU is the sum of the tangible equity, goodwill and intangible asset balances associated with that CGU.

The Barclays Bank UK Group manages the assets and liabilities of its CGUs with reference to the tangible equity of the respective businesses. That tangible equity is derived from the level of risk weighted assets (RWAs) and capital required to be deployed in the CGU and therefore reflects its relative risk, as well as the level of capital that management considers a market participant would be required to hold and retain to support business growth.

Goodwill is initially allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the acquisition that generated it. Goodwill is only reallocated if there is a change in its use or when reporting structures are altered in a way that changes the composition of one or more cash generating units to which goodwill has been allocated. During H1 2025, Barclays Bank UK Group revised its internal reporting structure to align with strategic changes resulting in a new reportable segment of Retail Banking which replaces the previously reported Personal Banking and Barclaycard Consumer UK segments, being the lowest level at which the combined business is now monitored. The CGUs have been reassessed as a result of this change and aligned with the reportable segments. The intangible asset balances are allocated to the CGUs based upon their expected usage of these assets.

Cash flows
The five-year cash flows used in the value in use calculation are based on the formally agreed medium-term plans approved by the Board. These are prepared using macroeconomic assumptions which management considers reasonable and supportable, and reflect business agreed initiatives for the forecast period. The macroeconomic assumptions underpinning

the medium-term plan were determined during 2025 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, all 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 ESHLA portfolio has been excluded from the Business Banking CGU cash flows. This is a legacy loan portfolio which is 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 costs of equity associated with market participants that closely resemble the Barclays Bank UK Group's CGUs. The cost of equity has been used as the discount rate in the 2025 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 the 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 to reflect volatility in markets, an increase in risk free rate and a higher market risk premium rate. The range of equivalent pre-tax discount rates applicable across the CGUs are from 19.1% to 19.5% (2024: 18.3% to 19.2%).

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 UK economy in which the Barclays Bank UK 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% (2024: 2.0%).

Outcome of goodwill and intangible assets impairment review
The majority of the Barclays Bank UK Group's goodwill balance is predominantly as a consequence of the Woolwich acquisition. As at 31 December 2025, the goodwill within Retail Banking was £3,208m (2024: £3,208m), of which £2,501m (2024: £2,501m) was attributable to Woolwich; and within Business Banking the goodwill balance was £629m (2024: £629m), fully attributable to Woolwich. The recoverable amounts for Retail Banking and Business Banking have increased in comparison to the 2024 impairment review. The changes in the headroom (value in use less the carrying value) in the year are reflective of expected improvement in business performance.

Based on management's plans and assumptions, no impairment has been recognised.

The outcomes of the impairment reviews for the Retail Banking and Business Banking CGUs are set out below:

Cash generating unit	Tangible equity	Goodwill	Intangibles	Carrying value	Value in use	Value in use exceeding carrying value 2025	Value in use exceeding carrying value 2024[1]
	£m	£m	£m	£m	£m	£m	£m
Retail Banking	9,619	3,208	101	12,928	20,761	7,833	2,609
Business Banking	1,987	629	—	2,616	7,930	5,314	3,120
Total	11,606	3,837	101	15,544	28,691	13,147	5,729

Note:
1 For comparative purposes, the 2024 figures have been re-presented to reflect the cash-generating units within the new operating divisions introduced in the first half of 2025. Goodwill related to Retail Banking, which was previously reported under Personal Banking and Barclaycard Consumer UK, has now been reclassified accordingly.

Sensitivity of key judgements
Headroom is 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 customers 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. A sensitivity analysis has been provided to illustrate the impact of a 10% reduction in cash flows.

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 has 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 by showing the impact of a 100bps increase 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 a 100bps decrease in the terminal growth rate is shown.

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 rate used in determining the level of tangible equity allocated to the CGU and its capital cash flows could move over time as a result of a change to the prudential regulatory environment or the risk profile of the business. The impact of a 50bps increase in capital rate 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			
CGU	Carrying value	Value in use	Value in use exceeding carrying value	Discount rate	100bps increase in the discount rate	100bps decrease in terminal growth rate	50bps increase to allocated capital rate	10% reduction in forecasted cash flows	Discount rate	Terminal growth rate[1]	Allocated Capital rate	Cash flows
	£m	£m	£m	%	£m	£m	£m	£m	%	%	%	%
Retail Banking	12,928	20,761	7,833	19.5	(1,195)	(689)	(411)	(2,225)	9.8	(27.9)	9.5	(35.2)
Business banking	2,616	7,930	5,314	19.1	(488)	(287)	(93)	(846)	28.7	—	28.5	(62.9)
Total	15,544	28,691	13,147									

Note:
1 Business Banking is insensitive to reductions in the terminal growth rate change.

The notes included in this section focus on the Barclays Bank UK Group's accruals, provisions and contingent liabilities. Provisions are recognised for present obligations arising as consequences of past events where it is probable that a transfer of economic benefit will be necessary to settle the obligation, and it can be reliably estimated. Contingent liabilities reflect potential liabilities that are not recognised on the balance sheet.

21 Other liabilities

	Barclays Bank UK Group		Barclays Bank UK PLC	
	2025	2024	2025	2024
	£m	£m	£m	£m
Accruals and deferred income	**378**	375	**368**	364
Other creditors	**932**	968	**977**	991
Items in the course of collection due to other banks	**90**	91	**90**	91
Lease liabilities (refer to Note 19)	**107**	132	**107**	132
Other liabilities	**1,507**	1,566	**1,542**	1,578

22 Provisions

Accounting for provisions

Provisions are recognised for present obligations arising as consequences of past events where it is more likely than not that a transfer of economic benefit will be necessary to settle the obligation, which can be reliably estimated.

Critical accounting estimates and judgements

Key areas involving a higher degree of judgement or estimation include:

Judgements	Estimates
Determination as to whether a present obligation exists.	Estimation uncertainty in the probability, timing, nature and quantum of outflows.

These estimates are considered to have a significant risk of resulting in a material adjustment to the carrying amounts of provisions within the next financial year.

The financial reporting of provisions involves a significant degree of judgement and is complex. Identifying whether a present obligation exists and estimating the probability, timing, nature and quantum of the outflows that may arise from past events requires judgements to be made based on the specific facts and circumstances relating to individual events and often requires specialist professional advice. When matters are at an early stage, accounting judgements and estimates can be difficult because of the high degree of uncertainty involved. Management continues to monitor matters as they develop to re-evaluate on an ongoing basis whether provisions should be recognised, however there can remain a wide range of possible outcomes and uncertainties, particularly in relation to legal, competition and regulatory matters, and as a result it is often not practicable to make meaningful estimates even when matters are at a more advanced stage.

The amount that is recognised as a provision can also be very sensitive to the assumptions made in calculating it. This gives rise to a large range of potential outcomes which require judgement in determining an appropriate provision level. See Note 24 for more detail of legal, competition and regulatory matters.

	Redundancy and restructuring £m	Customer redress £m	Legal, competition and regulatory matters £m	Sundry provisions £m	Total £m
Barclays Bank UK Group					
As at 1 January 2025	38	183	—	86	307
Additions	44	54	12	75	185
Amounts utilised	(25)	(28)	(12)	(43)	(108)
Unused amounts reversed	(2)	(7)	—	(27)	(36)
Exchange and other movements	—	(2)	—	—	(2)
As at 31 December 2025	55	200	—	91	346
Undrawn contractually committed facilities and guarantees					
As at 1 January 2025					16
Net change in expected credit loss provision and other movements					2
As at 31 December 2025					18
Total provisions					
As at 1 January 2025					323
As at 31 December 2025					364
Barclays Bank UK PLC					
As at 1 January 2025	38	130	—	83	251
Additions	44	54	12	72	182
Amounts utilised	(25)	(25)	(12)	(40)	(102)
Unused amounts reversed	(2)	(6)	—	(27)	(35)
Exchange and other movements	—	(2)	—	—	(2)
As at 31 December 2025	55	151	—	88	294
Undrawn contractually committed facilities and guarantees					
As at 1 January 2025					16
Net change in expected credit loss provision and other movements					2
As at 31 December 2025					18
Total provisions					
As at 1 January 2025					267
As at 31 December 2025					312

Provisions expected to be recovered or settled within no more than 12 months after 31 December 2025 are £271m (2024: £285m) for Barclays Bank UK Group and £220m (2024: £229m) for Barclays Bank UK PLC.

