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Risk & Capital Analysis

Barclays PLC

Reporting Period: H1 2026 (30 June 2026)

Analysis Date: 2026-09-10

RISK VIEW
Risk Analytics for Financial Institutions

Produced by the Risk Analytics team
Dynamic Strategies

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Executive Summary

Overall Assessment: Stable

Key Findings

- Barclays' CET1 ratio of 14.3% (14.0% pro forma for the GBP 1.0bn buyback) ranks 2 of 7 in the European peer set, but a 12.2% CET1 requirement, the highest in the set, leaves MDA headroom of only 210bps (6 of 7; peer median 271bps).(1)(7)
- Leverage is the constraint that binds first on growth: the UK leverage ratio fell to 4.9% against a 4.1% requirement as Investment Bank activity added GBP 98bn of leverage exposure in six months, and RWA density of 21.1% is the lowest in the peer set.(1)(7)
- Returns improved: RoTE rose to 14.8% from 13.2% a year earlier and cost/income fell to 55% from 58%, both in line with the peer medians. The loan loss rate, however, rose to 62bps from 52bps, including a GBP 228m single-name Investment Bank charge.(1)
- Liquidity remains strong, with an average LCR of 157.7% and NSFR of 135.8% (2 of 7 and 2 of 7 in the peer set, on mixed period-end and average bases). The LCR is down from 177.7% a year earlier, mainly because of a 2025 change in the methodology for secured-financing outflows.(1)
- In the Bank of England 2025 stress test Barclays' CET1 ratio fell 420bps, from 13.5% to a low point of 9.3% after management actions, the largest drawdown in the peer set's latest regulatory tests, but well above the 7.2% minimum requirement.(5)(7)
- 2027 is the swing year: c.GBP 19-26bn of RWA inflation from Basel 3.1 and the US cards model move is worth roughly 69-93bps of CET1 before Pillar 2A relief, and the GBP 430m motor finance provision awaits the outcome of legal challenges to the FCA redress scheme.(1)

Key Metrics Dashboard

Metric	Value	Status	Comment
CET1 Ratio (14.3%)	14.3%	GREEN	2 of 7 in peer set; 14.0% pro forma
MDA Headroom (210bps)	210bps	AMBER	6 of 7; peer median 271bps
UK Leverage Ratio (4.9%)	4.9%	AMBER	c.80bps over 4.1% requirement
LCR (157.7%)	157.7%	GREEN	2 of 7 (mixed bases); down from 177.7%
NSFR (135.8%)	135.8%	GREEN	2 of 7; GBP 172bn surplus
MREL (36.7%)	36.7%	GREEN	Above 30.5% requirement (excl. PRA buffer)
Stage 3 Ratio (2.04%)	2.04%	GREEN	Flat year on year; EBA basis 0.99%
Cost of Risk (62bps)	62bps	AMBER	Up from 52bps; 6 of 7 in peer set
RoTE (14.8%)	14.8%	GREEN	Above >12% 2026 target; median 14.8%
Cost/Income (55%)	55%	AMBER	Improved from 58%; 2028 target low 50s
BoE Stress Drawdown (420bps)	420bps	AMBER	Low point 9.3% vs 7.2% minimum
2027 Regulatory RWAs	GBP 19-26bn	AMBER	Basel 3.1 and US cards IRB; c.69-93bps CET1

Improving: capital and risk metrics trending positively. Stable: metrics broadly unchanged. Deteriorating: material weakening in key risk di

(1) Barclays PLC Interim Results Announcement, 30 June 2026 (published 28 July 2026).

(7) RiskView H1 2026 European peer dataset: cited latest disclosures of BNP, DB, Santander, ING, HSBC and UBS.

(5) Bank of England, Financial Stability Report Dec 2025 (2025 Bank Capital Stress Test); Barclays statement, 2 Dec 2025.

Macroeconomic Context

The UK economy is growing slowly and inflation has picked up again. The Bank of England's July 2026 central projection has real GDP growth of 1.3% in 2025 and 1.1% in both 2026 and 2027, unemployment rising from 4.8% in 2025 to 5.3% in 2027, and CPI inflation of 3.2% in Q4 2026 before it returns to 2.1% in Q4 2027.(4) The energy price shock linked to the Middle East conflict has ended the easing narrative of 2025: the Monetary Policy Committee held Bank Rate at 3.75% in July 2026 by a 6-3 vote, with three members voting for an increase, and the market curve behind the projections rises to around 4.2% by the second half of 2027.(4) The Bank's adverse scenario pushes CPI inflation to 4.1% by Q3 2027 with unemployment at 5.5%.

