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S&P Global

China Ratings

Issue Rating Notice:

Barclays Bank PLC 2025 Renminbi Bonds (Series1) (Bond Connect) Rated “AAA_{spc}”

September 5，2025

Bond Name：	Barclays Bank PLC 2025 Renminbi Bonds (Series 1) (Bond Connect)
Issuer Credit Rating：	AAA_{spc}/Stable
Issue Credit Rating:：	AAA_{spc}

Related Methodology

S&P Global (China) Ratings General Considerations on Rating Modifiers and Relative Ranking, May 21, 2019

Model Applied

None.

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The rating presented in this report is effective from the rating date up to the maturity date of the rated issue or unless we make any further updates (whichever is earlier).

This document is prepared in both English and Chinese. The English translation is for reference only, and the Chinese version will prevail in the event of any inconsistency between the English version and the Chinese version.

Declaration

No association that may affect the independence, objectivity and unbiasedness of the rating process exists between S&P Global (China) Ratings or its analysts and the rated entity, other than the engagement as a result of this credit rating project.

This rating is based on publicly available information or information provided by the rated entity or collected in compliance with regulatory requirements. S&P Global (China) Ratings has conducted prudent analysis on such information but not guarantee the legitimacy, accuracy, adequacy, or completeness of any information used.

S&P Global (China) Ratings and its analysts have conducted on-site investigations and observed their fiduciary duties, thus have confidence to assure that this rating report adheres to principles of truthfulness, objectivity and unbiasedness.

S&P Global (China) Ratings arrived at analytical conclusions presented in this credit rating report based on its own methodologies and procedures and did not change any of its rating opinions as a result of any inappropriate influence from the rated entity or any other organization(s) or individual(s).

This credit rating report is used to support related decision making, and does not constitute a conclusion or recommendation that any particular decision(s) should be made.

Barclays Bank PLC 2025 Renminbi Bonds (Series 1) (Bond Connect) Surveillance Plan

S&P Ratings (China) Co., Ltd. shall monitor the credit quality of the rated issuer and issue on an ongoing basis within the duration of the rated issue. We will conduct periodic surveillance at least once a year and may perform ad-hoc surveillance if necessary. The periodic surveillance report on the rated issue will be published before July 31 of each year.

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Issue Credit Quality Analysis

S&P Global (China) Ratings has assigned its "AAA_{spc}" rating to the Barclays Bank PLC 2025 Renminbi Bonds (Series 1) (Bond Connect) to be issued by Barclays Bank (ICR：AAA_{spc}/Stable).

According to the seniority ranking of the Bonds, we have equalized the credit rating of the Bonds with the issuer credit rating on Barclays Bank.

We will closely monitor final issuance documentation and decide accordingly whether or not any adjustment to the rating is necessary.

Excerpts of the main issuance elements related to credit risk

According to the Offering Circular of Barclays Bank PLC 2025 Renminbi Bonds (Series 1) (Bond Connect):

Based on the relative ranking of the Bonds, we have equalized the credit rating of the Bonds with the issuer credit rating on Barclays Bank. For the Tranche 1 Bonds, the basic offering amount is RMB 1 billion, and the maximum offering amount is RMB 2 billion. The tenor of the Tranche 1 Bonds will be 3 years. For the Tranche 2 Bonds, the basic offering amount is RMB 1 billion, and the maximum offering amount is RMB 2 billion. The tenor of the Tranche 2 Bonds will be 5 years.

The Bonds constitute direct, unsecured and unsubordinated obligations of the Issuer which will at all times rank pari passu among themselves and, in the event of the winding up or administration of the Issuer will rank pari passu with all other present and future unsecured and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application. The Bonds do not evidence deposits of the Issuer. The Bonds are not insured or guaranteed by any government or government agency.

Interest on the Bonds shall be paid on an Interest Payment Date. The Tranche 1 Bonds may not be redeemed prior to their maturity at the option of the Issuer unless otherwise provided in the Terms. The Tranche 2 Bonds may be redeemed at the option of the Issuer in whole, but not in part on any Interest Payment Date from and including the Interest Payment Date in 2027 to but excluding their Maturity Date. No Bondholder has any right to require the Issuer to redeem the Bonds prior to their Maturity Date.

Subject to the satisfaction of the applicable requirements of the regulatory authorities and completion of the required procedures under the applicable PRC Laws, all of the net proceeds may be remitted out of China for the centralized and unified management by the Barclays Bank Group. Under the unified management of the Issuer's head office, the proceeds may be used to mainly provide financing support to the Issuer, its subsidiaries and their clients' incremental demand for the purchase of RMB assets, to support RMB settlement and financing needs of Chinese enterprises and institutions for their overseas operations, to provide RMB liquidity and other offshore RMB related services to the offshore capital markets, and to support other business activities and development.

Related Issuer Credit Quality Analysis

Please refer to appendix for the issuer credit rating report.

Rating Summary

Company Name	Rating Type	Current Rating	Rating Date	Outlook/CreditWatch
Barclays Bank PLC	Issuer Credit Rating	AAA_{spc}	September 5, 2025	Stable

S&P Global Ratings Issuer Credit Rating and Outlook	+	Notches Applied According to Panda Bond Methodology of S&P Global (China) Ratings		S&P Global (China) Ratings Issuer Credit Rating and Outlook
A+ / Stable		Broad Relationship between Credit Opinions of S&P Global Ratings and S&P Global (China) Ratings	+4	AAA_{spc} / Stable

Credit Highlights

The following are strengths and weaknesses of Barclays Bank PLC ('Barclays Bank') as identified by S&P Global Ratings:

Key strengths	Key risks
— Core subsidiary of the Barclays group.	— Focus on businesses prone to earnings volatility.
— Good market positions in international wholesale and consumer businesses.	— Inherent risks and opacity in investment bank activities.
— Well-diversified investment banking franchise.	

Note: This key strengths and risks analysis is primarily excerpted from the credit report, dated October 25 of 2024, on Barclays Bank PLC from S&P Global Ratings, and it should be used and interpreted in the context of the rating criteria of S&P Global Ratings. See the appendix for the full report from S&P Global Ratings.

We have assigned our "AAA_{spc}" issuer credit rating to Barclays Bank, based on the 'A+' issuer credit rating with stable outlook assigned by S&P Global Ratings, and a four-notch uplift through the application of the S&P Global (China) Ratings Panda Bond Methodology.

According to our Panda Bond Methodology, our analysis of foreign issuers typically considers the credit opinion which S&P Global Ratings may have on that issuer. Where the Foreign Issuer has a credit quality that's equivalent to or higher than BBB category credit quality as determined by S&P Global Ratings, S&P Global (China) Ratings may assign an issuer credit rating of AAA_{spc}. When the Foreign Issuer's credit quality declines, S&P Global (China) Ratings' issuer credit rating will be adjusted down accordingly. Where the Foreign Issuer has a credit quality that's equivalent to B category credit quality as determined by S&P Global Ratings, S&P Global (China) Ratings may assign a similar view of credit quality that falls within B_{spc} category.

S&P Global Ratings assigned a stand-alone credit profile of "a-" to Barclays Group. Meanwhile, considering that Barclays Bank is the core operating entity of Barclays Group, and based on the approximate relationship between S&P Global and S&P Global (China) Ratings' credit quality opinions, we consider stand-alone credit quality of Barclays Bank to be extremely high in S&P Global (China) Ratings' national scale. We have assigned a stand-alone credit profile of "aaa_{spc}" to Barclays Bank.

Rating Outlook

The stable outlook considers the ratings which S&P Global Ratings has assigned to Barclays Bank.

Downside Scenario:

We may consider the possibility of lowering our ratings on Barclays Bank if S&P Global Ratings downgrades the issuer to BB category or lower, which we believe is highly unlikely to occur in the next two years given Barclays Bank's current global ratings at A+.

Upside Scenario:

Not applicable.

Related Methodologies, Models & Research

Methodology Applied:

- S&P Global (China) Ratings -Panda Bond Methodology.
- S&P Global (China) Ratings General Considerations on Rating Modifiers and Relative Ranking.

Models Applied: None.

Attachment 1: Full Analysis on Barclays Bank PLC by S&P Global Ratings

S&P Global
Ratings

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Barclays Bank PLC

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Barclays Bank PLC

Credit Highlights

Global Scale Ratings
Issuer Credit Rating
A+/Stable/A-1
Resolution Counterparty Rating
AA-/--/A-1+

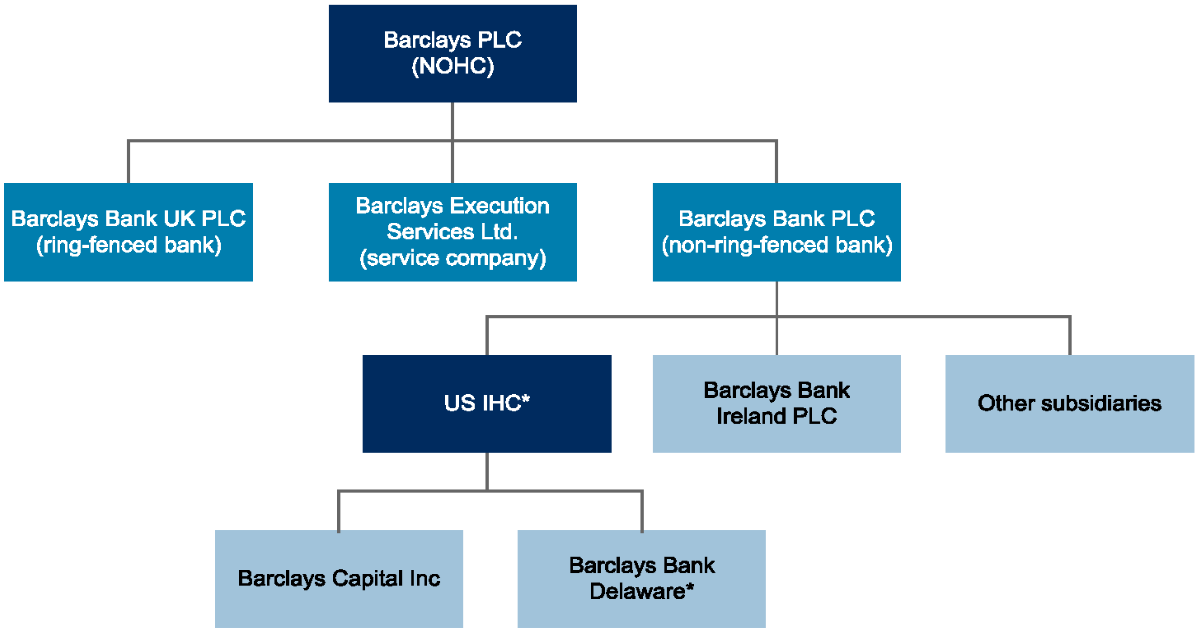
Overview

Key strengths	Key risks
Core subsidiary of the Barclays group.	Focus on businesses prone to earnings volatility.
Good market positions in international wholesale and consumer businesses.	Inherent risks and opacity in investment bank activities.
Well-diversified investment banking franchise.	

S&P Global Ratings assesses Barclays Bank PLC (BB) as a core subsidiary of parent Barclays PLC (Barclays). BB has an integral role in the parent's strategy, material contribution to the group's capital base and financial performance, and a strong link to the group's brand and reputation. We therefore align our long-term issuer credit rating on BB with the 'a+' group credit profile, which includes two notches of uplift for additional loss-absorbing capacity (ALAC). We do not assess a stand-alone credit profile (SACP) for BB.

BB is Barclays' non-ring-fenced bank and largest operating entity. The U.K. ring-fencing regime is intended to protect critical banking functions. Therefore, group support for the non-ring-fenced bank, at the margin, could be lower than for the ring-fenced bank. However, BB's scale and centrality in group strategy mean it is critical to Barclays' overall success. For example, on a consolidated basis, BB accounted for 73% of the group's total income by half-year 2024, and 82% of total equity. As such, we do not see material barriers to group support for BB.

Barclays PLC – Highly Simplified Overview Of Barclays' Organization Structure And Significant Legal Entities



*Not rated. IHC–Intermediate holding company. NOHC–Nonoperating holding company. Source: S&P Global Ratings.