Redundancy and restructuring
These provisions comprise the estimated cost of restructuring, including redundancy costs where an obligation exists. For example, when the Barclays Bank UK Group has a detailed formal plan for restructuring a business and has raised valid expectations in those affected by the restructuring by announcing its main features or starting to implement the plan.

Customer redress
Customer redress provisions comprise the estimated cost of making redress payments to customers, clients and counterparties for losses or damages associated with inappropriate judgement in the execution of the Barclays Bank UK Group's business activities.

Legal, competition and regulatory matters
The Barclays Bank UK Group is engaged in various legal proceedings. For further information in relation to legal proceedings and discussion of the associated uncertainties, please refer to Note 24.

Sundry provisions
This category includes provisions that do not fit into any of the other categories, such as fraud losses and dilapidation provisions.

Undrawn contractually committed facilities and guarantees

Undrawn contractually committed facilities and guarantees provisions are accounted under IFRS9. 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. Further analysis of the movement is disclosed within the 'Movement in gross exposures and impairment allowance including provisions for loan commitments and financial guarantees' in the expected credit loss provision table on pages 109 and 112.

23 Contingent liabilities and commitments

Accounting for contingent liabilities

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events and present obligations where the transfer of economic resources is uncertain or cannot be reliably measured. Contingent liabilities are not recognised on the balance sheet but are disclosed unless the likelihood of an outflow of economic resources is remote.

The following table summarises the nominal principal amount of contingent liabilities and commitments which are not recorded on-balance sheet:

	Barclays Bank UK Group		Barclays Bank UK PLC	
	2025	2024	2025	2024
	£m	£m	£m	£m
Guarantees and letters of credit pledged as collateral security	**520**	560	**520**	560
Performance guarantees, acceptances and endorsements	**150**	150	**150**	150
Total contingent liabilities and financial guarantees	**670**	710	**670**	710
Standby facilities, credit lines and other commitments	**69,918**	66,959	**69,321**	66,574
Total commitments	**69,918**	66,959	**69,321**	66,574

Provisions for expected credit losses held against contingent liabilities and commitments equal £18m (2024: £16m) for Barclays Bank UK Group and Barclays Bank UK PLC and are reported in Note 22.

Further details on contingent liabilities relating to legal, competition and regulatory matters can be found in Note 24.

24 Legal, competition and regulatory matters

The Barclays Bank UK 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 22, Provisions. We have not disclosed an estimate of the potential financial impact or effect on the Barclays Bank UK Group of contingent liabilities where it is not currently practicable to do so. Various matters detailed in this note seek damages of an unspecified amount. While certain matters specify the damages claimed, such claimed amounts do not necessarily reflect the Barclays Bank UK Group's potential financial exposure in respect of those matters.

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 investigations concerning financial crime systems and controls and compliance with the Money Laundering Regulations

The FCA conducted civil enforcement investigations into Barclays Bank PLC's and Barclays Bank UK PLC's compliance with the Money Laundering Regulations and the FCA's Principles of Business and Rules relating to anti-money laundering and financial crime systems and controls. The FCA's investigation of Barclays Bank PLC focused primarily on the historical oversight and management of a customer with heightened risk. In July 2025, Barclays Bank PLC agreed a settlement with the FCA to resolve the investigation. At the same time, Barclays Bank UK PLC reached a settlement with the FCA in a separate investigation concerning the onboarding of a client money account for an FCA-regulated firm. The FCA recognised Barclays' cooperation in both matters, which are now concluded.

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. Whilst engagement with HMRC continued during 2025, discussions remain at a relatively early stage and assessments have not yet been issued.

General

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

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

The notes included in this section focus on the Barclays Bank UK Group's loan capital and shareholders' equity including issued share capital, retained earnings and other equity balances. For more information on capital management and how the Barclays Bank UK Group maintains sufficient capital to meet our regulatory requirements refer to page 81.

25 Subordinated liabilities

Accounting for subordinated liabilities

Subordinated liabilities are measured at amortised cost using the effective interest method under IFRS 9.

	Barclays Bank UK Group[1]	
	2025	2024
	£m	£m
As at 1 January	13,512	11,499
Issuances	3,600	2,277
Redemptions	(2,703)	(372)
Other	(360)	108
As at 31 December	**14,049**	13,512

	Barclays Bank UK PLC[1]	
	2025	2024
	£m	£m
As at 1 January	13,512	11,499
Issuances	2,833	2,277
Redemptions	(2,703)	(372)
Other	(365)	108
As at 31 December	**13,277**	13,512

Issuances of £3,600m comprise £2,457m intra-group loans from Barclays PLC, £376m EUR 4.616% Fixed Rate Resetting Subordinated Callable Notes issued to Barclays PLC and £767m mezzanine and junior securitisation notes issued externally by a Barclays securitisation special purpose vehicle (SPV).

Redemptions of £2,703m comprise £2,203m intra-group loans from Barclays PLC and £500m GBP 3.750% Fixed Rate Resetting Subordinated Callable Notes issued to Barclays PLC.

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

Subordinated liabilities include accrued interest and none of the Barclays Bank UK Group's subordinated liabilities are secured other than the £772m mezzanine and junior securitisation notes.

			Barclays Bank UK Group[1]	
			2025	2024
	Initial call date	Maturity date	£m	£m
Barclays Bank UK PLC notes issued intra-group to Barclays PLC				
3.750% Fixed Rate Resetting Subordinated Callable Notes (GBP 500m)	2025	2030	—	483
5.20% Fixed Rate Subordinated Notes (USD 683m)		2026	507	528
4.836% Fixed Rate Subordinated Notes (USD 800m)	2027	2028	589	613
5.088% Fixed-to-Floating Rate Subordinated Callable Notes (USD 200m)	2029	2030	142	145
3.564% Fixed Rate Resetting Subordinated Callable Notes (USD 1,000m)	2030	2035	656	661
6.158% Fixed to Floating Tier2 Subordinated Callable Notes (AUD 500m)	2030	2035	249	248
Floating Rate Tier2 Subordinated Callable Notes (AUD 500m)	2030	2035	249	248
4.616% Fixed Rate Resetting Subordinated Callable Notes (EUR 450m)	2032	2037	405	—
7.119% Fixed-to-Floating Rate Subordinated Callable Notes (USD 640m)	2033	2034	470	488
Barclays Bank UK PLC intra-group loans from Barclays PLC				
Various Fixed, Fixed-to-Floating and Floating Rate Subordinated Loans			10,010	10,098
External issuances by Barclays Bank UK Group SPV		2036	772	—
Total subordinated liabilities			**14,049**	13,512

	Initial call date	Maturity date	Barclays Bank UK PLC[1] 2025 £m	2024 £m
Barclays Bank UK PLC notes issued intra-group to Barclays PLC				
3.750% Fixed Rate Resetting Subordinated Callable Notes (GBP 500m)	2025	2030	—	483
5.20% Fixed Rate Subordinated Notes (USD 683m)		2026	**507**	528
4.836% Fixed Rate Subordinated Notes (USD 800m)	2027	2028	**589**	613
5.088% Fixed-to-Floating Rate Subordinated Callable Notes (USD 200m)	2029	2030	**142**	145
3.564% Fixed Rate Resetting Subordinated Callable Notes (USD 1,000m)	2030	2035	**656**	661
6.158% Fixed to Floating Tier2 Subordinated Callable Notes (AUD 500m)	2030	2035	**249**	248
Floating Rate Tier2 Subordinated Callable Notes (AUD 500m)	2030	2035	**249**	248
4.616% Fixed Rate Resetting Subordinated Callable Notes (EUR 450m)	2032	2037	**405**	—
7.119% Fixed-to-Floating Rate Subordinated Callable Notes (USD 640m)	2033	2034	**470**	488
Barclays Bank UK PLC intra-group loans from Barclays PLC				
Various Fixed, Fixed-to-Floating and Floating Rate Subordinated Loans			**10,010**	10,098
Total subordinated liabilities			**13,277**	13,512

Note
1 Instrument values are disclosed to the nearest million.