For Barclays the rate outlook cuts both ways. Reinvesting the structural hedge at higher swap rates supports net interest income, which grew to GBP 6.8bn in H1 2026 outside the Investment Bank and Head Office at a 4.78% margin, while higher-for-longer rates and rising unemployment increase the pressure on UK unsecured borrowers and mortgage refinancing.(1) Barclays is also less UK-concentrated than domestic lenders: the Investment Bank accounts for 56% of Group RWAs and the US Consumer Bank for a material cards book, so US consumer credit and global capital markets matter as much as UK growth. A 4% year-on-year appreciation of average sterling against the dollar reduced reported income and profits in H1 2026.(1)

The regulatory calendar is crowded. The PRA has confirmed UK Basel 3.1 implementation from 1 January 2027, with the internal-model part of the new market risk framework deferred to 2028; the FCA's motor finance redress scheme is partly suspended pending legal challenges; and the Financial Policy Committee has kept the UK countercyclical buffer rate at its 2% neutral setting.(1)(5)

Macro Projections: United Kingdom

Indicator	2025	2026E	2027E	2028E	Source
Real GDP growth	1.3%	1.1%	1.1%	1.7%	(4) Table A1.A
Unemployment rate	4.8%	5.0%	5.3%	5.2%	(4) Table A1.C
CPI inflation (Q4/Q4)	3.4%	3.2%	2.1%	1.9%	(4) Table A1.B
Bank Rate (market curve, Q3)	n/a	3.8%	4.2%	4.2%	(4) Table 3.B

Medium-Term Outlook for Barclays' Business Model

- Structural hedge tailwind with a rate-cut sensitivity: management expects the hedge to keep adding income beyond 2028, but a 25bps parallel fall in rates would cut Group income by about GBP 70m in year one and GBP 240m by year three as maturing hedges reinvest lower.(3) The July 2026 market curve points the other way, which is supportive for 2027 NII if it holds.
- UK balance sheet redeployment: Barclays has delivered GBP 25bn of the c.GBP 30bn of UK RWA growth planned since 2024, with UK lending up 5% year on year. Mortgage margin compression and retail deposit mix are the offsets to watch as competition for balances continues.(1)
- Investment Bank dependence: the Investment Bank uses 56% of Group RWAs against a 2028 target of c.50%. H1 2026 benefited from strong Global Markets and fee income, but the same activity drove the leverage exposure increase, so growth here is capital-light on RWAs and capital-heavy on leverage.(1)
- US Consumer Bank reshaping: the American Airlines portfolio exit released RWAs and a c.GBP 225m gain, while the Best Egg acquisition added prime personal loans. A 575bps loan loss rate and a c.GBP 11bn RWA add-on from the H2 2027 move to internal models keep this business capital-sensitive.(1)
- Regulatory RWA inflation: c.GBP 19-26bn of RWAs from Basel 3.1 and the cards model move in 2027, partly offset by an expected reduction in Pillar 2A, will absorb a meaningful part of organic capital generation at exactly the point the 2026-2028 distribution plan steps up.(1)
- Distribution ambition: management plans to return more than GBP 15bn in 2026-2028 while operating at 13-14% CET1. Against a 12.2% MDA threshold, that range leaves 80-180bps of headroom, so the pace of buybacks is the main lever if RWA inflation or credit costs surprise.(1)

(4) Bank of England, Monetary Policy Report July 2026 (Tables A1.A-A1.C and 3.B), 30 July 2026.
(1) Barclays PLC Interim Results Announcement, 30 June 2026 (published 28 July 2026).
(5) Bank of England, Financial Stability Report Dec 2025 (2025 Bank Capital Stress Test); Barclays statement, 2 Dec 2025.
(3) Barclays Q2 2026 Results Presentation, 28 July 2026 (slides 50, 51 and 53).