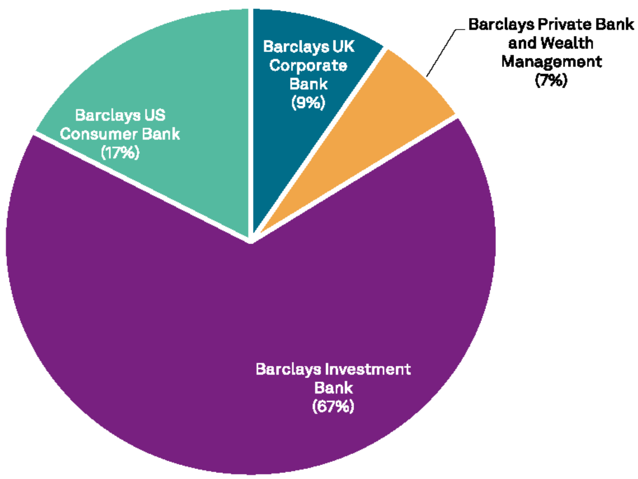
BB houses Barclays' investment bank. BB's business profile is formed of four divisions, the Barclays UK Corporate Bank; Private Banking and Wealth Management; Barclays Investment Bank; and the US Consumer Bank. The bank's revenues are dominated by the U.K. corporate bank and international investment bank, which together formed 77% of half-year revenues. These franchises combine to create a leading global competitor serving a broad range of products and global clients. The US Consumer Bank houses the U.S. credit card and deposit gathering portfolios; while the Private Bank and Wealth management divisions house the group's international high-net-worth banking services. Although the combination of these businesses gives the bank a degree of revenue diversification, the major businesses in the bank are prone to a degree of earnings volatility in stressed economic and market conditions.

Barclays Bank PLC

Chart 2

Barclays Bank PLC's earnings are diverse, but exposed to volatility

Split of reported revenue by segment for the six months to June 30, 2024



Note: Chart excludes the Head Office segment, which reported a loss of £116 million for the period.

Source: Company disclosures.

The other reporting line in the bank is the Head Office segment, which includes the held for sale German consumer finance business and the bank's merchant acquiring and payments businesses. Each of these were previously reported under the bank's international Credit Cards & Payments division.

A diverse business model and higher-for-longer interest rates will support BB's earnings. Although we see the business model as carrying some through-the-cycle volatility, BB's resilient results in the first six months of 2024 demonstrate the benefits to its performance of its diversification. For example, slow markets performance and mixed advisory fees have been propped up by a rebound in its underwriting and syndication fees after strong debt capital market activity in the first half. This was alongside rising earnings in the US Consumer Bank, driven by the favorable year-on-year effects of rising average credit card balances. Results have also been supported by the Private Bank and Wealth Management division, which saw a solid boost to earnings from advisory and execution fees in the six months. In sum, BB's half-year 2024 revenue was down 1% on the prior year on a reported basis. At the same time, the reported result masks the impact of a net loss in the Head Office reporting division, which was driven by the loss on sale of the performing Italian mortgage portfolio and the disposal of the German consumer finance business. Looking through this, income was broadly flat. We expect this trend to continue through the remainder of the year, with limited market volatility and rising advisory activity, offset by elevated consumer bank, private bank, and underwriting income.

BB reports contained stage 2 balances. BB's stage 2 loans represented 8% of the total portfolio at half-year 2024, the vast majority of which are fully performing. We expect stage 3 and past-due stage 2 balances will remain broadly stable in the next 12 months as the credit environment normalizes after a benign 24 months. In particular, we would expect to see selective defaults in the Investment Bank continue, and a steady flows of U.S. credit card balances into arrears and default. We think that BB's provisions anticipate this scenario, but that credit losses will remain at or around current levels in the next 12-24 months as loan performance normalizes amid elevated rates and mixed global economic growth.

BB faces material market and operational risks. The CIB division engages heavily in derivatives and other traded products, resulting in material market, counterparty, and operational risks. Conduct and litigation charges have been a burden on BB's earnings, even before those related to the over-issuance of securities in the U.S.

BB reports solid capital, funding, and liquidity metrics. Although BB lacks a high level of stable funding sources, such as insured retail deposits, we nevertheless consider that its funding and liquidity profiles are satisfactory. The trailing 12-month average liquidity coverage ratio for its liquidity subgroup was 152.6% as of half-year 2024, with a consistent liquidity position reflecting significant excess deposits on the balance sheet and cautiously allocated liquid assets. The solo-consolidated common equity Tier 1 ratio stood at 11.7%, above its minimum regulatory requirement of 10.6%.

Barclays has downstreamed material loss-absorbing debt to BB. We think this buffer benefits BB's senior creditors and therefore include ALAC uplift in the ratings.

Outlook

The stable outlook on BB mirrors that on Barclays (BBB+/Stable/A-2). The stable outlook indicates that we expect Barclays' credit metrics to remain robust over our two-year horizon. We anticipate that its well-diversified business will generate solid, stable earnings, and that it will maintain its solid funding and liquidity profiles.

Downside scenario

We could lower the ratings on Barclays and BB if Barclays' performance weakens materially, whether as a consequence of significant financial risk events, or broader macroeconomic pressures that affect its asset quality and earnings. A sustained weakening in its funding and liquidity would also likely lead us to take a negative rating action.

We could lower the ratings on BB independently of a rating action on Barclays if we saw BB becoming less integral to the parent, which is not a likely scenario.

Upside scenario

An upgrade is unlikely in the next 24 months. We could raise the long-term issuer credit ratings on Barclays and BB during our two-year outlook horizon if Barclays demonstrates a sustainable improvement in its already solid earnings and delivers exceptional asset quality and risk management, complemented by a risk-adjusted capital (RAC) ratio above 15% on a sustained basis. We view these scenarios as remote.

If we revised up the group SACP by one notch and raised the long-term issuer credit rating on Barclays, we would raise by one notch our issue ratings on all the senior unsecured and subordinated debt issued by Barclays, BB, and related entities.

Key Statistics

Table 1

Barclays Bank PLC--Key figures

	--Year-ended Dec. 31--					
(Mil. £)	**2024***	**2023**	**2022**	**2021**	**2020**	**2019**
Adjusted assets	1,282,929.0	1,184,082.0	1,201,872.0	1,060,329.0	1,058,577.0	875,460.0
Customer loans (gross)	194,730.0	141,194.0	150,063.0	120,513.0	115,167.0	124,711.0
Adjusted common equity	52,757.0	51,905.0	52,796.0	45,261.0	42,336.0	40,568.0
Operating revenues	9,695.0	18,264.0	18,197.0	15,412.0	15,785.0	14,208.0
Noninterest expenses	6,065.0	12,419.0	10,971.0	9,885.0	9,383.0	9,718.0
Core earnings	2,255.0	3,558.0	5,635.0	4,871.1	2,369.1	2,896.2

*Data as of June 30.

Table 2

Barclays Bank PLC--Business position

	--Year-ended Dec. 31--					
(%)	2024*	2023	2022	2021	2020	2019
Total revenues from business line (mil. £)	9,695.0	18,264.0	18,198.0	15,412.0	15,911.0	14,296.0
Commercial banking/total revenues from business line	77.1	71.6	75.4	80.9	79.3	70.8
Retail banking/total revenues from business line	24.1	29.2	25.0	21.7	22.7	31.5
Commercial & retail banking/total revenues from business line	101.2	100.9	100.4	102.6	102.0	102.3
Other revenues/total revenues from business line	(1.2)	(0.9)	(0.4)	(2.6)	(2.0)	(2.3)
Return on average common equity	8.7	7.2	9.2	10.3	5.5	6.6

*Data as of June 30.

Table 3

Barclays Bank PLC--Capital and earnings

	--Year-ended Dec. 31--					
(%)	2024*	2023	2022	2021	2020	2019
Tier 1 capital ratio	15.1	16.0	16.7	17.6	18.1	18.1
Adjusted common equity/total adjusted capital	84.2	82.8	84.3	82.4	83.1	83.0
Double leverage	N.M.	35.9	36.7	36.2	34.8	34.9
Net interest income/operating revenues	32.1	36.4	29.7	19.9	20.0	27.5
Fee income/operating revenues	33.5	29.9	29.8	42.7	35.9	39.9
Market-sensitive income/operating revenues	34.2	33.4	40.1	37.0	44.1	31.6
Cost to income ratio	62.6	68.0	60.3	64.1	59.4	68.4
Preprovision operating income/average assets	0.6	0.5	0.6	0.5	0.7	0.5
Core earnings/average managed assets	0.4	0.3	0.5	0.5	0.2	0.3

*Data as of June 30. N.M.--Not Meaningful.

Table 4

Barclays Bank PLC--Risk position

	--Year-ended Dec. 31--					
(%)	2024*	2023	2022	2021	2020	2019
Growth in customer loans	37.9	(5.9)	24.5	4.6	(7.7)	(3.1)
Total managed assets/adjusted common equity (x)	24.3	22.8	22.8	23.5	25.0	21.6
New loan loss provisions/average customer loans	1.0	1.1	0.7	(0.2)	2.8	0.9
Net charge-offs/average customer loans	0.7	0.6	0.7	1.0	(0.1)	1.0
Gross nonperforming assets/customer loans + other real estate owned	2.1	2.7	2.4	2.8	4.4	3.5
Loan loss reserves/gross nonperforming assets	104.1	106.2	107.0	104.5	99.0	85.0

*Data as of June 30.

Table 5

Barclays Bank PLC--Funding and liquidity

	--Year-ended Dec. 31--					
(%)	2024*	2023	2022	2021	2020	2019
Core deposits/funding base	31.5	33.3	32.2	33.1	32.6	33.1

Table 5

Barclays Bank PLC--Funding and liquidity (cont.)

		--Year-ended Dec. 31--				
(%)	2024*	2023	2022	2021	2020	2019
Customer loans (net)/customer deposits	62.6	47.8	53.9	47.8	48.4	61.8
Long-term funding ratio	46.7	48.6	47.3	48.6	47.6	51.3
Stable funding ratio	70.3	75.7	76.0	76.6	76.3	78.1
Short-term wholesale funding/funding base	56.5	54.9	56.3	55.3	56.3	52.8
Broad liquid assets/short-term wholesale funding (x)	0.7	0.8	0.8	0.8	0.8	0.8
Broad liquid assets/total assets	28.7	29.9	29.6	29.1	28.4	27.4
Broad liquid assets/customer deposits	121.0	123.3	131.3	126.3	132.6	122.7
Net broad liquid assets/short-term customer deposits	(59.3)	(42.1)	(44.2)	(41.2)	(41.0)	(37.3)
Short-term wholesale funding/total wholesale funding	81.2	80.8	81.5	81.0	82.0	77.3

*Data as of June 30.

Related Criteria

- Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology, April 30, 2024
- General Criteria: Hybrid Capital: Methodology And Assumptions, March 2, 2022
- Criteria | Financial Institutions | General: Financial Institutions Rating Methodology, Dec. 9, 2021
- Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions, Dec. 9, 2021
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- General Criteria: Group Rating Methodology, July 1, 2019
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

Related Research

- Barclays PLC, July 3, 2024
- U.K. Banks Are Well Positioned For Sustained Strong Performance After First-Half Results, Aug. 8, 2024
- U.K. Economic Outlook Q3 2024: A Cooling Labor Market Paves The Way For Rate Cuts, June 24, 2024
- Six Takeaways From U.K. Banks' Full-Year 2023 Results, March 6, 2024
- U.K. Banks Credit Outlook 2024: Earnings Stay Solid As Margins Ease, Jan. 4, 2024
- Banking Industry Country Risk Assessment: United Kingdom, Nov. 28, 2023

Ratings Detail (As Of October 25, 2024)*	
Barclays Bank PLC	
Issuer Credit Rating	A+/Stable/A-1
Resolution Counterparty Rating	AA-/--/A-1+
Certificate Of Deposit	
Foreign Currency	A+/A-1/A-1
Commercial Paper	
Local Currency	A-1
Junior Subordinated	BB+
Junior Subordinated	BBB
Junior Subordinated	BBB-
Preference Stock	BB+
Resolution Counterparty Liability	A-1+
Resolution Counterparty Liability	AA-
Senior Secured	AA-
Senior Unsecured	A+
Short-Term Debt	A-1
Short-Term Secured Debt	A-1+
Subordinated	BBB
Issuer Credit Ratings History	
19-May-2023	A+/Stable/A-1
24-Jun-2021	A/Positive/A-1
26-Feb-2021	A/Stable/A-1
23-Apr-2020	A/Negative/A-1
Sovereign Rating	
United Kingdom	AA/Stable/A-1+
Related Entities	
Barclays Bank Ireland PLC	
Issuer Credit Rating	A+/Stable/A-1
Resolution Counterparty Rating	AA-/--/A-1+
Senior Unsecured	A+
Barclays Bank Ireland PLC (Milan Branch)	
Issuer Credit Rating	A+/Stable/A-1
Resolution Counterparty Rating	AA-/--/A-1+
Barclays Bank Ireland PLC, Sucursal en Espana (Madrid Branch)	
Issuer Credit Rating	A+/Stable/A-1
Resolution Counterparty Rating	AA-/--/A-1+
Barclays Bank Mexico S.A., Institucion de Banca Multiple, Grupo Financiero Barclays Mexico	
Issuer Credit Rating	
CaVal (Mexico) National Scale	mxAAA/Stable/mxA-1+
Barclays Bank PLC (Cayman Branch)	
Commercial Paper	A-1
Barclays Bank PLC (New York Branch)	
Commercial Paper	A-1