Subordinated liabilities

Subordinated liabilities are issued by Barclays Bank UK PLC for the development and expansion of the business and to strengthen the capital base.

The principal terms of these liabilities are described below:

Currency and Maturity
In addition to the individual subordinated liabilities listed in the table, the £10,010m (2024: £10,098m) balance of intra-group loans is made up of various fixed, fixed-to-floating and floating rate loans from Barclays PLC with notional amounts denominated in USD 10,465m, EUR 1,300m and GBP 1,000m, with maturities ranging from 2026 to 2055. Certain intra-group loans have a call date one year prior to their maturity.

Subordination
All subordinated liabilities, both externally issued and issued intra-group to Barclays PLC, rank behind the claims of depositors and other unsecured unsubordinated creditors but before the claims of the holders of Barclays Bank UK PLC equity. However, the subordinated notes rank behind the subordinated loans.

The dated subordinated liabilities issued externally by a Barclays Bank UK Group securitisation SPV are asset backed securities with limited recourse obligations against the SPV's assets. The junior and mezzanine notes and certificates rank behind the senior notes issued by the Barclays Bank UK Group SPV. Noteholders and certificate holders will have no recourse to Barclays Bank UK PLC as a source of payment.

Interest
Interest on the floating rate loans is set by reference to market rates at the time of issuance and is fixed periodically in advance, based on the related market rate.

Interest on fixed rate notes and loans is set by reference to market rates at the time of issuance and fixed until maturity.

Interest on fixed rate callable notes and loans is set by reference to market rates at the time of issuance and fixed until the call date. After the call date, in the event that the notes or loans are not redeemed, the interest rate will be re-set to either a fixed or floating rate until maturity based on market rates.

Repayment
Those notes and loans with a call date are repayable at the option of Barclays Bank UK PLC on such call date in accordance with the conditions governing the respective liabilities, some in whole or in part, and some only in whole, or otherwise on maturity. The remaining instruments outstanding at 31 December 2025 are redeemable only on maturity, subject in particular cases to provisions allowing an early redemption in the event of certain changes in tax law or to certain changes in legislation or regulations.

Any repayments prior to maturity may require the prior consent of the PRA or BoE.

There are no committed facilities in existence at the balance sheet date which permit the refinancing of debt beyond the date of maturity.

26 Ordinary shares, share premium, and other equity

Called up share capital, allotted and fully paid					
BBUK Group and BBUK PLC	Number of ordinary shares	Ordinary share capital	Ordinary share premium	Total called up ordinary share capital and share premium	Other equity instruments
	m	£m	£m	£m	£m
As at 1 January 2025	**505**	**5**	**—**	**5**	**2,425**
AT1 securities issuance	—	—	—	—	**990**
AT1 securities redemption	—	—	—	—	**(1,188)**
As at 31 December 2025	**505**	**5**	**—**	**5**	**2,227**
As at 1 January 2024	505	5	—	5	2,429
AT1 securities issuance	—	—	—	—	618
AT1 securities redemption	—	—	—	—	(622)
As at 31 December 2024	505	5	—	5	2,425

Ordinary shares

The issued ordinary share capital of Barclays Bank UK PLC, as at 31 December 2025, comprised 505m (2024: 505m) ordinary shares of £0.01 each.

Other equity instruments

Other equity instruments of £2,227m (2024: £2,425m) include AT1 securities issued to Barclays PLC. Barclays PLC uses funds from its own market issuance of AT1 securities to purchase AT1 securities from the Barclays Bank UK Group. The AT1 securities are perpetual securities with no fixed maturity and are structured to qualify as AT1 instruments under prevailing capital rules applicable as at the relevant issue date.

In 2025, there was one issuance (2024: one) of AT1 instruments in the form of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities for £990m (2024: £618m) which includes issuance costs of £10m (2024: £6m) and two redemptions (2024: one) for £1,188m (2024: £622m).

AT1 equity instruments			
BBUK Group and BBUK PLC			
	Initial call date	2025 £m	2024 £m
AT1 equity instruments - Barclays Bank UK Group			
7.125% Perpetual Subordinated Contingent Convertible Securities	2025	—	693
6.375% Perpetual Subordinated Contingent Convertible Securities	2025	—	495
9.250% Perpetual Subordinated Contingent Convertible Securities	2028	**619**	619
8.500% Perpetual Subordinated Contingent Convertible Securities	2030	**618**	618
8.375% Perpetual Subordinated Contingent Convertible Securities	2031	**990**	—
Total AT1 equity instruments		**2,227**	2,425

The principal terms of the AT1 securities are described below:

- AT1 securities rank behind the claims against Barclays Bank UK PLC i) of depositors and/or other unsubordinated creditors of Barclays Bank UK PLC; ii) such claims which are, or are expressed to be, subordinated to the claims of unsubordinated creditors of Barclays Bank UK PLC but not further or otherwise; iii) of creditors of Barclays Bank UK PLC in respect of any secondary non-preferential debts; or iv) such claims which are, or are expressed to be, junior to the claims of other creditors of Barclays Bank UK 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 of Barclays Bank UK PLC.

- AT1 securities are undated and are redeemable, at the option of Barclays Bank UK PLC, in whole on either (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 Bank UK PLC, in whole in the event of certain changes in the tax or regulatory treatment of the securities and, in certain cases, on a clean-up call. Any redemptions require the prior permission of the PRA.

- Interest on the AT1 securities is due and payable only at the sole discretion of Barclays Bank UK PLC, and Barclays Bank UK 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.
- The Additional Tier 1 securities shall convert into ordinary shares of Barclays Bank UK PLC, at a predetermined price, should the fully loaded CET1 Ratio at an individual level or the sub-consolidated level fall below 7%.

27 Reserves

Fair value through other comprehensive income reserve
The fair value through other comprehensive income reserve represents the changes in the fair value of financial instruments accounted for at fair value through other comprehensive income investments since initial recognition.

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

Other reserves and other shareholders' equity
Other reserves and other shareholders' equity relate to the merger reserve for Barclays Bank UK Group and the Group Reconstruction Relief for Barclays Bank UK PLC, in respect of the transfer of the UK banking business in 2018.

	Barclays Bank UK Group		Barclays Bank UK PLC	
	2025	2024	2025	2024
	£m	£m	£m	£m
Fair value through other comprehensive income reserve	**(86)**	(192)	**(86)**	(192)
Cash flow hedging reserve	**(41)**	(793)	**(41)**	(793)
Other reserves and other shareholders' equity	**89**	89	**102**	191
Total	**(38)**	(896)	**(25)**	(794)

The notes included in this section focus on the costs and commitments associated with employing our staff.

28 Staff costs

Accounting for staff costs

Deferred cash and share awards are made to employees to incentivise performance over the period employees provide services. To receive 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 Barclays Bank UK Group considers it appropriate to recognise the expense over the vesting period including the financial year prior to the grant date.

The accounting policy for share-based payments and retirement benefits are included in Note 29 and Note 30 respectively.