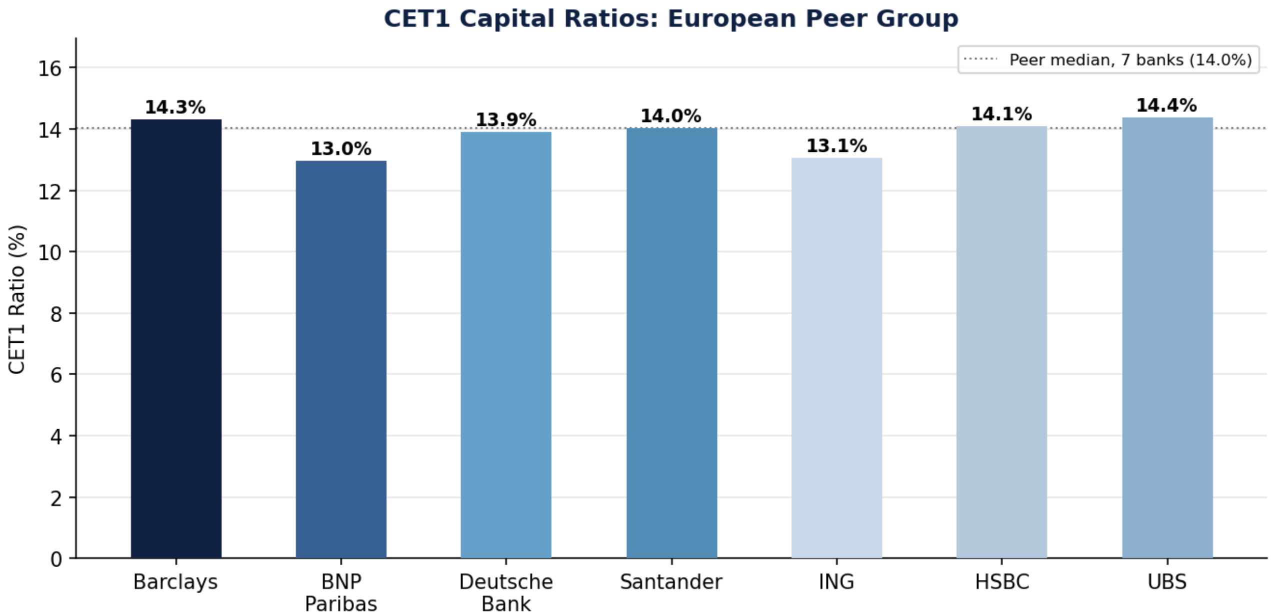
1. Capital Position

Barclays' CET1 ratio was 14.3% at 30 June 2026, unchanged from December 2025 and up from 14.0% a year earlier. After the GBP 1.0bn buyback announced with the results the ratio is 14.0% pro forma, at the top of the 13-14% target range.(1) Tier 1 and total capital ratios of 18.0% and 20.3% rank 2 of 7 and 1 of 7 in the peer set, reflecting a large AT1 and Tier 2 stack.(2)(7)

The half-year capital walk shows strong organic generation absorbed by distributions and growth. Attributable profit added 112bps; distributions (the GBP 1.5bn of buybacks announced with the FY 2025 and Q1 2026 results plus the 2026 dividend accrual) consumed 68bps; higher deductions, mainly Best Egg goodwill, took 17bps; and RWA growth took 26bps.(2) RWAs rose GBP 8.0bn to GBP 364.8bn, driven by UK lending and Global Markets counterparty risk and partly offset by a GBP 3.2bn net release from the American Airlines card portfolio exit and the Best Egg acquisition.(1)

RWA density of 21.1% is the lowest in the peer set (median 26.4%). With management not expecting the Basel 3.1 output floor to bind,(3) this reflects the Investment Bank's trading, financing and central bank cash balances rather than aggressive credit models, and it is why leverage, not the risk-weighted ratio, sets the pace of balance sheet growth.

CET1 Ratios: European Peer Comparison



Capital Ratios Comparison

MREL/TLAC bases differ: TLAC for BNP Paribas, HSBC (summed across resolution groups) and UBS (Swiss basis); MREL for Santander, Deutsche Bank and Barclays.(7)

Metric	Barclays	BNP Par.	Deutsche	Santander	ING	HSBC	UBS	Median
CET1 ratio	14.3%	13.0%	13.9%	14.0%	13.1%	14.1%	14.4%	14.0%
Tier 1 ratio	18.0%	15.5%	17.2%	15.7%	15.7%	16.7%	19.1%	16.7%
Total capital	20.3%	17.7%	19.0%	18.8%	18.7%	19.7%	19.1%	19.0%
Leverage ratio	4.9%	4.4%	4.5%	4.8%	4.2%	4.9%	5.8%	4.8%
MDA headroom	210bps	254bps	271bps	401bps	197bps	300bps	355bps	271bps
MREL/TLAC	36.7%	27.1%	36.4%	40.9%	32.5%	33.0%	38.4%	36.4%