Ratings Detail (As Of October 25, 2024)*(cont.)	
Barclays Bank UK PLC	
Issuer Credit Rating	A+/Stable/A-1
Resolution Counterparty Rating	AA-/--/A-1+
Commercial Paper	A-1
Senior Secured	AAA/Stable
Senior Unsecured	A+
Short-Term Debt	A-1
Barclays Capital Inc.	
Issuer Credit Rating	A+/Stable/A-1
Resolution Counterparty Rating	A+/--/A-1
Commercial Paper	
Local Currency	A-1
Barclays Capital Luxembourg	
Issuer Credit Rating	A+/Stable/A-1
Resolution Counterparty Rating	AA-/--/A-1+
Barclays Treasury Luxembourg S.a.r.l.	
Issuer Credit Rating	A+/Stable/A-1
Resolution Counterparty Rating	AA-/--/A-1+
Barclays Execution Services Ltd.	
Issuer Credit Rating	A+/Stable/A-1
Barclays PLC	
Issuer Credit Rating	BBB+/Stable/A-2
Commercial Paper	A-2
Junior Subordinated	BB-
Senior Unsecured	BBB+
Subordinated	BBB-
BARCLAYS US CCP FUNDING LLC	
Resolution Counterparty Liability	A-1+
Barclays US Funding LLC	
Senior Unsecured	A+
Short-Term Debt	A-1

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.

Attachment 2: Full Analysis on Barclays PLC by S&P Global Ratings

S&P Global Ratings

RatingsDirect®

Barclays PLC

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Barclays PLC

Ratings Score Snapshot

Issuer Credit Rating
BBB+/Stable/A-2

SACP: a- → **Support: +2** → **Additional factors: 0**

Anchor	bbb+	
Business position	Strong	+1
Capital and earnings	Strong	+1
Risk position	Moderate	-1
Funding	Adequate	0
Liquidity	Adequate	
CRA adjustment		0

ALAC support	+2
GRE support	0
Group support	0
Sovereign support	0

Issuer credit rating
A+/Stable/A-1
Resolution counterparty rating
AA-/A-1+
Holding company ICR
BBB+/Stable/A-2

Issuer credit rating relates to core subsidiaries of the Barclays group, which include Barclays Bank UK PLC and Barclays Bank PLC. Holding company relates to Barclays PLC and we do not include ALAC uplift in the rating on the holding company. ALAC--Additional loss-absorbing capacity. CRA--Comparable ratings analysis. GRE--Government-related entity. ICR--Issuer credit rating. SACP--Stand-alone credit profile.

Credit Highlights

Overview

Key strengths	Key risks
A leader in U.K. banking and global wholesale markets.	Persistently volatile and uneven international economic conditions, including in the U.S. where the group has material commercial and consumer credit exposures.
Diversified business model by business and geography.	Exposure to higher risk assets, including consumer credit and leveraged finance.
Robust capital, funding, and liquidity positions.	

Barclays' international diversification and cautious balance-sheet management support the rating. The bank's strategic and geographical diversification gives the group resilient earnings and supports a material excess capital position. Even as volatility has risen in the past nine months, Barclays' balance sheet has remained resilient: its lending book is stable, its liquidity pool is dominated by central bank reserves, and its funding is granular and well diversified.

Barclays' updated strategy and elevated rates underpin a solid earnings outlook, but persistent volatility poses risks. The bank's updated strategic ambitions target sustained growth through to the end of 2026, driven by its U.K. businesses. Barclays posted revenue of £26.8 billion in 2024, up from £25.4 billion in 2023, propelled by consistently elevated rates. This drove material growth in returns on the bank's structural hedge. Strong tailwinds related to these balance-sheet hedges will remain an essential support to the group's performance in 2025, and are a key enabler of its 2026 objectives. Even so, rising volatility late in 2024 and through early 2025 presents risk and opportunity: while it supports strong performance across the group's market-making franchises, it suppresses advisory revenue, and looks set to cool loan growth.

Furthermore, a weakening U.S. macroeconomy has direct implications on Barclays' U.S. consumer bank (12% of group income in 2024), which could dampen results by impacting its loan growth and loan-loss rate. Nevertheless, we forecast that the group's central profitability target of a return on tangible equity (RoTE) in excess of 12.0% by 2026 remains manageable. This level represents a solid return that gives Barclays good financial flexibility, even if it is materially lower than domestically focused U.K. peers (for example Lloyds or NatWest where we forecast RoTE above 15%) or U.K.-domiciled global banks (HSBC, mid-teens RoTE).

Complex capital markets businesses weigh on our view of Barclays' risk position. Our view of Barclays' risk position reflects the high weighting of volatile and complex capital market activities in its business model. Even as the group's strategy looks to diversify away from this business, it will remain an essential pillar of the group's franchise, exposing it to complex and volatile risks. That said, we believe that Barclays proactively manages risks arising from this business, containing its market risk exposure, and actively managing its credit risk exposures. Despite these supports, our view of Barclays' risk position is an important ratings constraint for the medium term.

Barclays maintains a cautious funding and liquidity position. Its liquidity coverage ratio is toward the upper end of the peer group of European and global systemically important banks (G-SIBs), and its net stable funding ratio is on similarly stable ground. This fundamentally cautious funding and liquidity stance supports the stability of our ratings on Barclays throughout the cycle.

Outlook

The stable outlook indicates that we expect Barclays' credit metrics to remain robust over our two-year horizon. We anticipate that its well-diversified business will generate solid, stable earnings, and that it will maintain its healthy funding and liquidity profiles.

Downside scenario

We could lower our ratings if Barclays' performance weakens materially, whether as a consequence of significant financial risk events, or broader macroeconomic pressures that affect its asset quality and earnings. A sustained weakening in its funding and liquidity would also likely lead us to take a negative rating action.

Upside scenario

We are unlikely to upgrade Barclays in the next 24 months. We could raise the ratings during our two-year outlook horizon if Barclays sustainably improves its already solid earnings and delivers exceptional asset quality and risk management, complemented by the risk-adjusted capital (RAC) ratio staying above 15%. We view these scenarios as remote.

Key Metrics

Barclays PLC Key Ratios And Forecasts					
	--Fiscal year ended Dec. 31 --				
(%)	2023a	2024a	2025f	2026f	2027f
Growth in operating revenue	1.6	3.5	5.2-6.4	3.3-4.0	3.3-4.0
Growth in customer loans	(2.8)	1.2	2.1-2.5	2.2-2.6	2.3-2.8
Net interest income/average earning assets (NIM)	1.5	1.5	1.5-1.7	1.6-1.7	1.6-1.8
Cost to income ratio	65.2	61.5	57.6-60.5	56.4-59.3	55.2-58.0
Return on average common equity	7.6	9.0	9.1-10.1	9.6-10.6	10.1-11.2
New loan loss provisions/average customer loans	0.5	0.6	0.6-0.6	0.6-0.7	0.6-0.7
Gross nonperforming assets/customer loans	2.1	2.1	2.1-2.3	2.1-2.3	2.1-2.3
Risk-adjusted capital ratio	12.1	12.0	12.0-12.5	12.0-12.5	12.0-12.5

All figures are S&P Global Ratings-adjusted. a--Actual. e--Estimate. f--Forecast. NIM--Net interest margin.

Anchor: An Internationally Diversified Group

The 'bbb+' anchor reflects our Banking Industry Country Risk Assessment (BICRA) methodology and our view of the weighted-average economic risk in countries where Barclays operates. We weight each jurisdiction according to the geographic distribution of credit exposures, excluding governments and central banks, at year-end 2024.

The U.K. economy remains subdued, characterized by slow-to-no growth and sticky inflation. As growth remains low, we expect that inflation will ease as the tight labor market slackens. We forecast that the Bank of England (BoE) will continue cutting rates as inflation risks ease. Low unemployment, contained, incremental house price growth in 2025 and 2026, and stable corporate asset quality are creating additional breathing room for banks against the muted macroeconomic backdrop, and this underpins our stable economic risk trend.

The industry risk trend is also stable. The U.K. banking system benefits from a well-developed regulatory framework. Elevated--if falling--rates, controlled costs, and subdued impairments in the past 24 months mean that banks' earnings were strong in 2023 and 2024. Even as global economic uncertainty persists, elevated rates and significant balance sheet hedging will support earnings in 2025, supported by stable operating costs, and an affordable uptick in credit losses. Taken alongside stable funding and liquidity positions, with manageable wholesale funding needs, U.K. banks have material financial flexibility.

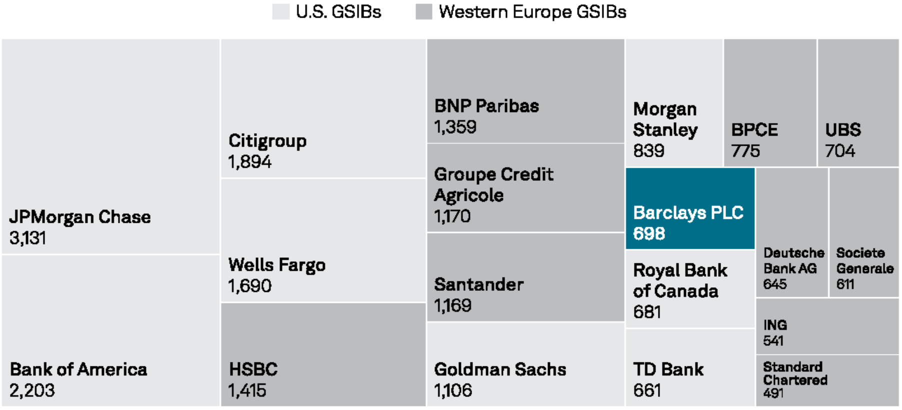
Business Position: Diversified Business Model Supports Resilient Performance

Barclays' diversified international banking franchise gives it resilience through economic and financial cycles. Our business position assessment reflects Barclays' leading market positions and diversified franchise (see charts 1 and 2) and its solid track record of strategic execution and stable earnings.

Chart 1

Barclays is among the largest...

Size of GSIBs by S&P Global Ratings-adjusted 2025 forecast risk-weighted assets (bil. $)

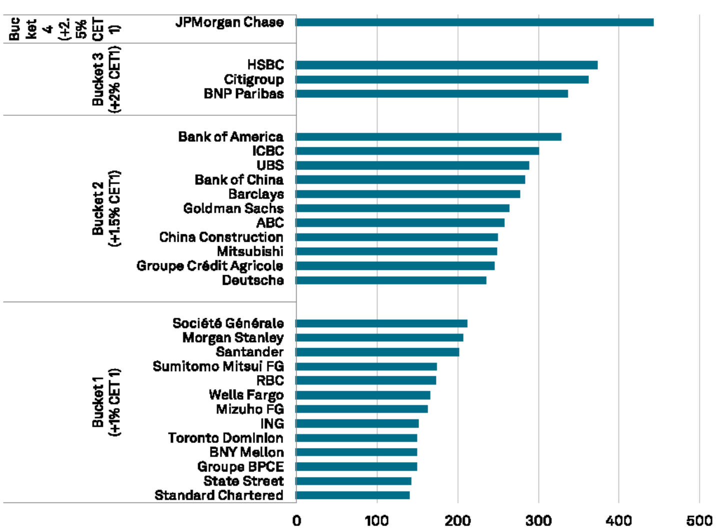


Source: S&P Global Ratings.