	2025 £m	2024 £m
Performance costs	127	103
Salaries	896	761
Social security costs	127	92
Retirement benefits[1]	89	56
Other compensation costs	70	33
Total compensation costs	1,309	1,045
Other resourcing costs		
Outsourcing	158	95
Redundancy and restructuring	45	41
Temporary staff costs	18	17
Other	25	17
Total other resourcing costs	246	170
Total staff costs	1,555	1,215

Note

1 Retirement benefits charge includes £66m (2024: £56m) with respect to defined contribution schemes and £23m (2024: £nil) with respect to defined benefit schemes.

29 Share-based payments

Accounting for share-based payments

Employee incentives include awards in the form of shares and share options, as well as offering employees the opportunity to purchase shares on favourable terms. The cost of the employee services received in respect of the shares or share options granted is recognised in the income statement over the period that employees provide services. The overall cost of the award is calculated using the number of shares and options expected to vest and the fair value of the shares or options at the date of grant.

The number of shares and options expected to vest takes into account the likelihood that applicable 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	
	2025	2024
	£m	£m
Share Value Plan and Deferred Share Value Plan	9	7
Others	29	16
Total Equity settled	**38**	23
Cash Settled	—	—
Total Share-based payments	**38**	23

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. 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 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. A free share award was delivered under the SVP to all eligible employees in 2025, with this award being subject to a two-year holding period.

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:

	2025				2024			
	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]	**2.78**	**3.07**	**2**	**12,103**	1.61	1.73	2	13,291
Others[1,3]	**1.45-3.58**	**3.05-3.98**	**0-2**	**64,477**	0.81-2.11	1.71-2.11	0-2	77,945

SVP and DSVP are nil cost awards on which the performance conditions are substantially completed at the date of grant. Consequently, the fair value of these awards is based on the market value at that date.

Sharesave has a contractual life of 3 years and 5 years, the expected volatility is 29.04% for 3 years and 26.48% for 5 years. The risk free interest rates used for valuations are 3.47% and 3.56% for 3 years and 5 years respectively. The pure dividend yield rates used for valuations are 1.99% and 2.14% for 3 years and 5 years respectively. The repo rates used for valuations are (0.60%) and (0.69%) 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 (£)	
	2025	2024	2025	2024	2025	2024
Outstanding at beginning of year/ acquisition date	**13,291**	12,265	**77,945**	93,867	**1.20**	1.05
Transfers within the year[4]	**(478)**	(1,027)	**98**	7,716		
Granted in the year	**2,739**	6,030	**16,498**	15,991	**2.99**	1.79
Exercised/released in the year	**(3,320)**	(3,491)	**(27,249)**	(32,908)	**1.01**	0.95
Less: forfeited in the year	**(129)**	(486)	**(2,478)**	(5,779)	**1.51**	1.20
Less: expired in the year	**—**	—	**(337)**	(942)	**1.21**	1.27
Outstanding at end of year	**12,103**	13,291	**64,477**	77,945	**1.58**	1.20
Of which exercisable:	**—**	—	**12,029**	9,044	**0.94**	1.20

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 6,163,016 (2024: 2,318,823)). The weighted average exercise price relates to Sharesave.
4 Awards of employees transferred between Barclays Bank UK Group and the rest of the Barclays PLC Group.

Awards and options granted to employees and former employees of Barclays Bank UK Group under the Barclays PLC Group share plans may be satisfied using new issue shares, treasury shares and market purchase shares of Barclays PLC. Awards granted to employees and former employees of Barclays Bank UK Group under DSVP may only be satisfied using market purchase shares of Barclays PLC.

There were no significant modifications to the share-based payments arrangements in 2025 and 2024.

As at 31 December 2025, the total liability arising from cash-settled employee share-based payments transactions was £nil (2024: £nil).

30 Retirement benefits

Accounting for retirement benefits
The Barclays Bank UK Group participates in three UK pension schemes, one with a defined benefit element and the other two being defined contribution schemes.

Defined contribution – the Barclays Bank UK 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 – the Barclays Bank UK Group recognises its obligations to members of the defined benefit scheme at the period end, less the fair value of the scheme assets after applying the asset ceiling test.

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 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).

Pension schemes

The Barclays UK Section of the UK Retirement Fund (UKRF)
The Barclays UK Section of the UKRF is the only defined benefit scheme within the Barclays Bank UK Group.

Between 1 January 2025 and 30 June 2025, Barclays Bank UK PLC was a participating employer in the UKRF, with Barclays Bank PLC as the principal employer. For the period to 30 June 2025, Barclays Bank UK PLC solely recognised a cost equal to its contributions to the UKRF, whilst Barclays Bank PLC accounted for the defined benefit obligation.

From 1 July 2025 the UKRF was amended to become a sectionalised scheme to meet the requirements of the Financial Services and Markets Act 2000 (Banking Reform) (Pensions) Regulations 2015, creating two separate sections - the Barclays Bank Section and the Barclays UK Section. From 1 July 2025, Barclays Bank UK PLC participates in the Barclays UK Section only. As a result of sectionalisation, £750m of UKRF assets were allocated to the Barclays UK Section, along with £697m of benefit obligation relating to Barclays Bank UK PLC active employees. The benefit obligation that was allocated was only the accrued service for active employees as at 1 July 2025. No benefit obligation was allocated in respect of former employees. The benefit obligation for former employees remains in the Barclays Bank Section.

Sectionalisation led to a net retirement benefit asset for Barclays Bank UK PLC of £53m, recognised through other comprehensive income. The sectionalisation means that Barclays Bank UK Group is not exposed to the liabilities of the Barclays Bank Section of the UKRF, to which it had contingent exposure prior to 1 July 2025.

Comparative figures are not provided, as the sectionalisation was only effective from 1 July 2025.

The UKRF was closed to new entrants on 1 October 2012. The benefit provided to Barclays Bank UK PLC employees is called Afterwork. Afterwork 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 risks that the Barclays Bank UK Group is exposed to in relation to Afterwork are limited although additional contributions are required if pre-retirement investment returns are not sufficient to provide for the benefits. Note that life expectancy is not a significant risk for the Barclays UK Section of the UKRF as the benefit at retirement is a cash lump sum not a pension for life.

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 risks for the Barclays Bank UK Group that defined benefit schemes are. Members' benefits reflect contributions paid and the level of investment returns achieved.

Kensington Mortgage Company Limited group personal pension plan (KMC gpp)
The KMC gpp is a defined contribution scheme providing benefits for Kensington Mortgage Company Limited employees. KMC gpp is not subject to the same investment return risks for the Barclays Bank UK Group that defined benefit schemes are. Members' benefits reflect contributions paid and the level of investment returns achieved.

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 Trustee is Barclays Pension Funds Trustees Limited, a private limited company and a wholly owned subsidiary of Barclays Bank PLC. The Trustee is the legal owner of the assets of the UKRF which are held separately from the assets of the Barclays Bank UK Group.

The Trustee of the UKRF comprises six Management Directors selected by Barclays Bank PLC, of whom three are independent Directors with no relationship with the Barclays Group (and who are not members of the UKRF), plus three Member Nominated Directors selected from eligible active, deferred or pensioner members of the UKRF who apply for the role.

The BPSP and KMC gpp operate as a collection of personal pension plans. Each personal pension plan is a direct contract between the employee and the provider (Legal & General Assurance Society Limited and Aviva Life & Pensions UK Limited respectively). Both providers are regulated by the FCA.

Amounts recognised

The following tables include amounts recognised in the income statement and an analysis of benefit obligations and scheme assets for the Barclays UK Section of the UKRF. The net position is reconciled to the assets and liabilities recognised on the balance sheet. The income statement charge with respect to defined contribution schemes is disclosed as part of footnotes to Note 28 Staff costs.