(1) Barclays PLC Interim Results Announcement, 30 June 2026 (published 28 July 2026).
(2) Barclays PLC Interim Pillar 3 Report, 30 June 2026 (KM1, OV1, KM2, CR1 and IRRBB tables).
(7) RiskView H1 2026 European peer dataset: cited latest disclosures of BNP, DB, Santander, ING, HSBC and UBS.
(3) Barclays Q2 2026 Results Presentation, 28 July 2026 (slides 50, 51 and 53).

Capital Requirements, MDA Headroom and Leverage

Barclays' overall CET1 requirement, which sets the MDA threshold, is 12.2%: the 4.5% Pillar 1 minimum, a 2.7% Pillar 2A requirement in CET1 (56.25% of total Pillar 2A of 4.8%), the 2.5% conservation buffer, a 1.5% G-SII buffer and an institution-specific countercyclical buffer of 1.0%, excluding any undisclosed firm-specific PRA buffer.(1) It is the highest CET1 requirement in the peer set (median 11.1%), so a strong CET1 ratio converts into MDA headroom of only 210bps, about GBP 7.7bn of CET1 (6 of 7; median 271bps). Pro forma for the buyback the headroom is 180bps.

The UK leverage ratio, which excludes central bank claims, fell to 4.9% from 5.1% at December 2025 as leverage exposure rose GBP 98.3bn, mainly from Investment Bank trading activity; including central bank claims the ratio is 4.1%.(2) Against a 4.1% requirement (3.25% minimum, 0.53% G-SII buffer and 0.3% countercyclical buffer) the headroom is about 80bps, or GBP 10.8bn of Tier 1.(1) In absolute terms that exceeds the GBP 7.7bn of CET1 headroom to the MDA. Leverage is nevertheless the constraint that binds first on the growth Barclays is adding: each extra GBP 100bn of exposure needs about GBP 4.1bn of Tier 1, against about GBP 2.6bn of CET1 at the Group's average RWA density, and the low-risk-weight financing assets behind the H1 increase need even less risk-weighted capital.

Regulatory RWA Inflation in 2027

Management guides to c.GBP 19-26bn of regulatory RWA inflation: c.GBP 8-15bn from UK Basel 3.1 on 1 January 2027 (the new market risk framework's impact falls mostly in 2027, with some elements deferred to 2028) and c.GBP 11bn when the US cards book moves to an internal ratings-based model in H2 2027.(3) On H1 2026 CET1 capital of GBP 52.2bn, that inflation would lower the CET1 ratio by roughly 69-93bps before mitigation (RiskView calculation), consuming most of the pro forma MDA headroom if no offset arrived. Management expects Pillar 2A to fall as both changes are implemented, and the PRA is expected to review Pillar 2A for double counting, so the net effect on headroom should be smaller than the gross ratio impact. How much smaller is not yet public.(3)

RWA Composition (Barclays, Pillar 3 OV1)

Risk type (OV1)	Dec-25, GBPbn	Jun-26, GBPbn	Share	Change, GBPbn
Credit risk (excl. CCR)	199.7	199.7	54.7%	+0.0
Securitisation	27.6	29.4	8.1%	+1.8
Counterparty credit incl. CVA	45.0	51.5	14.1%	+6.5
Market risk	33.2	32.7	9.0%	-0.5
Operational risk	51.0	51.2	14.0%	+0.2
Settlement risk	0.2	0.3	0.1%	+0.1
Total RWAs	356.7	364.8	100.0%	+8.1

2. Liquidity Position

Barclays reports an average LCR of 157.7% (12 month-ends to June 2026) and an average NSFR of 135.8% (four quarter-ends), ranking 2 of 7 and 2 of 7 in the peer set, with surpluses of GBP 117.2bn and GBP 171.7bn over the 100% minima.(1) The Group liquidity pool rose to GBP 346.7bn from GBP 337.8bn at December 2025, and cash at central banks makes up GBP 237bn of the GBP 334bn of LCR-eligible liquid assets, so the buffer is of the highest quality.(1)