Chart 2

... And most globally diversified banks in its peers group

Comparison of Western European and American GSIBs by 2024 GSIB score



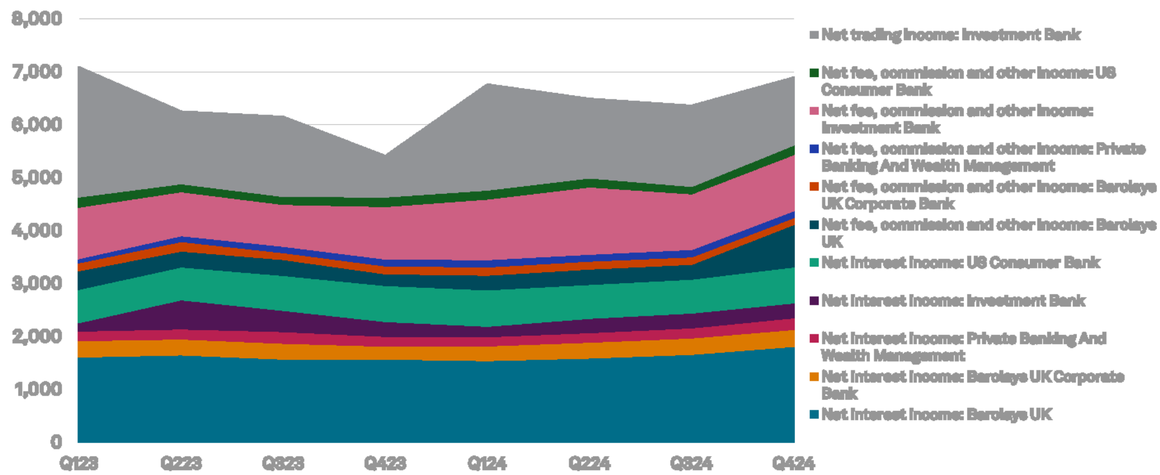
Sources: Office of Financial Research and S&P Global Ratings.

Barclays has a consistent strategic focus. It follows a universal banking strategy split between five divisions, which provides it with good cyclical resilience by revenue type and geography (see chart 3).

Chart 3

Barclays' universal bank strategy results in a diversified and resilient revenue profile

Split of quarterly revenue by type and division (£ millions)



Barclays U.K. anchors the group's strategic position and drives its updated strategic plan. As one of the U.K.'s largest banks, Barclays has market shares of 10%-15% in most products, and a historically strong share in credit cards and unsecured personal lending (see table 1). Barclays is looking to regrow its unsecured balances after declines through the pandemic, acquiring the Tesco Bank unsecured book in the fourth quarter of 2024 and entering a long-term partnership agreement with Tesco to provide branded financial services.

The other pillar of the group's growth agenda is Barclays U.K. Corporate Bank, which is focused on domestic small and mid-cap businesses. The bank's medium-term strategy focuses on material lending growth in this division, centered on the existing client base. The loan-to-deposit ratio of 31% speaks to the relatively limited lending penetration in the division's corporate customers today. While this implies a material lending opportunity for the bank, we note that U.K. small cap leverage has been relatively contained in the past. Lending to this segment was £25.4 billion in 2024, down from £26.4 billion in 2023. Part of this loan book shrinkage was the result of moving certain large commercial exposures to the investment bank (£2 billion reduction), with the division seeing its risk-weighted assets expand by £3 billion in the year as undrawn revolving exposures grew. The division's earnings are still dominated by deposit and transaction banking revenues.

Table 1

Barclays' U.K. businesses are major profit centers for the group

Reported quarterly return on tangible equity by division (%)

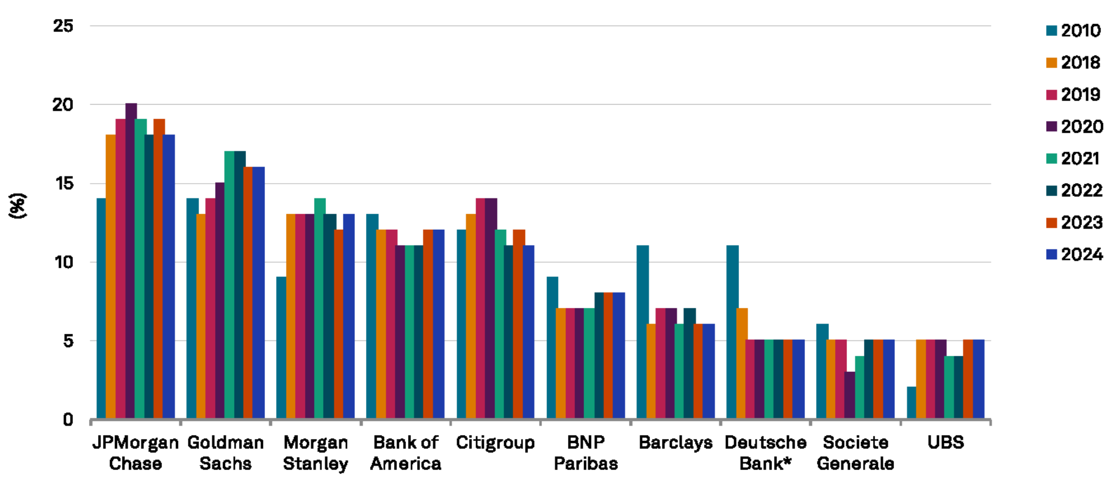
	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025
Barclays UK	20.0	20.9	21.0	14.9	18.5	22.3	23.4	28.0	17.4
Barclays UK Corporate Bank	21.7	32.9	18.3	8.4	15.2	18.0	18.8	12.3	17.1
PBWM	34.5	35.9	41.2	19.1	28.7	30.8	29.0	23.9	34.5
Investment Bank	14.4	7.7	8.0	(2.1)	12.0	9.6	8.8	3.4	16.2
US Consumer Bank	7.5	9.3	0.4	(0.3)	5.3	9.2	10.9	11.2	4.5
Barclays Group	15.0	11.4	11.0	(0.9)	12.3	9.9	12.3	7.5	14.0

Q1--First quarter.

Barclays' investment bank is well diversified. Although it ranks behind the five U.S. market leaders in terms of scale, Barclays has reported stable market share in the past three years, hovering around 6% in 2024, up from about 5% in 2017 (see chart 4).

Chart 4

Barclays' investment bank has held market share
Share of estimated capital market wallet (%)



We calculate market share by dividing each bank's capital markets revenue by the sum of the capital markets revenue of rated banks that are significant players in this area. *In 2019, Deutsche Bank exited the equities sales and trading business. Sources: Company disclosures and S&P Global Ratings.

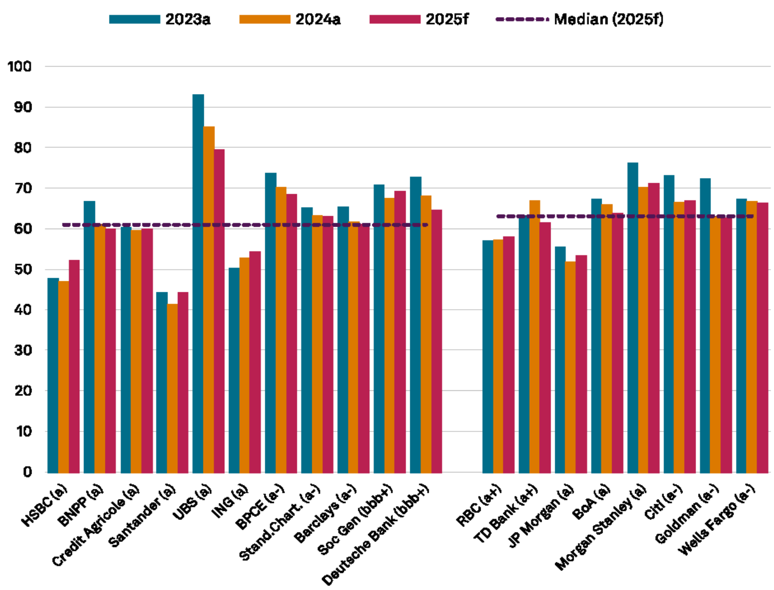
Under the group's revised strategy, the division targets a return of about 12% by 2026--in line with the group target.

Despite Barclays' strengthening earnings outlook, it still sits at the lower end of rated names in its GSIB peer set. We think that Barclays' consistent strategy and execution have given it a stable foundation. Nevertheless, the group's efficiency and overall returns have been somewhat weaker than key global peers' (see chart 5). This is below the strongest performing European peers, and materially less than major U.S. benchmark names (see chart 6). Even so, if delivered successfully, the group's strategy should see Barclays' returns move closer to international peers--further supporting our rating.

Chart 5

Barclays' efficiency has been weaker than key peers'...

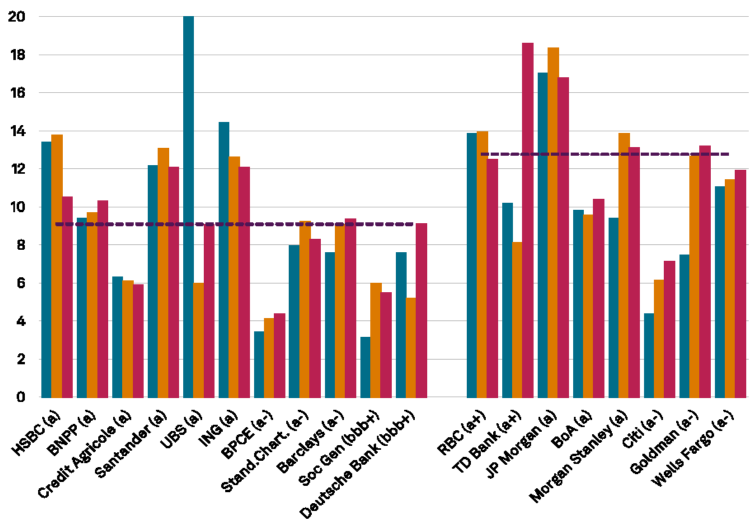
Cost to income ratio (%)



a--Actual. f--Forecast.

Chart 6

... In turn constraining its relative profitability
S&P adjusted return on average common equity (%)



a--Actual. f--Forecast.

Capital And Earnings: Consistent Excess Capitalization

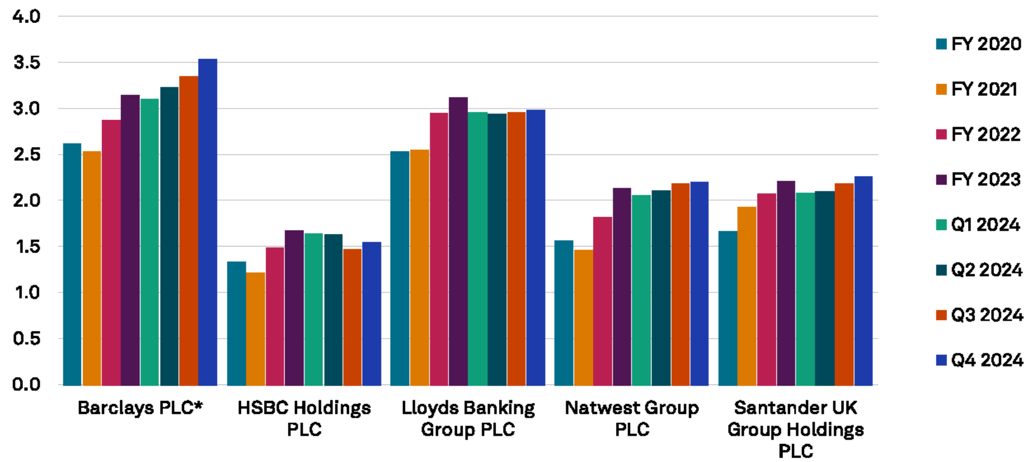
Barclays' robust capital position supports the rating. The group's S&P Global Ratings-adjusted capital surplus and its resilient earnings leave our RAC ratio in a comfortable position over the next 36 months. The ratio was 12% at year-end 2024 and we project it will hover at about the same level for our forecast period. This excess capital position is commensurate with a strong capital and earnings assessment and serves as a key rating support.

Additional tier 1 (AT1) capital is a key pillar of Barclays' capital position. AT1 instruments contributed 18.75% of our total-adjusted capital ratio at year-end 2024, moderately ahead of close U.K. and European peers. We consider Barclays' capital to be good quality, broadly speaking, but acknowledge that its somewhat greater reliance on hybrid capital is a point of differentiation from some peers.

Barclays' earnings outlook is solid, and its first quarter 2025 performance was brisk thanks to favorable markets. The bank posted broadly resilient results through the first quarter of the year. Revenues were solid, cost control was tight, and loan losses stayed under control. Bright spots includes a further rise in U.K. net interest margin (NIM) and brisk periodic growth in market revenue, which we expect to strengthen further through the second quarter. We project NIM to rise materially in 2025 and 2026 as the bank reinvests its structural hedge, balancing an uneven outlook in the group's investment bank and U.S. consumer bank. Together, this supports rising earnings year-on-year.