Income statement charge[1]

	2025 £m
Current service cost	23
Net finance income	(2)
Total	**21**

Note:
1 The Income statement numbers relate to H2 2025, due to the effect of sectionalisation.

For the period to 30 June 2025, Barclays Bank UK PLC solely recognised a cost equal to its contributions to the UKRF, and these appear in Note 28 Staff Costs, whilst Barclays Bank PLC accounted for the defined benefit obligation. Barclays Bank UK PLC is the relevant employer of the Barclays UK Section of the UKRF and hence Assets and Defined Benefit Obligations relating to this Section are recognised within Barclays Bank UK PLC and Barclays Group.

Balance sheet reconciliation	2025
	Total
	£m
Benefit obligation allocated post-sectionalisation	(697)
Current service cost	(23)
Interest costs on scheme liabilities	(19)
Remeasurement gain – financial	2
Remeasurement gain – experience	1
Employee contributions	—
Benefits paid	5
Other movements	1
Benefit obligation at end of the year	(730)
Fair value of scheme assets allocated post-sectionalisation	750
Interest income on scheme assets	21
Employer contribution	26
Remeasurement – return on scheme assets greater than discount rate	7
Employee contributions	—
Benefits paid	(5)
Fair value of scheme assets at end of the year	799
Net surplus	69
Retirement benefit assets	69
Retirement benefit liabilities	—
Net retirement benefit assets	69

Breakdown of the benefit obligation	2025
	Total
	£m
Active members	719
Deferred members	11
Pensioners and Dependents	—
Total benefit obligation at end of the year	730

Amounts charged to other comprehensive income of £46m primarily comprises £53m net gain on transfer of balances into Barclays UK Section of the UKRF on sectionalisation and a £10m remeasurement gain from 1 July 2025 through to 31 December 2025 offset by deferred tax charge of £18m.

As at 31 December 2025, the Barclays UK Section assets were in surplus versus IAS 19 obligations by £69m.

The weighted average duration of the benefit payments reflected in the defined benefit obligation for the Barclays UK Section of the UKRF is 10 years. The expected benefits promised to date are projected to be paid out for in excess of 20 years, although 38% of the benefits are expected to be paid in the next 10 years and 48% in years 11 to 20. The remainder of the benefits are expected to be paid beyond 20 years.

Of the £5m benefits paid out, £3m related to transfers out.

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 if the Barclays Bank UK Group has an unconditional right to a refund of this asset at the end of the life of the plan (the asset ceiling). In the case of the Barclays UK Section of the UKRF asset ceiling is not applied as, in certain specified circumstances such as wind-up, the Barclays Bank UK Group expects to be able to recover any surplus or reduce contributions. The Trustee does not have a substantive right to augment benefits, nor do they have the right to wind-up the plan except in the dissolution of Barclays Bank UK PLC or termination of contributions by Barclays Bank UK PLC.

Critical accounting estimates and judgements

Key areas involving a higher degree of judgement or estimation include:

Estimates
Valuation of defined benefit scheme obligations are dependent on a number of assumptions, the most critical being discount rates, and price inflation. Note that life expectancy is not a critical assumption for this Section as the benefit at retirement is a cash lump sum not a pension for life.

Barclays Bank UK Group does not consider there to be a significant risk of a material adjustment to the carrying amount of defined benefit obligations within the next financial year.

Below is a summary of the main financial assumptions adopted.

	2025
Key financial assumptions	% p.a.
Discount rate	5.42
Inflation rate (RPI)	2.89

The discount rate assumption for 2025 for the Barclays UK Section of the UKRF was based on a standard WTW RATE Link model. The RPI inflation assumption for 2025 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 1 July 2025.

Sensitivity analysis on actuarial assumptions

The sensitivity analysis has been calculated by valuing the Barclays UK Section liabilities using the amended assumptions shown in the table below and keeping the remaining assumptions the same as disclosed in the table above, except in the case of the inflation sensitivity where other assumptions that depend on assumed inflation have also been amended correspondingly. The difference between the recalculated liability figure and that stated in the balance sheet reconciliation table above is the figure shown. The selection of these movements to illustrate the sensitivity of the defined benefit obligation to key assumptions should not be interpreted as the Barclays Bank UK Group expressing any specific view of the probability of such movements happening.

Change in key assumptions

	2025
	(Decrease)/ Increase in Barclays UK Section of the UKRF defined benefit obligation
	£bn
Discount rate	
0.5% p.a. increase	(0.03)
0.25% p.a. increase	(0.02)
0.25% p.a. decrease	0.02
0.5% p.a. decrease	0.04
Assumed RPI	
0.5% p.a. increase	0.03
0.25% p.a. increase	0.01
0.25% p.a. decrease	(0.01)
0.5% p.a. decrease	(0.03)

Assets

A long-term investment strategy has been set for the Barclays UK Section of the UKRF, with its asset allocation comprising a mixture of equities, bonds, and other appropriate assets. This strategy 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 Barclays UK Section of the UKRF and their percentage in relation to total scheme assets were as follows:

Analysis of scheme assets

	Total			
	Quoted £m	Unquoted £m	Value £m	% of total fair value of scheme assets %
As at 31 December 2025				
Bonds - fixed government	48	—	48	6.0
Bonds - index-linked government	518	—	518	64.8
Bonds - corporate and other	91	286	377	47.2
Equities	99	—	99	12.4
Derivatives	—	3	3	0.4
Cash and liquid assets[1]	17	—	17	2.1
Repurchase agreements	—	(263)	(263)	(32.9)
Fair value of scheme assets	773	26	799	100.0

Note:
1 Cash and liquid assets consist of £3.5m of cash including receivables/payables and £13.5m of pooled cash funds.

Included within the fair value of Barclays UK Section assets was nil relating to shares in Barclays PLC and nil relating to bonds issued by Barclays PLC or Barclays Bank UK PLC.

At 31 December 2025, 38% of the assets were invested in liability-driven investment strategies; primarily UK gilts as well as gilt repurchase agreements. These investments are used to better match the assets to its liabilities and reduce the scheme's inflation and duration risks against its liabilities.

The Barclays UK Section of 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 Barclays UK section, with any derivative holdings reflected on a fair value basis.

The Barclays UK Section of the UKRF has a comprehensive and robust liquidity framework in place. The aim of the liquidity framework is to ensure that benefit 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.

For information on the UKRF Trustee's approach to Responsible Investment and Climate Risk, in the context of managing the UKRF, please refer to the UKRF Trustee website at https://epa.towerswatson.com/accounts/barclays/public/barclays-bank-responsible-investment-policy/.

Funding valuation

The first triennial funding valuation of the Barclays UK Section of the UKRF is due to be completed in 2026 with an effective date of 30 September 2025.

Other support measure agreed

Collateral

Barclays Bank UK PLC has entered into an agreement with the Trustee of the UKRF to provide collateral to cover at least 100% of any funding deficit with an overall cap of £0.6bn, to provide security if the Barclays UK Section of the UKRF is in a funding deficit. The collateral pool is currently zero reflecting the surplus funding position. The arrangement provides the Barclays UK Section of the UKRF with dedicated access to the pool of assets in the event of Barclays Bank UK PLC not paying any required deficit reduction contribution to the Barclays UK Section or in the event of Barclays Bank UK PLC's insolvency.

Contributions

The Barclays Bank UK Group's expected contribution to the Barclays UK Section in respect of defined benefits in 2026 is £48m.

The section presents information on the Barclays Bank UK Group's interests in structured entities. Detail is also given on securitisation transactions the Barclays Bank UK Group has entered into and arrangements that are held off-balance sheet.

31 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 Barclays Bank UK Group's power over the activities of the entity and its exposure to and ability to influence its own returns, it may consolidate the entity. In other cases, it may sponsor or have exposure to such an entity but not consolidate it.