The LCR has fallen 20 points in a year, from 177.7%. The main cause is methodological: from June 2025 Barclays applied a new approach to net stress outflows on secured financing transactions, modelling a more asymmetric unwind of client activity, and the 12-month average absorbs the change gradually.(1) Weighted outflows also rose from GBP 328bn to GBP 446bn while weighted HQLA rose only from GBP 310bn to GBP 321bn, so a full return to 2025 levels should not be assumed.(2)

LCR bases differ: BNP Paribas, Deutsche Bank, ING, Barclays and HSBC report 12-month averages to 30 June 2026; Santander a 12-month average to 31 March 2026; UBS a quarterly average. LCR ranks are therefore indicative.(7)

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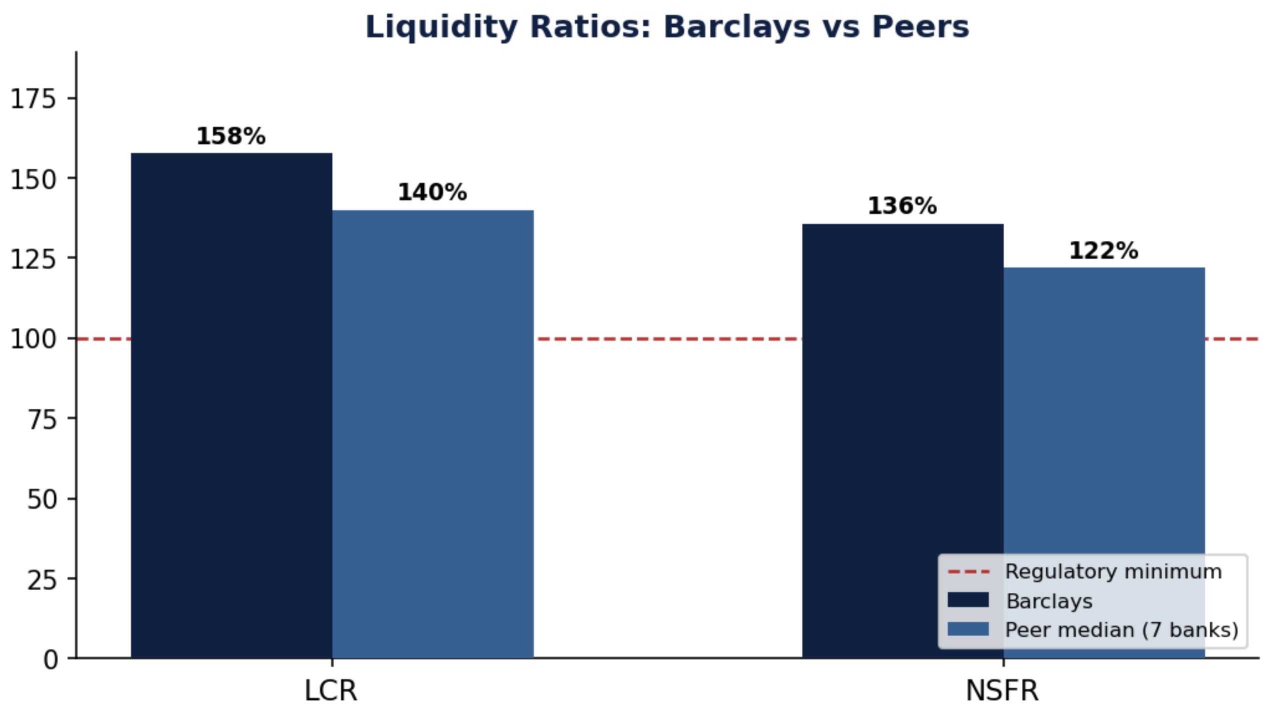
Liquidity Ratios vs Peer Median



Liquidity Metrics

Metric	Barclays	Peer median	Barclays rank	Basis
LCR	157.7%	140.1%	2 of 7	12 month-end average
NSFR	135.8%	122.0%	2 of 7	4 quarter-end average
Loan/deposit ratio	75%	81%	n/a	Incl. debt securities at AC
Liquidity pool	GBP 346.7bn	n/a	n/a	Spot, 30 June 2026
LCR surplus	GBP 117.2bn	n/a	n/a	Above 100% minimum
Wholesale funding <1 year	38%	n/a	n/a	Of GBP 236bn excl. repo