Chart 7

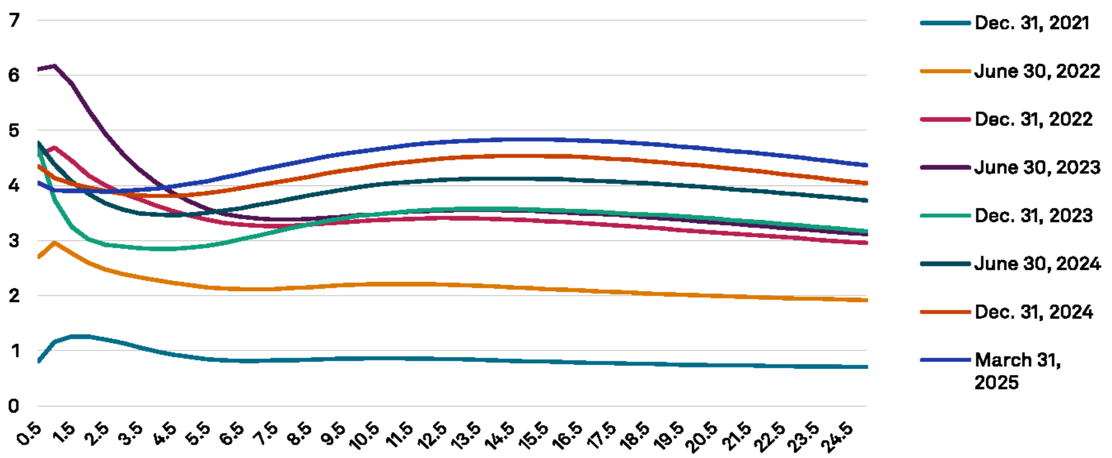
Barclays' U.K. NIM was resilient
U.K. bank reported net interest margins (%)



*Barclays PLC data is for Barclays Bank UK PLC, which is the only entity for which Barclays reports explicit net interest margin data and guidance. FY--Fiscal year. NIM--Net interest margin. Source: Company financials.

Chart 8

... And the medium term interest rate outlook is supportive
U.K. overnight instantaneous swap forward curve (%)



Source: Bank of England.

Cost to income should taper and impairments stabilize. Barclays' returns targets seek to balance solid income growth with tight controls, with the bank aiming for a medium-term cost-to-income ratio close to, but below, 60%. Under our base case, we expect ongoing tight underlying operating expense controls to broadly balance out ongoing investments in business growth and efficiency. Even so, maintaining cost discipline remains challenging, with ongoing, if slowing, inflationary pressures and significant technological investment in the next 12-18 months. We forecast the group will approach a 60% cost-to-income ratio by 2026.

Our base case is that credit losses will remain around 50 basis points (bps) of average gross lending. The U.S. cards business will lead impairment charges this year as it builds its provision stock to account for rising arrears in the country. As this normalizes, we think rising losses in the U.K. credit card business and a normalization in international corporate asset quality will drive the medium-term impairment outlook. At around 50 bps of average gross lending, this is at the lower end of management's guidance of 50-60 bps through the cycle.

We assume Barclays will return a material portion of the capital it generates to shareholders. Central to management's medium-term planning is its intention to distribute more than £10 billion to shareholders in the next three years. This is underpinned by the group's solid growth outlook and its material risk-weighted asset (RWA) expansion. Even if management's growth targets fall short, we view the capital returns targets as feasible--with lower growth freeing up more capital for the bank to release to shareholders. We anticipate the group will maintain a progressive dividend policy and continue to use buy backs to supplement these returns. Improving capital generation will be broadly offset by shareholder distributions and balance-sheet inflation, keeping the group's S&P Global Ratings-adjusted capital ratio at about 12%.

Barclays' regulatory capital position remains prudent. It reported a 13.9% common equity tier 1 (CET1) ratio at March 31, 2025, above the 12.2% minimum regulatory requirement, and comfortably within its CET1 target of 13%-14%.

Risk Position: Complex Investment Banking And U.S. Credit Card Book Tempers Our Assessment

Barclays' business remains highly exposed to volatile and complex capital markets, and its U.S. credit card book leaves it exposed to shifting economic conditions there. Barclays' surplus capital position is a durable rating strength. On the other hand, our assessment of the group's risk position is tempered by the bank's material exposure to volatile and complex capital markets activities. Through this business, Barclays creates exposures to market-sensitive trading income, leveraged loans, and certain corporate sectors. Additionally, Barclays' exposure to higher-risk consumer unsecured lending--including its U.S. consumer credit book--increases volatility through an amplified exposure to macroeconomic conditions.

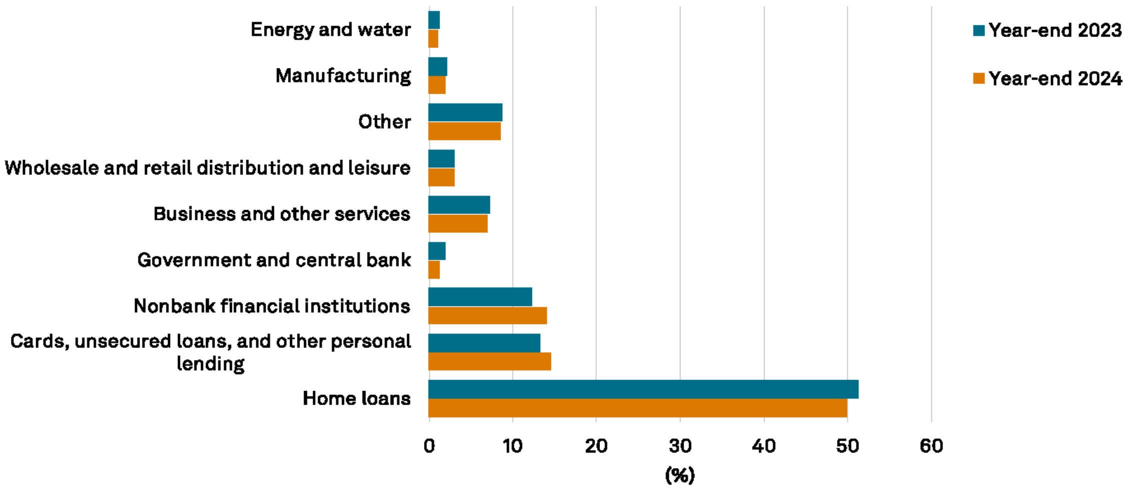
Despite having a more complex risk profile, we think Barclays' risk-management capabilities are robust. Its credit losses remain stable; the bank closely manages idiosyncratic pockets of risk--like its hung leveraged finance and commercial real estate books--and it has prioritized tightening operational risk control in recent years after idiosyncratic losses in 2019. Even so, the investment banking business and diverse lending franchise create incremental risks. For example--even though the hung leveraged finance book has been closely monitored, and exposures reduced and extensively hedged--it still generated a £335 million loss in the corporate and transaction banking division in 2022, an additional £85 million mark-to-market loss in 2023, and a write-down of £21 million in the third quarter of 2024. While these losses have partially reversed in the first half of 2025 as a portion of the hung book was released, the historical performance of these exposures demonstrates the inherent risks in this portfolio. Taken together, our view of Barclays' risk position will remain an important ratings constraint in the medium term.

Mortgage lending forms the bedrock of the group's lending. Residential mortgage loans represent half of Barclays' drawn customer loans (see chart 9). As with other U.K. banks, Barclays underwrites its mortgage book based on borrowers' stressed repayment capacity. That said, the loan-to-value (LTV) profile of the group's owner-occupied book indicates good collateral at a 53% average indexed LTV ratio as of full-year 2024.

Chart 9

Barclays' diversified loan portfolio

Sectoral breakdown of net customer loans and advances at amortized cost

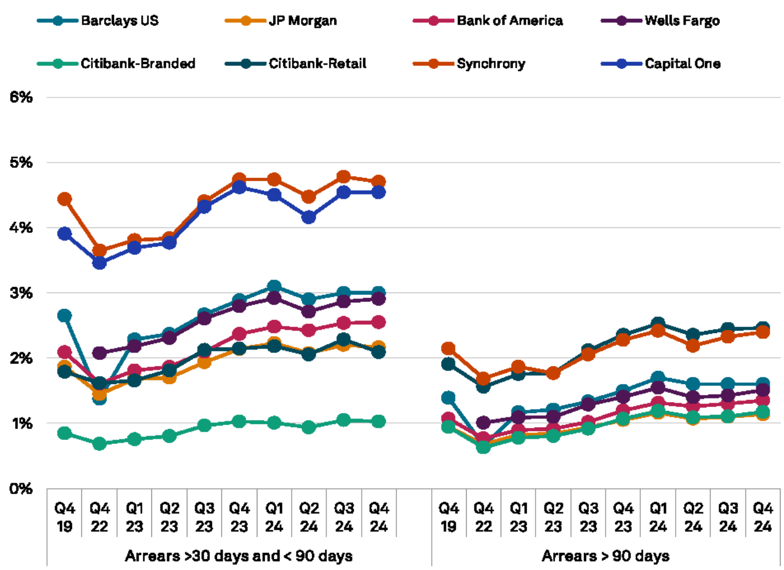


Source: S&P Global Ratings; Company disclosure. Excludes loans to banks.

Barclays' U.S. consumer credit book has shown stable credit quality, but amplifies the bank's exposure to the U.S. macroeconomic environment. Arrears between 30 and 90 days were stable at 3.00% of the loan book in 2024, remaining around this level in the first quarter of 2025 (see chart 10). This is in line with the U.S. consumer lending peer set. For example, its loans in arrears of more than 90 days of 1.64% is in line with the sectoral average.

Chart 10

Barclays' U.S. credit card arrears moving back above pre-pandemic levels
Arrears as a % of gross receivables (%)

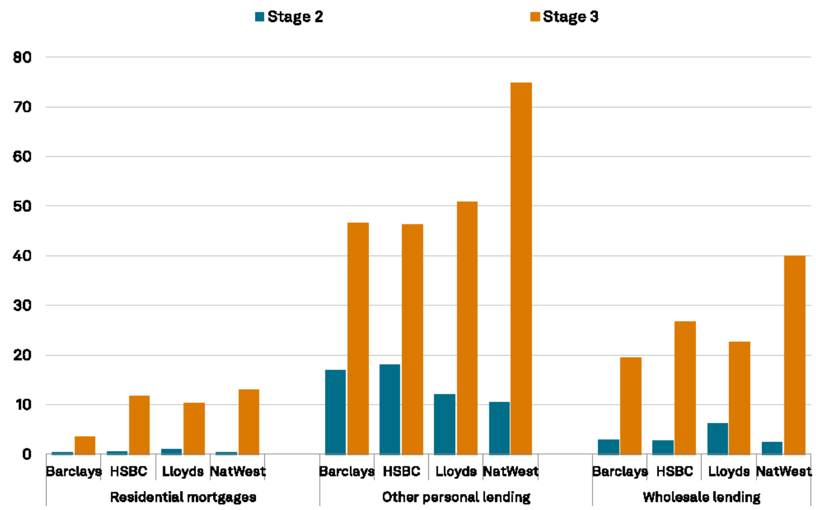


Despite resilient credit quality as of the end of March 2025, the bank's consumer credit book is naturally exposed to fluctuations in the U.S. macroeconomy. To address this, the bank added a £38 million uncertainty overlay to its loan loss provisions on the U.S. consumer unsecured book in the first quarter of 2025. This overlay reflects the increased downside risks related to the U.S. macroeconomy, specifically unemployment and economic growth, above the risks captured in its current International Financial Reporting Standard (IFRS) 9 economic scenarios. Additional provisions were taken in the investment bank of £53 million on a gross basis, or £36 million net of credit risk transfer measures. In sum, additions to loan loss provisions linked to mounting economic uncertainty in the U.S. flowing through the group income statement totaled £74 million in the first quarter of the year.

Barclays' provision coverage on consumer credit exposure is in line with the U.K peer set (see chart 11). Its coverage of stage 2 and stage 3 consumer credit exposure compares well with that of peers, at 16.8% and 46.5% respectively. These ratios are broadly in line with the U.K. peer average, although Barclays' unsecured loan book mix differs greatly from U.K. peers (see chart 11).