Consolidated structured entities

The Barclays Bank UK Group has contractual arrangements which may require it to provide financial support to the following types of consolidated structured entities:

Securitisation vehicles

The Barclays Bank UK Group uses securitisation as a source of financing and a means of risk transfer. Refer to Note 32 for further detail.

Unconsolidated structured entities

The term 'unconsolidated structured entities' refers to structured entities not controlled by the Barclays Bank UK Group, and are established by the Barclays Bank UK Group or a third party. An interest in a structured entity is any form of contractual or non-contractual involvement which creates variability in returns arising from the performance of the entity for the Barclays Bank UK Group. Such interests include holding of debt or equity securities, lending, loan commitments and financial guarantees.

The Barclays Bank UK 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. Structured entities may take the form of funds, trusts, securitisation vehicles, and private investment companies. The largest transactions for Barclays Bank UK Group include holding notes issued by securitisation vehicles, loans to trusts, and facilitating customer requirements through funds. As at 31 December 2025, Barclays entered into transactions with approximately 127 (2024: 217) structured entities.

The Barclays Bank UK Group's interests in structured entities are set out below, summarised by the nature of the interest and limited to significant categories, based on maximum exposure to loss.

Summary of interests in unconsolidated structured entities

As at 31 December 2025	Lending £m	Other £m	Total[1] £m
Financial assets at fair value through the income statement	25	—	25
Financial assets at fair value through other comprehensive income	—	156	156
Loans and advances at amortised cost	574	—	574
Debt securities at amortised cost		9,749	9,749
Other assets	—	—	—
Total on-balance sheet exposures	599	9,905	10,504
Total off-balance sheet notional amounts	—	—	—
Maximum exposure to loss	599	9,905	10,504
Total assets of the entity	1,464	15,788	17,252
As at 31 December 2024			
Financial assets at fair value through the income statement	27	—	27
Financial assets at fair value through other comprehensive income	—	719	719
Loans and advances at amortised cost	597	—	597
Debt securities at amortised cost	—	8,893	8,893
Other assets	—	—	—
Total on-balance sheet exposures	624	9,612	10,236
Total off-balance sheet notional amounts	4	—	4
Maximum exposure to loss	628	9,612	10,240
Total assets of the entity	4,722	22,916	27,638

Note
1 None of the structured entities are Barclays Bank UK Group owned and none are consolidated in accordance with IFRS 10 Consolidated Financial Statements.

Maximum exposure to loss
Unless specified otherwise below, the Barclays Bank UK 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.

Lending
The portfolio includes lending provided by the Barclays Bank UK Group to unconsolidated structured entities in the normal course of its lending business to earn income in the form of interest and lending fees and includes loans to structured entities that are generally collateralised by property, equipment or other assets. All loans are subject to the Barclays Bank UK Group's credit sanctioning process. Collateral arrangements are specific to the circumstances of each loan with additional guarantees and collateral sought from the sponsor of the structured entity for certain arrangements. During the year the Barclays Bank UK Group incurred immaterial impairment against such facilities.

Other
This includes interests in debt securities issued by securitisation vehicles.

Assets transferred to sponsored unconsolidated structured entities
The Barclays Bank UK Group is considered to sponsor another entity if, it had a key role in establishing that entity, it transferred assets to the entity, the Barclays name appears in the name of the entity or it provides guarantees on the entity's performance. As at 31 December 2025, no assets were transferred to sponsored unconsolidated structured entities (2024: nil).

32 Securitisations

Accounting for securitisations

The Barclays Bank UK Group uses securitisations as a source of finance and a means of risk transfer. Such transactions generally result in the transfer of contractual cash flows from portfolios of financial assets to holders of issued debt securities.

Securitisations may, depending on the individual arrangement, result in continued recognition of the securitised assets and the recognition of the debt securities issued in the transaction; lead to partial continued recognition of the assets to the extent of the Barclays Bank UK Group's continuing involvement in those assets or lead to derecognition of the assets and the separate recognition, as assets or liabilities, of any rights and obligations created or retained in the transfer. Full derecognition only occurs when the Barclays Bank UK Group transfers both its contractual right to receive cash flows from the financial assets, or retains the contractual rights to receive the cash flows, but assumes a contractual obligation to pay the cash flows to another party without material delay or reinvestment, and also transfers substantially all the risks and rewards of ownership, including credit risk, prepayment risk and interest rate risk.

In the course of its normal banking activities, the Barclays Bank UK Group transfers financial assets, either where legal rights to the cash flows from the asset are passed to the counterparty or beneficially, where the Barclays Bank UK 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

The Barclays Bank UK Group is party to securitisation transactions involving its credit card balances, consumer 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 Barclays Bank UK Group's continuing involvement in those assets can also occur or derecognition of the assets and the separate recognition, as assets or liabilities, of any rights and obligations created or retained in the transfer.

The following table shows the carrying amount of securitised assets that have not resulted in full derecognition, together with the associated liabilities, for each category of asset on the balance sheet:

	2025				2024			
	Assets		Liabilities		Assets		Liabilities	
Barclays Bank UK Group	Carrying amount £m	Fair value £m	Carrying amount £m	Fair value £m	Carrying amount £m	Fair value £m	Carrying amount £m	Fair value £m
Loans and advances at amortised cost								
Credit cards, unsecured loans and other retail lending	**6,409**	**6,383**	**(1,454)**	**(1,456)**	3,540	3,540	(555)	(555)
Mortgage loans	**236**	**238**	**(33)**	**(39)**	254	263	(34)	(34)
Total	**6,645**	**6,621**	**(1,487)**	**(1,495)**	3,794	3,803	(589)	(589)

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 Barclays Bank UK Group.

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.

	2025				2024			
	Assets		Liabilities		Assets		Liabilities	
Barclays Bank UK PLC	Carrying amount £m	Fair value £m	Carrying amount £m	Fair value £m	Carrying amount £m	Fair value £m	Carrying amount £m	Fair value £m
Loans and advances at amortised cost								
Credit cards, unsecured loans and other retail lending	6,409	6,383	(1,454)	(1,456)	3,540	3,540	(555)	(555)
Mortgage loans	214	216	—	—	231	239	—	—
Total	6,623	6,599	(1,454)	(1,456)	3,771	3,779	(555)	(555)

Balances included within Credit cards, unsecured loans and other retail lending represent securitisations where substantially all the risks and rewards of the asset have been retained and balances included within Mortgage loans represent securitisations where the risks and rewards are neither substantially transferred nor retained.

If Barclays Bank UK PLC transfers a financial asset but does not transfer or retain substantially all the risk and rewards of the asset and retains control over it, the transferred assets are recognised to the extent of Barclays Bank UK PLCs continuing involvement. Total mortgage assets of £496m (2024: £496m) were originally transferred in this manner and the carrying value of the asset representing continued involvement is included in the table above.

Continuing involvement in financial assets that have been derecognised

In some cases, the Barclays Bank UK Group may have transferred a financial asset in its entirety but may have continuing involvement in it. This arises in asset securitisations where loans and asset backed securities were derecognised as a result of the Barclays Bank UK Group's involvement with residential 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:

BBUK Group and BBUK PLC	Continuing involvement[1]			Gain/(loss) from continuing involvement	
Type of transfer	Carrying amount £m	Fair value £m	Maximum exposure to loss £m	For the year ended £m	Cumulative to 31 December £m
2025					
Residential mortgage backed securities	919	915	919	45	70
Total	919	915	919	45	70
2024					
Residential mortgage backed securities	941	934	941	34	24
Total	941	934	941	34	24

Note
1 Assets which represent the Barclays Bank UK Group's continuing involvement in derecognised assets are recorded in Loans and advances at amortised cost.