3. Asset Quality

Barclays does not publish an NPL ratio. The dataset uses its IFRS 9 Stage 3 ratio: credit-impaired loans (including purchased credit-impaired balances) over gross loans and advances at amortised cost. That ratio was 2.04% at June 2026, against 2.03% a year earlier and 2.06% at December 2025, and sits at 4 of 7 in the peer set (median 2.04%).(1) On the EBA basis used in Pillar 3 template CR1, which divides non-performing loans by all loans and advances including reverse repos and cash collateral held with financial counterparties, the ratio is 0.99%.(2) For comparison, Deutsche Bank and ING report EBA-basis NPL ratios of 2.00% and 1.54% in the dataset; the Stage 3 figure is the right basis against HSBC, which reports on the same credit-impaired convention.(7)

Stage 3 coverage rose to 37.5% from 35.7% at December 2025, ranking 3 of 7 (median 33.5%), though coverage bases vary across peers. The Group figure blends very different books: UK mortgages carry Stage 3 coverage of 3.5% because they are secured, while credit cards are covered at 77.4%. Total impairment allowances equal 71.7% of Stage 3 balances. The Stage 2 ratio improved to 8.33% from 9.88% a year earlier.(1)

The loan loss rate rose to 62bps (H1 2025: 52bps), ranking 6 of 7 against a peer median of 41bps. A GBP 228m single-name charge in the Investment Bank in Q1 2026 explains much of the increase, and the US Consumer Bank runs at 575bps. Management now

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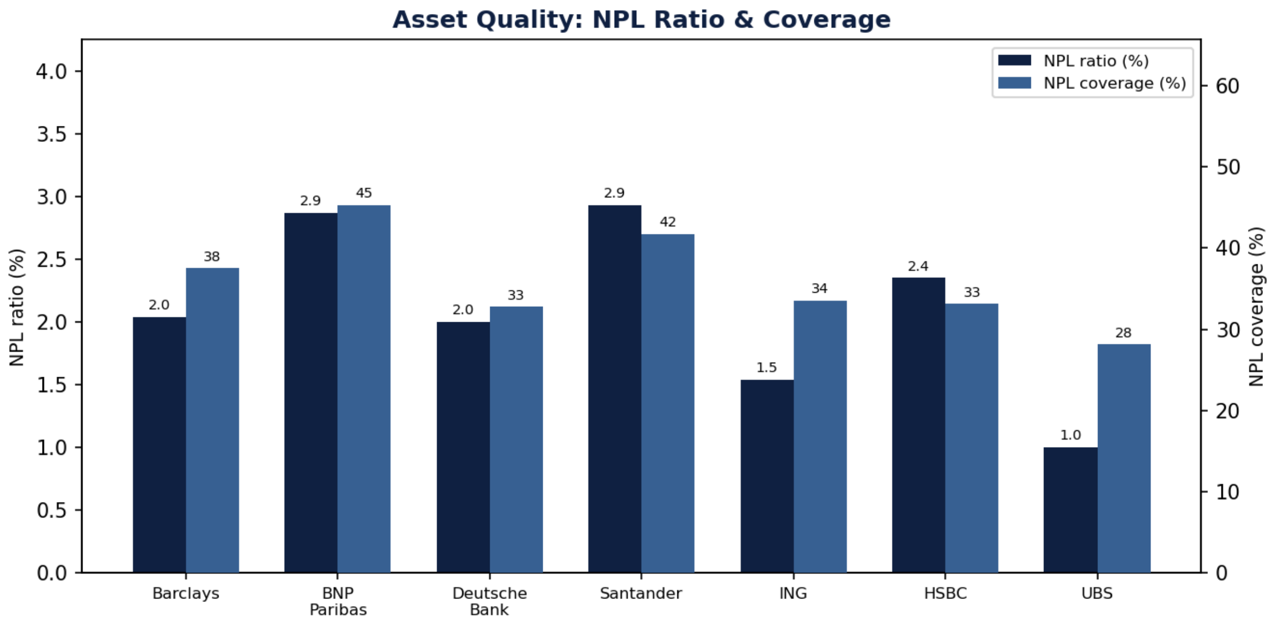
(2) Barclays PLC Interim Pillar 3 Report, 30 June 2026 (KM1, OV1, KM2, CR1 and IRRBB tables).
(7) RiskView H1 2026 European peer dataset: cited latest disclosures of BNP, DB, Santander, ING, HSBC and UBS.