Chart 11

Barclays' ECL coverage is similar to its domestic peers'
ECL provision cover at year-end 2024 (%)



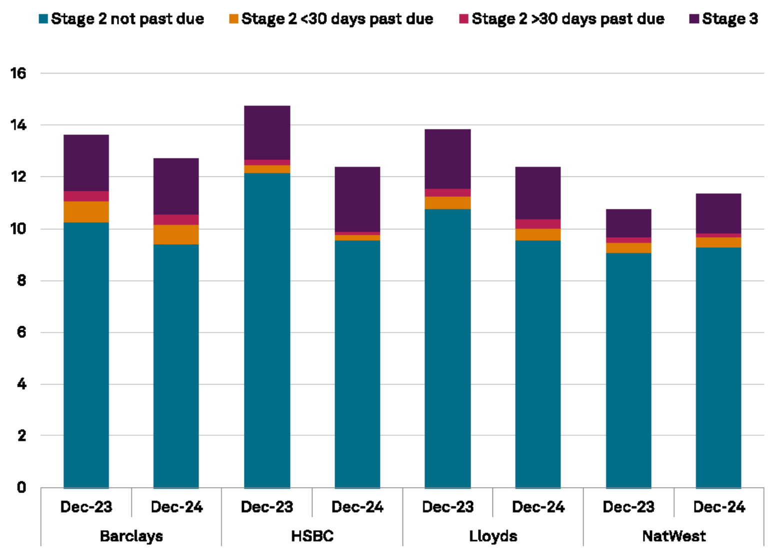
ECL--Expected credit loss. Source: S&P Global Ratings; Company disclosure.

Barclays' wholesale lending is well diversified between sectors, and the bank is an active user of synthetic risk transfer. We see its diversification and active hedging as essential asset-quality supports. In the corporate loan book, the largest single exposure is to non-bank financial institutions, followed by business services, and materials and construction. The bank's £15.8 billion international commercial real estate (CRE) book includes modest office exposure of £1.7 billion and no CRE sub sector has more than a 57% LTV. The bank also employs synthetic risk transfer under its Colonnade program, through which it can generate synthetic protection on around £50 billion of exposures in its corporate book, thereby reducing its credit risk exposure.

Barclays' stage 2 and stage 3 loan balances are comparable to those of its U.K. peers. The majority of stage 2 loans are fully performing and arrears are stable, while migration to stage 3 was stable in 2024 after rising in 2023. We expect the underlying flow of loans into arrears and nonperformance to persist, but remain manageable through 2025--not factoring in idiosyncratic risks that may arise from ongoing U.S. macroeconomic uncertainty (see chart 12).

Chart 12

Barclays' stage two loans are broadly similar to domestic peers'
Stage 2 and 3 loans as percentages of total customer loans (%)



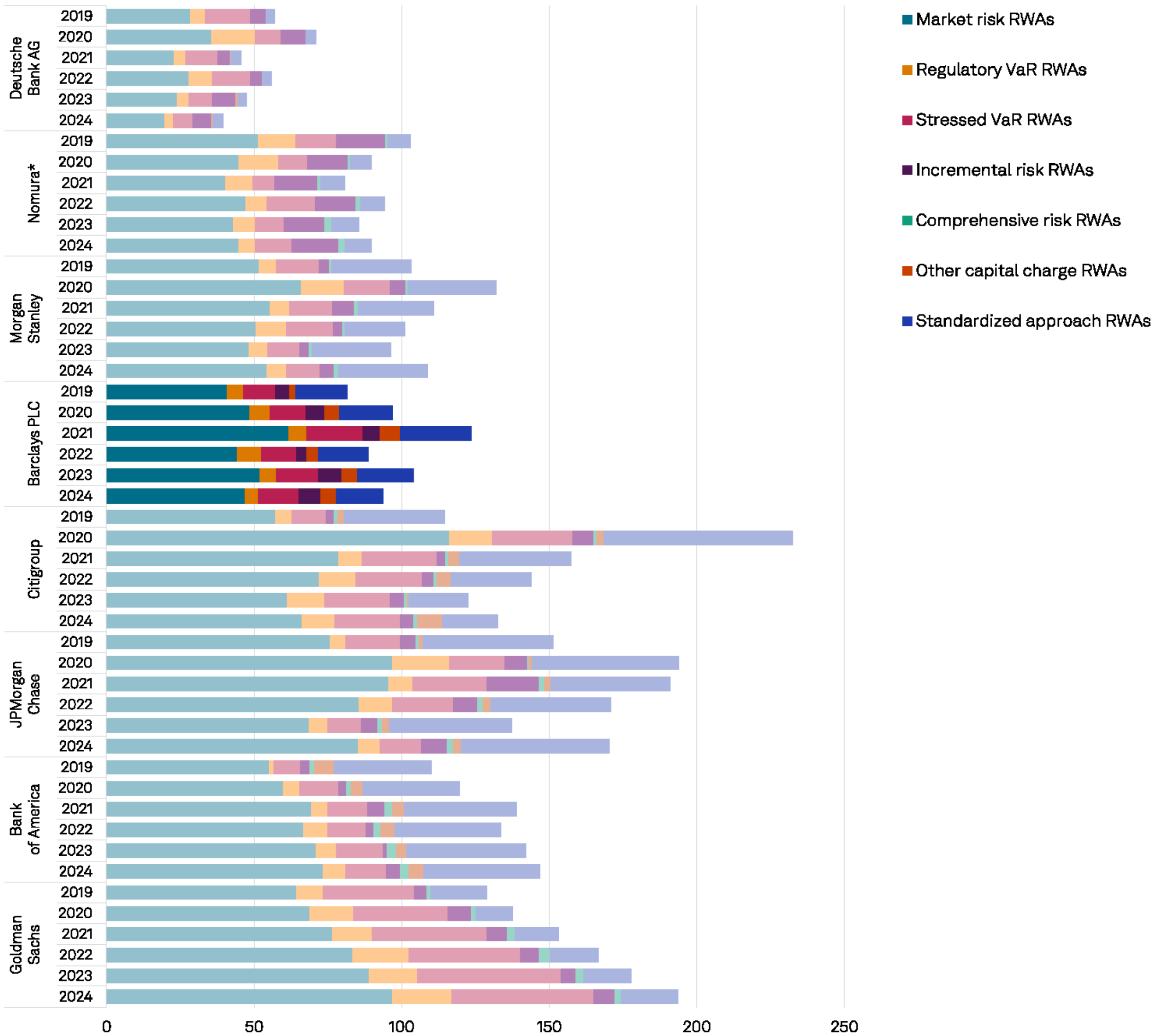
Q--Quarter. BI--Barclays International. Source: S&P Global Ratings; Company disclosure.

Barclays' investment banking business generates material market and counterparty risks. The average one-day 95% management value-at-risk was £26 million in 2024, from £42 million in 2023. This was mainly driven by tightening credit spreads and declining central bank rates, which pushed down daily market risk in the group's credit trading business. Despite the fall in daily management value at risk, market risk-related regulatory RWAs remained an important part of the group's risk profile and was among the largest outright exposures in the G-SIB peer set (see chart 13).

Chart 13

Barclays market risk exposure is material, but stable

Breakdown of regulatory market risk RWAs (bil. $)



*Nomura's fiscal year ends in March. Data for Nomura for 2024 is as of Sept.30, 2024.
RWA--Risk-weighted asset. VaR--Value at risk.
Source: Pillar 3 regulatory disclosures, S&P Global Ratings.

Barclays also faces market risks from structural interest rate and foreign exchange positions and its large defined-benefit employee pension schemes.

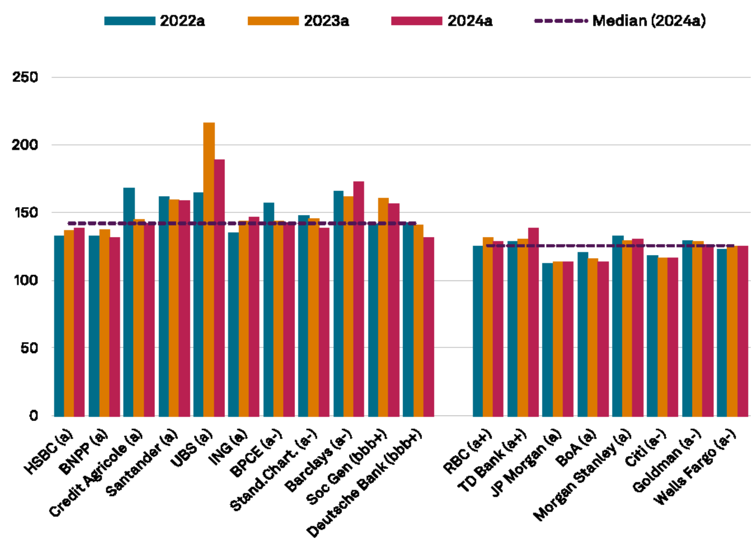
Barclays has a mixed history of operational risk events, though its recent track record is solid after sustained investment in its controls. The bank's last major operational risk event was the over-issuance of securities under a U.S. shelf program. Its recent track record has been robust and the impact of operational risk control breaches in the past 24 months has been negligible. In our view, this reflects sustained investment in the bank's control environment.

Funding And Liquidity: Balanced And Stable Profiles

Barclays' funding profile benefits from its diverse deposit base, including its granular U.K. retail and corporate franchise, and its proven ability to access wholesale funding in varied market conditions. We view Barclays' liquidity as adequate, considering its large liquid asset portfolio and solid liquidity metrics. On March 31, 2025, its liquidity buffer was £144 billion above the minimum regulatory requirement, with 74% of this in cash at central banks and 26% in debt securities. The cautious buffer positions Barclays' liquidity coverage ratio toward the upper end of the peer group of European and international G-SIBs. The net stable funding ratio is on similarly stable ground and also sits toward the upper end of the European peer group (charts 14 and 15).

Chart 14

Barclays' LCR consistently exceeds most global peers
Regulatory liquidity coverage ratio (LCR) (%)

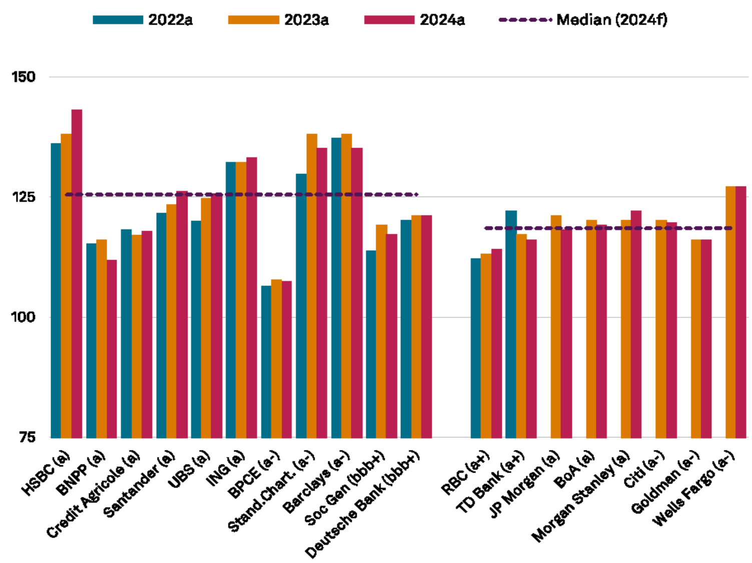


a--Actual.

Chart 15

... As does Its NSFR

Regulatory net stable funding ratio (NSFR; %)



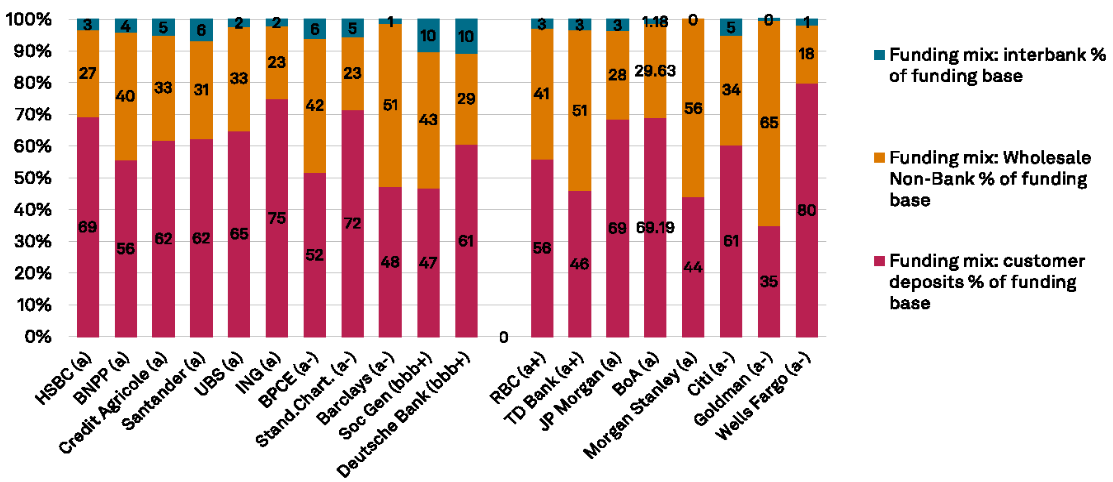
a--Actual. f--Forecast.