33 Assets pledged, collateral received and assets transferred

Assets are pledged or transferred as collateral to secure liabilities under repurchase agreements, securitisations and stock lending agreements or as security deposits relating to derivatives. Assets transferred are non-cash assets transferred to a third party that do not qualify for derecognition from the Barclays Bank UK Group balance sheet, for example because Barclays Bank UK Group retains substantially all the exposure to those assets under an agreement to repurchase them in the future for a fixed price.

Where non-cash assets are pledged or transferred as collateral for cash received, the asset continues to be recognised in full, and a related liability is also recognised on the balance sheet. Where non-cash assets are pledged or transferred as collateral in an exchange for non-cash assets, the transferred asset continues to be recognised in full, and there is no associated liability as the non-cash collateral received is not recognised on the balance sheet. The Barclays Bank UK 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:

	BBUK Group and BBUK PLC	
	2025	2024
	£m	£m
Loans and advances at amortised cost	17,414	23,524
Cash collateral	4,039	3,972
Financial assets at fair value through other comprehensive income	5,845	1,761
Trading Portfolio Assets	253	—
Assets pledged	27,551	29,257

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 liability recorded on the balance sheet.

	BBUK Group and BBUK PLC	
	Transferred assets	Associated liabilities
	£m	£m
As at 31 December 2025		
Repurchase agreements	17,364	(13,531)
Debt securities in issue	3,765	(3,459)
Derivatives	871	(871)
Other	5,551	(3,973)
Total	27,551	(21,834)
As at 31 December 2024		
Repurchase agreements	19,782	(15,502)
Debt securities in issue	3,481	(2,532)
Derivatives	955	(955)
Other	5,039	(3,840)
Total	29,257	(22,829)

Included within Debt securities in issue 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		
Barclays Bank UK Group	Transferred assets	Associated liabilities[1]	Transferred assets	Associated liabilities[1]	Net position
	£m	£m	£m	£m	£m
2025					
Recourse to transferred assets only	6,645	(1,487)	6,621	(1,495)	5,126
2024					
Recourse to transferred assets only	3,794	(576)	3,803	(575)	3,228

Barclays Bank UK PLC	Carrying value		Fair value		
	Transferred assets	Associated liabilities[1]	Transferred assets	Associated liabilities[1]	Net position
	£m	£m	£m	£m	£m
2025					
Recourse to transferred assets only	**6,409**	**(1,454)**	**6,383**	**(1,456)**	**4,927**
2024					
Recourse to transferred assets only	3,794	(576)	3,803	(575)	3,228

1 The current period disclosure has been enhanced to include internal counterparties as well.

Barclays Bank UK Group has an additional £6,354.1m (2024: £5,634.6m) of loans and advances within its asset backed funding programmes that can readily be used to raise additional secured funding and are available to support future issuances.

Collateral held as security for assets

Under certain transactions, including reverse repurchase agreements and stock borrowing transactions, Barclays Bank UK Group is allowed to resell or re-pledge the collateral held. Collateralised transactions, such as securities lending and borrowing, repurchase and derivative transactions are conducted in accordance with standard terms which are customary in the market.

The fair value at the balance sheet date of collateral accepted and re-pledged to others was as follows:

	BBUK Group and BBUK PLC	
	2025	2024
	£m	£m
Fair value of securities accepted as collateral	**6,955**	6,520
Of which fair value of securities re-pledged/transferred to others	**870**	681

The notes included in this section focus on related party transactions, Auditors' remuneration, Directors' remuneration and business acquisitions. Related parties include any subsidiaries, associates, joint ventures and key management personnel.

34 Related party transactions and Directors' remuneration

Related party transactions
Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions, or one other party controls both.

Parent company
The parent company, which is also the ultimate parent company, is Barclays PLC, which holds 100% of the issued ordinary shares of Barclays Bank UK PLC. The largest group in which the results of the Company are consolidated is headed by Barclays PLC, 1 Churchill Place London E14 5HP. The consolidated financial statements of the Barclays Group are available to the public and may be obtained from Barclays Corporate Secretariat, 1 Churchill Place London E14 5HP.

Subsidiaries
Transactions between Barclays Bank UK PLC and its subsidiaries meet the definition of related party transactions. Where these are eliminated on consolidation, they are not disclosed in the Barclays Bank UK Group's financial statements.

Fellow subsidiaries
Transactions between the Barclays Bank UK Group and other subsidiaries of the parent company also meet the definition of related party transactions.

Associates, joint ventures and other entities
There were no material related party transactions with associates, joint ventures or pension funds during the year.

Amounts included in the Barclays Bank UK Group's financial statements, in aggregate, by category of related party entity are as follows:

	Parent £m	Fellow subsidiaries £m
For the year ended and as at 31 December 2025		
Total income	(726)	243
Credit impairment charges	—	—
Operating expenses	(49)	(2,456)
Total assets	—	4,465
Total liabilities	13,287	2,601
For the year ended and as at 31 December 2024		
Total income	(641)	243
Credit impairment charges	—	—
Operating expenses	(45)	(2,338)
Total assets	—	5,049
Total liabilities	14,080	556

Following sectionalisation on 1 July 2025 the UKRF has been established as a related party in 2025 and all related party transactions related to the UKRF are included in the Retirement benefits note (note 30).

Amounts included in Barclays Bank UK PLC's financial statements, in aggregate, by category of related party entity are as follows:

	Parent	Subsidiaries	Fellow subsidiaries
	£m	£m	£m
As at 31 December 2025			
Total assets	—	931	4,435
Total liabilities	13,287	2,031	2,548
As at 31 December 2024			
Total assets	—	1,025	5,022
Total liabilities	14,080	1,123	505

It is the normal practice of Barclays Bank UK PLC to provide its subsidiaries with support and assistance by way of guarantees, indemnities, letters of comfort and commitments, as may be appropriate, with a view to enabling them to meet their obligations and to maintain their good standing, including commitment of capital and facilities. For dividends paid to Barclays PLC see Note 10.

Key Management Personnel

Key Management Personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of Barclays Bank UK PLC (directly or indirectly) and comprise the Directors and Officers of Barclays Bank UK PLC, certain direct reports of the Chief Executive Officer and the heads of major business units and functions.

The Barclays Bank UK Group provides banking services to Key Management Personnel and persons connected to them. The balances outstanding as at 31 December were as follows:

Banking Services provided	2025	2024
	£m	£m
Loans outstanding as at 31 December	3.2	3.3
Deposits outstanding as at 31 December	6.5	5.7

Total commitments outstanding

Total commitments outstanding refer to the total of any undrawn amounts on credit card and/or overdraft facilities provided to Key Management Personnel. Total commitments outstanding as at 31 December 2025 were £0.4m (2024: £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.

	2025 £m	2024 £m
Salaries and other short-term benefits	13.9	15.6
Pension costs	0.2	0.2
Other long-term benefits	2.7	2.6
Share-based payments	2.9	3.1
Employer social security charges on emoluments	2.4	2.6
Costs recognised for accounting purposes	22.1	24.1
Employer social security charges on emoluments	(2.4)	(2.6)
Other long-term benefits – difference between awards granted and costs recognised	0.9	1.0
Share-based payments – difference between awards granted and costs recognised	0.7	0.5
Total remuneration awarded	21.3	23.0

Disclosure required by the Companies Act 2006

The following information regarding the Barclays Bank UK PLC Board of Directors is presented in accordance with the Companies Act 2006:

	2025 £m	2024 £m
Aggregate emoluments[1]	5.4	5.3

Note

1 The aggregate emoluments include amounts paid for the 2025 year. In addition, deferred cash and share awards for 2025 with a total value at grant of £3.8m (2024: £3.0m) will be made to Directors which will only vest subject to meeting certain conditions.

Pension contributions of £31,242 were paid to defined contribution schemes on behalf of Directors (2024: £30,000). There were no notional pension contributions to defined contribution schemes.