expects the 2026 rate to be around the top of its 50-60bps through-the-cycle range. The card-heavy mix makes Barclays' cost of risk structurally higher than that of mortgage- and corporate-led peers; the single-name loss is the more important signal, given the size of leveraged and event-driven lending in the Investment Bank.(1)

NPL Ratio & Coverage: Peer Comparison



Asset Quality Trend (Barclays)

Metric	H1 2025	FY 2025	H1 2026	Basis
Stage 3 ratio (dataset NPL)	2.03%	2.06%	2.04%	Stage 3 incl. POCI, L&A at AC
EBA-basis NPL ratio	1.04%	1.11%	0.99%	Pillar 3 CR1 loans and advances
Stage 3 coverage	33.3%	35.7%	37.5%	Stage 3 allowance / gross
Stage 2 ratio	9.88%	8.36%	8.33%	Stage 2 / gross L&A at AC
Loan loss rate	52bps	52bps	62bps	Annualised impairment charge

4. Market Risk & Trading

Trading risk is moderate relative to the size of the Investment Bank. Management VaR (95% confidence, one-day holding period) averaged GBP 20m in H1 2026, within a GBP 13-29m range and slightly up from GBP 18m in H2 2025. Market risk RWAs were GBP 32.7bn (9.0% of the Group total; GBP 12.5bn standardised and GBP 20.3bn under internal models).(1)(2) Counterparty credit risk is the faster-growing trading exposure: RWAs including CVA rose GBP 6.5bn in the half to GBP 51.5bn on higher Global Markets activity, the same activity that drove the increase in leverage exposure.(2)

Interest rate risk in the banking book is dominated by the structural hedge. The largest loss in economic value of equity under the six Basel scenarios is GBP 4,602m in a parallel upward shock, equal to about 7.0% of Tier 1 capital and smaller than GBP 5,078m at December 2025. The largest one-year loss in net interest income is GBP 290m in a parallel downward shock.(2) Management's illustrative sensitivity to a 25bps fall in rates is GBP 70m of Group income in year one, rising to GBP 240m in year three as maturing hedges reinvest at lower rates.(3) Barclays therefore gains from the higher market curve in the July 2026 projections, but a renewed cutting cycle would erode the multi-year hedge tailwind that underpins its income targets.

Under the new market risk framework the PRA will implement the standardised components from 1 January 2027 and defer the

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(3) Barclays Q2 2026 Results Presentation, 28 July 2026 (slides 50, 51 and 53).

internal models approach to 1 January 2028.(1) Management expects most of the capital impact in 2027, within its GBP 8-15bn Basel 3.1 estimate.(3) Operational and conduct risk remain live: litigation and conduct charges were small in H1 2026, but the GBP 430m motor finance provision (including GBP 105m added in Q1 2026) is exposed to the outcome of legal challenges to the FCA redress scheme.

IRRBB Sensitivities (Pillar 3 Table 19, GBP m)

Scenario	EVE Jun-26	EVE Dec-25	NII Jun-26	NII Dec-25
Parallel shock up	-4,602	-5,078	-116	-201
Parallel shock down	2,035	2,319	-290	-244
Steepener	-1,128	-1,324	-	-
Flattener	-189	-109	-	-
Short rates up	-1,881	-1,877	-	-
Short rates down	652	670	-	-

5. Stress Test Results

The Bank of England's 2025 Bank Capital Stress Test, published on 2 December 2025, applied a severe global aggregate supply shock to end-2024 balance sheets: a deep recession across countries, with inflation rising and central banks raising interest rates. Across the participating UK banks the aggregate CET1 ratio fell from 14.5% to a low point of 11.0% in the first year (10.2% before strategic management actions), and no bank was required to strengthen its capital position.(5)

Barclays' CET1 ratio fell from 13.5% (excluding remaining IFRS 9 transitional relief) to 8.8% before strategic management actions and 9.3% after them. That is a drawdown of 420bps on the Bank's post-action basis (470bps before actions), against a 7.2% minimum requirement. The Tier 1 leverage ratio fell from 5.0% to 4.2% against 3.25%.(5) The drawdown is larger than HSBC's 300bps in the same test and the largest of the latest regulatory stress results in the peer set. The Bank noted that internationally diversified banks faced extra pressure from global downturns and traded-risk shocks, which is where Barclays' Investment Bank and US cards book sit.(5)