Barclays' strong deposit franchise underpins the bank's funding profile. Its S&P Global Ratings-adjusted loan-to-deposit ratio was 62% at Dec. 31, 2024, down modestly from 64% at the end of 2023 (78% at end-2019). This has been fueled by a sharp increase in customer deposits over the past five years, propelled by persistent U.K. retail deposit accumulation, and the positive effects of international quantitative easing and historic fiscal stimulus on corporate and financial institution balance sheets. We expect this deposit funding base to remain well diversified and stable. Under our base case, deposits remain elevated across Barclays' key markets as money supply is still high, balancing the effects of quantitative tightening against moderate levels of international credit and nominal GDP growth.

We expect Barclays to remain more reliant on wholesale funding than some global peers. This reflects that its investment bank is an active borrower in confidence-sensitive wholesale markets. The investment bank funds most of its inventory on a secured basis, and Barclays' short-term unsecured borrowing primarily funds its liquidity portfolio in this business. By our measure, and excluding repurchase agreements and derivative trading liabilities, the bank had £43 billion of short-term wholesale funding maturing within one year at year-end 2024. Short-term repurchase agreements totaled £195 billion by our measures at year end. This greater reliance on wholesale funding channels is an important relative rating consideration versus narrower U.K. and European peers (chart 16).

Chart 16

Barclays funding is relatively more reliant on wholesale markets than peers-though its track record is resilient
S&P adjusted funding mix by type (%)



Data as of year-end 2024.

We expect Barclays' funding and liquidity metrics will remain broadly stable. In the next 12-to-24 months, we expect Barclays' funding and liquidity profiles will remain broadly unchanged, including its material liquidity surplus. In the medium term, change could arise if the group shifts more of its investment bank funding toward wholesale deposits--though this is outside our current base case.

Peer Comparison

Barclays' operational complexity and track record of robust, but lower, risk-adjusted profitability are relative drags versus U.K.-focused, universal banking peers with an 'a-' stand-alone credit profile (SACP). That said, the bank's business diversification, revenue resilience, and prudent funding and liquidity offset this. This leaves the 'a-' SACP in a comfortable position relative to narrower domestic peers. Compared with higher-rated investment banking peers--including U.S. banks like JPMorgan Chase and Morgan Stanley--Barclays' lower SACP factors in its weaker strategic position, generally narrower scope, and somewhat weaker earnings profile. For example, Barclays' capital markets wallet share is materially smaller than those of major incumbents; it lacks the broader asset-gathering franchises of many global benchmark peers; and its absolute and risk-adjusted returns are much lower. By the same token, a globally diversified, highly profitable, and tightly risk-controlled group like HSBC will continue to have a stronger credit profile than Barclays. This positions Barclays' SACP stably at 'a-', with limited upside over our two-year horizon.

Support: Stable, Large ALAC Buffers

We incorporate a two-notch uplift in our long-term ratings on the core operating subsidiaries due to Barclays' comfortable additional loss-absorbing capacity (ALAC). We project the ALAC ratio will remain above our 6.5% threshold over the next two years. The threshold for a two-notch ALAC uplift is 6.5% for Barclays rather than the standard 6.0% because its operates through multiple regulated legal entities and we think this might constrain the flexible deployment of ALAC in a stress scenario.

Barclays operates with a significant stock of bail-in-able liabilities. We include the majority of the consolidated Barclays group's junior and holding company instruments in our ALAC assessment because, over our projection period, we believe they have capacity to absorb losses without triggering a default on the operating entities' senior obligations. On this basis, the ALAC ratio was in excess of 10% at year-end 2024, and we expect it will stay around this level--a comfortable surplus.

Barclays had £127 billion of minimum requirement for own funds and eligible liabilities (MREL) resources at end-March 2025 and its binding constraint, according to the BoE's indicative MREL requirements, was £107.7 billion in the same period.

Environmental, Social, And Governance (ESG)

Overall, we see ESG credit factors for Barclays as broadly in line with those of the industry, including U.K peers. The bank faces elevated conduct and legal risks in its main markets--the U.K. and U.S.--and has incurred material charges related to legacy business practices. These were absorbable from a purely financial point of view, principally at the expense of larger shareholder distributions. We consider that successive management teams have tightened risk controls in this regard, and believe that the management and awareness of conduct and other operational risks are now firmly embedded into the organization.

As a major corporate and investment bank, Barclays is exposed as a lender, investor, or advisor to sectors vulnerable to environmental risks and changing regulation or norms with regards to these assets. Alongside this, Barclays has faced vocal criticism from some U.K. climate activists for financing the international fossil fuel sector. That said, Barclays has adopted a series of clear commitments on climate change including:

- An ambition to be a "net zero" bank by 2050;
- A plan to reduce its financed emissions, which includes a global phase-out of financing to thermal coal mining and thermal coal-fired power generation by 2035; and
- A target to facilitate $1 trillion of Sustainable and Transition Financing between 2023 and the end of 2030.

In support of this, we see increasing evidence of environmental risk being treated as a mainstream credit risk factor in

Barclays' lending activities, given the potential materiality of transition risks in the lending portfolio. We think that the bank is prudently managing the strategic and credit risks associated with the global energy transition.

Group Structure, Rated Subsidiaries, And Hybrids

Barclays PLC is the nonoperating holding company of the group. Barclays Bank PLC and Barclays Bank UK PLC are the main operating entities. We view both as core to the group and, in common with the other core subsidiaries, we rate them in line with the ALAC-supported 'a+' group credit profile.

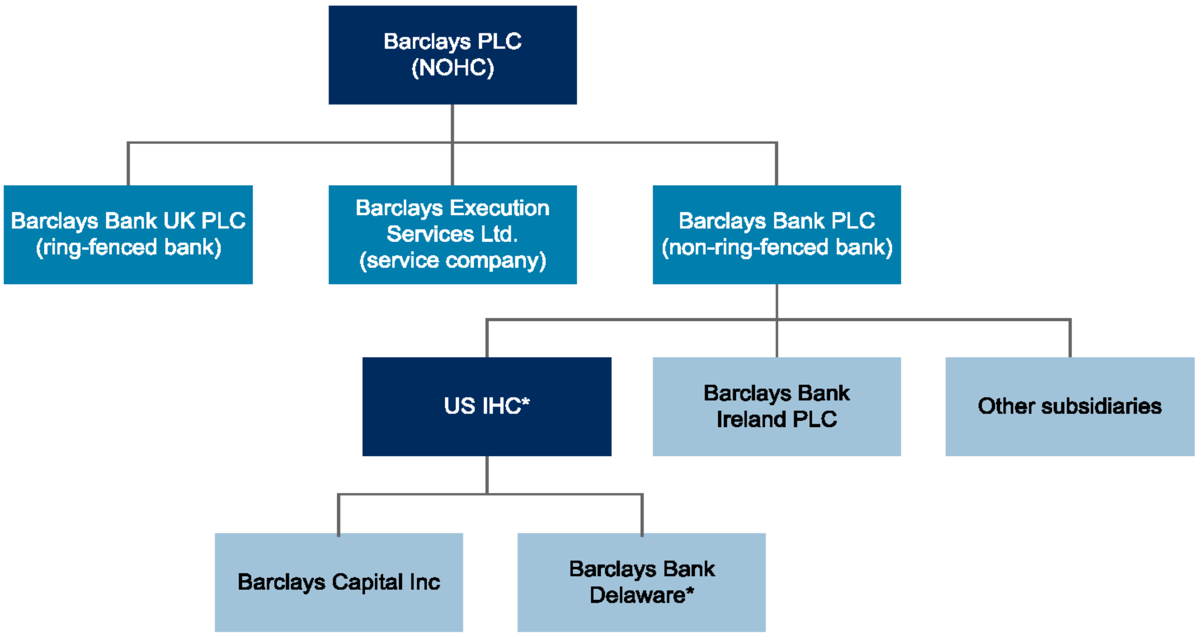
We do not include ALAC uplift in our rating on Barclays PLC because we do not believe that its senior obligations would necessarily continue to receive full and timely payment in a resolution scenario. We rate Barclays PLC one notch below the 'a-' group SACP.

We rate Barclays' hybrid instruments according to their respective features.

AT1 instruments face coupon nonpayment risk if, among other factors, the issuer's regulatory capital ratios breach applicable hurdles, commonly known as minimum distributable amount (MDA) thresholds. Barclays has previously been willing to operate with narrower MDA headroom than most peers, and its CET1 target of the upper half of the 13%-14% range indicates that its headroom could again fall below 200 bps. Without revising the group SACP, we could lower our ratings on capital securities with discretionary coupons (including AT1 instruments) if we think Barclays' prospective MDA headroom could result in a higher risk of coupon nonpayment.

Chart 17

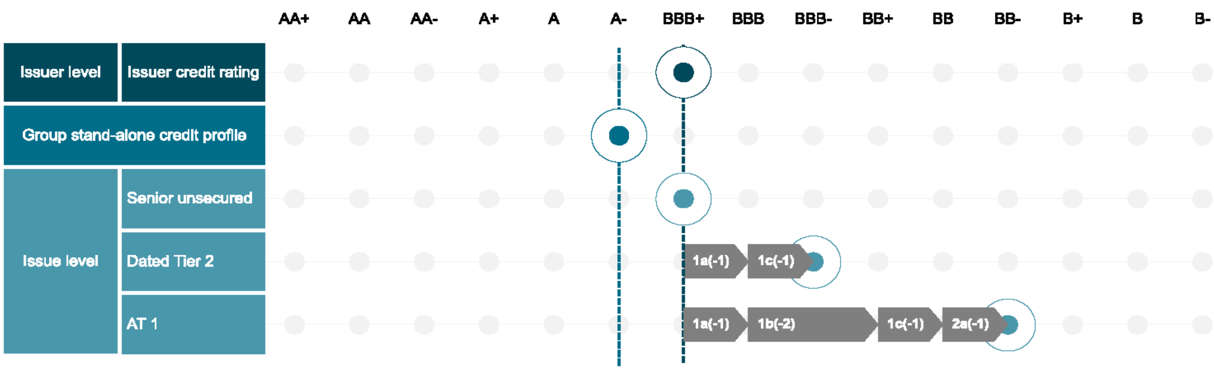
Barclays PLC – Highly Simplified Overview Of Barclays' Organization Structure And Significant Legal Entities



*Not rated. IHC--Intermediate holding company. NOHC--Nonoperating holding company. Source: S&P Global Ratings.

Chart 18

Barclays PLC: Notching



Key to notching

---- Issuer credit rating

----- Group stand-alone credit profile

1a Contractual subordination

1b Discretionary or mandatory nonpayment clause and whether the regulator classifies it as regulatory capital

1c Mandatory contingent capital clause or equivalent

Note: The number-letter labels in the table above are in reference to the notching steps we apply to hybrid capital instruments, as detailed in table 2 of our "Hybrid Capital: Methodology And Assumptions" criteria, published on March 2, 2022.
The nonoperating holding company (NOHC) issuer credit rating and senior unsecured debt ratings are notched from the group stand-alone credit profile (SACP) under our criteria. Since ALAC notching does not benefit NOHCs, for simplicity the diagram above is stylized to show the positioning of these ratings with reference to the group SACP.
AT1--Additional Tier 1. NDSD--Non-deferrable subordinated debt. NVCC--nonviability contingent capital.

Resolution Counterparty Ratings (RCRs)

Our RCRs on core subsidiaries and their rated branches based in the U.K. and EU are 'AA-/A-1+'. In contrast, our 'A+' long-term RCR on Barclays Capital Inc. is in line with the long-term issuer credit rating. This is because, in our U.S. jurisdiction assessment, we have insufficient visibility regarding whether some senior liabilities have lower default risk than others in a bail-in resolution.

Key Statistics

Table 2

Barclays PLC--Key Figures

	--Year ended Dec. 31--				
(Mil. £)	2024	2023	2022	2021	2020
Adjusted assets	1,509,927	1,469,693	1,505,460	1,376,224	1,341,566
Customer loans (gross)	343,016	339,009	348,869	325,664	318,262
Adjusted common equity	52,317	49,960	48,975	45,577	42,995

Table 2

Barclays PLC--Key Figures (cont.)