As at 31 December 2025, there were no Directors accruing benefits under a defined benefit scheme (2024: nil).

The aggregate amount of compensation payable to departing officers in respect of loss of office was £nil (2024: £nil).

Of the figures in the table above, the amounts attributable to the highest paid Director in respect of qualifying services are as follows:

	2025 £m	2024 £m
Aggregate emoluments[1]	2.1	1.8

Note

1 The aggregate emoluments include amounts paid for the 2025 year. In addition, deferred cash and share awards for 2025 with a total value at grant of £3.0m (2024: £2.2m) will be made to highest paid Director which will only vest subject to meeting certain conditions.

There were no actual pension contributions paid to defined contribution schemes on behalf of the highest paid Director (2024: £nil). There were no notional pension contributions to defined contribution schemes (2024: £nil).

Advances and credit to Directors and guarantees on behalf of Directors

In accordance with Section 413 of the Companies Act 2006, the total amount of advances and credits made available in 2025 to persons who served as Directors during the year was £0.3m (2024: £0.4m). The total value of guarantees entered into on behalf of Directors during 2025 was £nil (2024: £nil).

35 Auditor's remuneration

Auditor's remuneration is included within consultancy, legal and professional fees in administration and general expenses and comprises:

	2025 £m	2024 £m
Audit of the Barclays Bank UK Group's annual accounts	**15**	14
Other services:		
Audit of the Company's subsidiaries[1]	**1**	2
Other audit related fees[2]	**1**	2
Total Auditor's remuneration	**17**	18

Notes
1 Comprises the fees for the statutory audit of the subsidiaries and fees for the 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.

36 Barclays Bank UK PLC (the parent company)

The investment in subsidiaries of £406m (December 2024: £495m) predominantly relates to investments in Barclays Insurance Services Company Limited (BISCO) and Kensington Mortgages Company Limited. During the year ending 31 December 2025, the business operations of BISCO were transferred to Barclays Bank UK PLC resulting in a reduction in the cost of investment in BISCO with a direct offset to the existing merger reserve of £89m.

At the end of each reporting period an impairment review is undertaken in respect of investment in subsidiaries. Impairment is indicated where the investment exceeds the recoverable amount. The recoverable amount is calculated as a value in use (VIU) which is derived from the present value of future cash flows expected to be received from the investment. The VIU calculation uses future years forecast profits from financial budgets approved by management as an approximation of future cash flows. In 2024 and 2025, the recoverable amount was higher than the carrying value of all investments in ordinary shares held by Barclays Bank UK PLC.

37 Related undertakings

The Barclays Bank UK 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 Barclays Bank UK Group. The information is provided as at 31 December 2025.

Wholly owned subsidiaries

The related undertakings below are wholly owned and included in the consolidation, and the share capital held by the Barclays Bank UK Group comprises ordinary shares, which are directly held by Barclays Bank UK PLC. Unless otherwise stated, the Barclays Bank UK Group holds 100% of the nominal value of each share class.

A. Directly held by Barclays Bank UK PLC
B. Partnership Interest
C. A Ordinary Shares

Wholly owned subsidiaries	Note
United Kingdom	
1 Churchill Place, London, E14 5HP	
Barclays Insurance Services Company Limited	A
Barclays SAMS Limited	A
FIRSTPLUS Financial Group Limited	A
Woolwich Homes Limited	A
2nd Floor, Marlow International, Parkway, Marlow, SL7 1YL, United Kingdom	
Kensington Mortgage Company Limited	A
Kensington Mortgage Services Limited	A

Other Related Undertakings

The related undertakings below are included in the consolidation, and unless otherwise stated the share capital held by the Barclays Bank UK Group comprises ordinary shares, which are directly held by Barclays Bank UK PLC. The percentage of the nominal value of each share class/partnership interest held by Barclays Bank UK PLC is provided below.

Other Related Undertakings	%	Note
United Kingdom		
1 Churchill Place, London, E14 5HP		
Barclaycard Funding PLC	100.00	A, C
Barclays Covered Bonds Limited Liability Partnership	50.00	A, B

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 Barclays Bank UK PLC is stated below.

Joint Venture	%	Note
United Kingdom		
All Saints Triangle, Caledonian Road, London, N1 9UT		
Vaultex UK Limited	50.00	A

Note
1 This is distinct to how the term "joint venture" may be used for the purposes of IFRS.

Joint management factors

The Joint Venture board comprises two Barclays representative directors, two Joint Venture partner directors and two non Joint Venture partner directors. The Board of Directors are responsible, amongst other things, for setting the company strategy and budgets. For IFRS purposes, Vaultex UK Limited is accounted for as a Joint Operation in the Barclays Bank UK Group financial statements.

The last financial year of the above Joint Venture ended on 3 October 2025 and the average number of monthly employees reported in the accounts was 1,118.

Notes

The term Barclays Bank UK Group refers to Barclays Bank UK PLC together with its subsidiaries. Unless otherwise stated, the income statement analysis compares the year ended 31 December 2025 to the corresponding twelve months of 2024 and balance sheet analysis as at 31 December 2025 with comparatives relating to 31 December 2024. The abbreviations '£m' and '£bn' represent millions and thousands of millions of Pounds Sterling respectively.

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

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

Barclays Bank UK Group is an issuer in the debt capital markets and meets with investors via formal roadshows and other ad hoc meetings. Consistent with its usual practice, Barclays Bank UK Group expects that from time to time over the coming half year it will meet with investors to discuss these results and other matters relating to the Barclays Bank UK Group.

Forward-looking statements

This document contains certain forward-looking statements with respect to the Barclays Bank UK Group. Barclays Bank UK Group cautions readers that no forward-looking statement is a guarantee of future performance and that actual results or other financial condition or performance measures could differ materially from those contained in the forward-looking statements. Forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements sometimes use words such as 'may', 'will', 'seek', 'continue', 'aim', 'anticipate', 'target', 'projected', 'expect', 'estimate', 'intend', 'plan', 'goal', 'believe', 'achieve' or other words of similar meaning. Forward-looking statements can be made in writing but also may be made verbally by directors, officers and employees of the Barclays Bank UK Group (including during management presentations) in connection with this document. Examples of forward-looking statements include, among others, statements or guidance regarding or relating to the Barclays Bank UK Group's future financial position, 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 sustainability-related 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 sustainability reporting standards (including emissions accounting methodologies); changes in tax laws and practice; the outcome of current and future legal proceedings and regulatory investigations; the Barclays Bank UK 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 rules and regulations taking a different or opposing position on sustainability matters, or other forms of governmental and regulatory action against sustainability policies; environmental, social and geopolitical risks and incidents and similar events beyond the Barclays Bank UK 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; macroeconomic and business conditions, including inflation, in the UK and in any systematically important economy which impacts the UK; 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 Barclays Bank UK Group or any securities issued by it; changes in counterparty risk; changes in consumer behaviour; changes in trade policy, including the imposition of tariffs or other protectionist measures; 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; changes in US legislation and policy; developments in the UK's relationship with the European Union; the risk of cyber attacks, information or security breaches, technology failures or operational disruptions and any subsequent impact on the Barclays Bank UK Group's reputation, business or operations; the use of new technology, including artificial intelligence; the Barclays Bank UK Group's ability to access funding; and the success of acquisitions, disposals, joint ventures and other strategic transactions. A number of these factors are beyond the Barclays Bank UK Group's control. As a result, the Barclays Bank UK Group's actual financial position, results, financial and non-financial metrics or performance measures or its ability to meet commitments and targets may differ materially from the statements or guidance set forth in the Barclays Bank UK Group's forward-looking statements. Additional risks and factors which may impact the Barclays Bank UK Group's future financial condition and performance are identified in the description of material existing and emerging risks beginning on page 55 of this Annual Report.

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