	--Year ended Dec. 31--				
(Mil. £)	**2024**	**2023**	**2022**	**2021**	**2020**
Operating revenues	26,269	25,369	24,962	22,200	21,772
Noninterest expenses	16,161	16,531	14,919	13,211	13,171
Core earnings	5,386	4,731	6,620	7,534	2,203

Table 3

Barclays PLC--Business Position

	--Year ended Dec. 31--				
(%)	**2024**	**2023**	**2022**	**2021**	**2020**
Total revenues from business line (mil. £)	26,825.0	25,369.0	24,962.0	22,200.0	21,789.0
Commercial and retail banking/total revenues from business line	61.3	64.4	56.4	54.6	54.7
Trading and sales income/total revenues from business line	28.1	28.5	35.4	28.9	34.9
Corporate finance/total revenues from business line	9.3	7.7	8.9	16.5	12.5
Other revenues/total revenues from business line	1.2	(0.5)	(0.7)	(0.0)	(2.2)
Investment banking/total revenues from business line	37.5	36.2	44.3	45.4	47.5
Return on average common equity	9.0	7.6	9.0	11.4	2.8

Table 4

Barclays PLC--Capital And Earnings

	--Year ended Dec. 31--				
(%)	**2024**	**2023**	**2022**	**2021**	**2020**
Tier 1 capital ratio	16.9	17.7	17.9	19.2	19.0
S&P Global Ratings' RAC ratio before diversification	12.0	12.1	12.0	11.4	11.0
S&P Global Ratings' RAC ratio after diversification	13.2	13.3	13.2	12.4	12.1
Adjusted common equity/total adjusted capital	81.2	79.0	78.7	78.3	78.8
Double leverage	111.1	111.1	111.9	108.1	107.3
Net interest income/operating revenues	49.2	50.1	42.4	36.4	37.3
Fee income/operating revenues	27.6	25.7	26.4	34.6	30.2
Market-sensitive income/operating revenues	23.0	24.1	31.5	28.3	33.1
Cost to income ratio	61.5	65.2	59.8	59.5	60.5
Preprovision operating income/average assets	0.7	0.6	0.7	0.7	0.7
Core earnings/average managed assets	0.4	0.3	0.5	0.6	0.2

RAC--Risk adjusted capital.

Table 5

Barclays PLC risk-adjusted capital framework data

(Mil. £)	**Exposure***	**Basel III RWA**	**Average Basel III RW(%)**	**S&P's RWA**	**Average S&P's RW (%)**
Credit risk					
Government & central banks	401,712	16,560	4	6,797	2
Of which regional governments and local authorities	4,848	666	14	175	4

Table 5

Barclays PLC risk-adjusted capital framework data (cont.)

Institutions and CCPs	70,173	6,864	10	13,016	19
Corporate	110,452	80,964	73	92,226	83
Retail	265,775	83,271	31	157,571	59
Of which mortgage	180,476	32,521	18	65,998	37
Securitization§	116,662	23,077	20	33,814	29
Other assets†	148,466	55,402	37	100,464	68
Total credit risk	1,113,240	266,138	24	403,889	36
Credit valuation adjustment					
Total credit valuation adjustment	--	3,025	--	4,449	--
Market Risk					
Equity in the banking book	1,866	3,451	185	14,348	769
Trading book market risk	--	36,843	--	54,321	--
Total market risk	--	40,294	--	68,669	--
Operational risk					
Total operational risk	--	48,607	--	58,786	--
(Mil. £)	**Exposure**	**Basel III RWA**	**Average Basel II RW (%)**	**S&P Global RWA**	**% of S&P Global RWA**
Diversification adjustments					
RWA before diversification	--	358,133	--	535,794	100
Total Diversification/ Concentration Adjustments	--	--	--	(49,436)	(9)
RWA after diversification	--	358,133	--	486,358	91
(Mil. £)		**Tier 1 capital**	**Tier 1 ratio (%)**	**Total adjusted capital**	**S&P RAC ratio (%)**
Capital ratio		**S&P's RWA**	**S&P's RWA**	**S&P's RWA**	**S&P's RWA**
Capital ratio before adjustments		60,634	16.9	64,392	12.0
Capital ratio after adjustments‡		60,634	16.9	64,392	13.2

*Exposure at default. §Securitization exposure includes the securitization tranches deducted from capital in the regulatory framework. †Exposure and S&P Global Ratings' risk-weighted assets for equity in the banking book include minority equity holdings in financial institutions. ‡Adjustments to Tier 1 ratio are additional regulatory requirements (e.g. transitional floor or Pillar 2 add-ons). RWA--Risk-weighted assets. RW--Risk weight. RAC--Risk-adjusted capital. Sources: Company data as of 'Dec. 31 2024', S&P Global Ratings.

Table 6

Barclays PLC--Risk Position

	--Year ended Dec. 31--				
(%)	**2024**	**2023**	**2022**	**2021**	**2020**
Growth in customer loans	1.2	(2.8)	7.1	2.3	0.1
Total diversification adjustment/S&P Global Ratings' RWA before diversification	(9.2)	(9.3)	(9.2)	(8.3)	(9.4)
Total managed assets/adjusted common equity (x)	29.0	29.6	30.9	30.4	31.4
New loan loss provisions/average customer loans	0.6	0.5	0.4	(0.2)	1.5
Net charge-offs/average customer loans	0.4	0.3	0.5	0.5	0.6
Gross nonperforming assets/customer loans + other real estate owned	2.1	2.1	2.0	2.2	2.9

Table 6

Barclays PLC--Risk Position (cont.)					
	--Year ended Dec. 31--				
(%)	2024	2023	2022	2021	2020
Loan loss reserves/gross nonperforming assets	68.9	79.6	78.9	79.4	91.0

RWA--Risk weighted assets.

Table 7

Barclays PLC--Funding And Liquidity					
	--Year ended Dec. 31--				
(%)	2024	2023	2022	2021	2020
Core deposits/funding base	47.5	46.0	46.1	48.0	47.7
Customer loans (net)/customer deposits	61.7	63.6	65.3	63.8	66.8
Long-term funding ratio	75.7	71.7	70.7	71.4	72.0
Stable funding ratio	120.7	116.7	118.6	120.2	123.2
Short-term wholesale funding/funding base	25.6	29.9	30.8	30.3	29.7
Broad liquid assets/short-term wholesale funding (x)	1.6	1.5	1.4	1.5	1.6
Net broad liquid assets/short-term customer deposits	32.9	29.1	29.0	30.5	34.9
Short-term wholesale funding/total wholesale funding	47.8	54.2	55.9	56.9	55.5
Narrow liquid assets/3-month wholesale funding (x)	4.1	5.0	3.9	4.7	5.3

Related Criteria

- Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology, April 30, 2024
- General Criteria: Hybrid Capital: Methodology And Assumptions, March 2, 2022
- Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions, Dec. 9, 2021
- Criteria | Financial Institutions | General: Financial Institutions Rating Methodology, Dec. 9, 2021
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- General Criteria: Group Rating Methodology, July 1, 2019
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- General Criteria: Guarantee Criteria, Oct. 21, 2016
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

Related Research

- U.K. Banking Outlook 2025: Entering The Year With Solid Earnings, Jan. 20, 2025
- U.K. Economic Outlook 2025: Monetary Policy And Trade To Offset Fiscal Impetus, Nov. 26, 2024
- Santander UK's Motor Finance Provision Indicates The Size Of U.K. Lenders' Potential Redress Payments, Nov. 20,

2024

- Court's Motor Finance Judgment Gives Some U.K. Banks Pause In A Strong Third Quarter, Oct. 29, 2024
- Banking Industry Country Risk Assessment: United Kingdom, Oct. 23, 2024
- United Kingdom 'AA/A-1+' Ratings Affirmed; Outlook Stable, Oct. 18, 2024

Ratings Detail (As Of May 29, 2025)*	
Barclays PLC	
Issuer Credit Rating	BBB+/Stable/A-2
Commercial Paper	A-2
Junior Subordinated	BB-
Senior Unsecured	BBB+
Subordinated	BBB-
Issuer Credit Ratings History	
19-May-2023	BBB+/Stable/A-2
24-Jun-2021	BBB/Positive/A-2
26-Feb-2021	BBB/Stable/A-2
Sovereign Rating	
United Kingdom	AA/Stable/A-1+
Related Entities	
Barclays Bank Ireland PLC	
Issuer Credit Rating	A+/Stable/A-1
Resolution Counterparty Rating	AA-/--/A-1+
Senior Unsecured	A+
Barclays Bank Ireland PLC (Milan Branch)	
Issuer Credit Rating	A+/Stable/A-1
Resolution Counterparty Rating	AA-/--/A-1+
Barclays Bank Ireland PLC, Sucursal en Espana (Madrid Branch)	
Issuer Credit Rating	A+/Stable/A-1
Resolution Counterparty Rating	AA-/--/A-1+
Barclays Bank Mexico S.A., Institucion de Banca Multiple, Grupo Financiero Barclays Mexico	
Issuer Credit Rating	
CaVal (Mexico) National Scale	mxAAA/Stable/mxA-1+
Barclays Bank PLC	
Issuer Credit Rating	A+/Stable/A-1
Resolution Counterparty Rating	AA-/--/A-1+
Certificate Of Deposit	
Foreign Currency	A+/A-1/A-1
Commercial Paper	
Local Currency	A-1
Junior Subordinated	BB+
Junior Subordinated	BBB
Junior Subordinated	BBB-

Ratings Detail (As Of May 29, 2025)*(cont.)	
Preference Stock	BB+
Resolution Counterparty Liability	A-1+
Resolution Counterparty Liability	AA-
Senior Secured	AA-
Senior Unsecured	A+
Short-Term Debt	A-1
Short-Term Secured Debt	A-1+
Subordinated	BBB
Barclays Bank PLC (Cayman Branch)	
Commercial Paper	A-1
Barclays Bank PLC (New York Branch)	
Issuer Credit Rating	A+/Stable/A-1
Resolution Counterparty Rating	AA-/--/A-1+
Commercial Paper	A-1
Barclays Bank UK PLC	
Issuer Credit Rating	A+/Stable/A-1
Resolution Counterparty Rating	AA-/--/A-1+
Commercial Paper	A-1
Senior Secured	AAA/Stable
Senior Unsecured	A+
Short-Term Debt	A-1
Barclays Capital Inc.	
Issuer Credit Rating	A+/Stable/A-1
Resolution Counterparty Rating	A+/--/A-1
Commercial Paper	
Local Currency	A-1
Barclays Capital Luxembourg	
Issuer Credit Rating	A+/Stable/A-1
Resolution Counterparty Rating	AA-/--/A-1+
Barclays Execution Services Ltd.	
Issuer Credit Rating	A+/Stable/A-1
Barclays Group US Inc.	
Issuer Credit Rating	A/Stable/A-1
Barclays Luxembourg Global Funding	
Issuer Credit Rating	A+/Stable/A-1
Resolution Counterparty Rating	AA-/--/A-1+
Barclays Treasury Luxembourg S.a.r.l.	
Issuer Credit Rating	A+/Stable/A-1
Resolution Counterparty Rating	AA-/--/A-1+
BARCLAYS US CCP FUNDING LLC	
Resolution Counterparty Liability	A-1+
Barclays US Funding LLC	
Senior Unsecured	A+
Short-Term Debt	A-1

Ratings Detail (As Of May 29, 2025)*(cont.)

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.

Appendix

Appendix 1: Rating Definitions

Category	Definition
AAA_{spc}	The repayment ability is extremely strong, generally not impacted by any adverse economic environment, and the default risk is extremely low.
AA_{spc}	The repayment ability is very strong, not considerably impacted by any adverse economic environment, and the default risk is very low.
A_{spc}	The repayment ability is comparatively strong, comparatively vulnerable to the impact of adverse economic environment, and the default risk is comparatively low.
BBB_{spc}	The repayment ability is average, comparatively impacted by adverse economic environment, and the default risk is average.
BB_{spc}	The repayment ability is comparatively weak, materially impacted by adverse economic environment, and the default risk is comparatively high.
B_{spc}	The repayment ability relies comparatively on fair economic environment and the default risk is very high.
CCC_{spc}	The repayment ability relies extremely on fair economic environment and the default risk is extremely high.
CC_{spc}	Lower protection in situation of bankruptcy or reorganization and the repayment of debt may not be generally guaranteed.
C_{spc}	Unable to repay the debt.

Note: Except for AAA_{spc} and ratings below CCC_{spc}, each rating may be added a "+" or "-" sign for minor adjustment to indicate a slightly higher or lower rating.