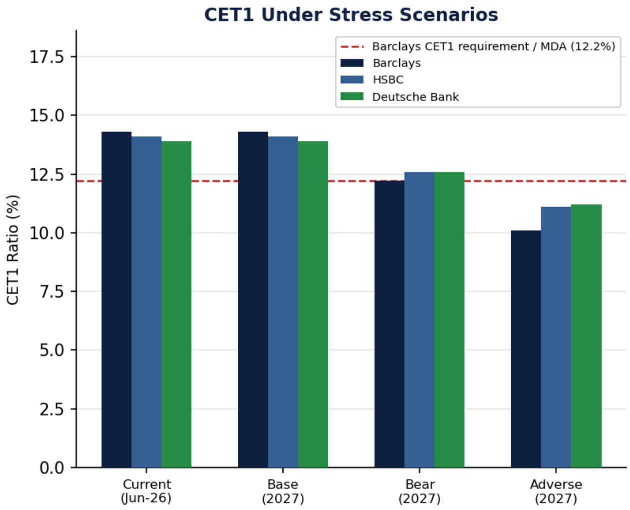
The result is a pass with a caveat. Barclays starts with enough capital to absorb a severe shock without breaching its minimum requirements, but a 420bps drawdown from the 13-14% operating range would take the CET1 ratio well below the 12.2% MDA threshold, restricting distributions and AT1 coupons at the trough. Buffers are designed to be used in stress, so this is not a solvency concern, but it does mean the distribution plan is more exposed to a downturn than the headline ratio suggests. No later Bank of England capital stress test result had been published as of this report.

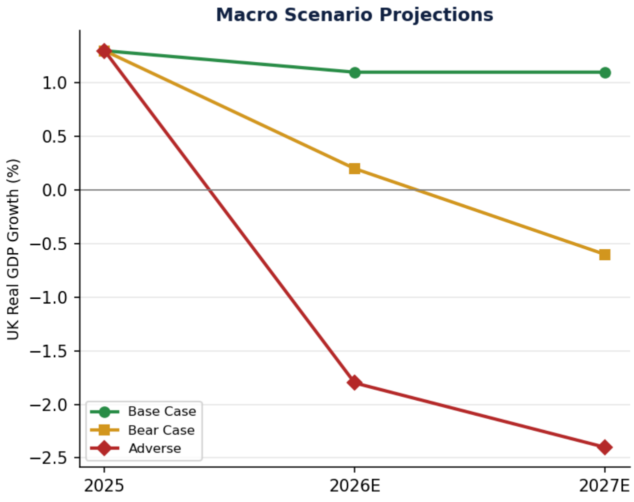
Scenario Assumptions

Variable	Base Case	Bear Case	Adverse
UK GDP growth 2026	+1.1% (BoE)	+0.2%	-1.8%
UK GDP growth 2027	+1.1% (BoE)	-0.6%	-2.4%
UK unemployment 2027	5.3% (BoE)	6.0%	7.5%
UK CPI, Q4 2027	2.1% (BoE)	1.6%	4.5%
Bank Rate, 2027	c.4.2% (market)	3.25%	5.0%
Group loan loss rate	50-60bps (guidance)	c.90bps	c.150bps
CET1 (Barclays, 2027E)	14.3%	12.2%	10.1%
Distance to 12.2% MDA	+210bps	+0bps	-210bps

(5) Bank of England, Financial Stability Report Dec 2025 (2025 Bank Capital Stress Test); Barclays statement, 2 Dec 2025.

Scenario Analysis: CET1 Paths and UK Macro Projections





Scenario Narrative

- Base Case: anchored to the Bank of England July 2026 central projection, with GDP growth of 1.1% in 2026 and 1.1% in 2027, unemployment edging up to 5.3% and Bank Rate following the market curve to around 4.2%.(4) Credit costs stay within management's 50-60bps range, organic capital generation funds the distribution plan, and CET1 holds at about 14.3%, 210bps above the MDA threshold, before the 2027 regulatory RWA inflation.
- Bear Case (RiskView illustrative): the energy shock and higher rates tip the UK into near-stagnation in 2026 and a mild contraction in 2027; unemployment rises to 6%, UK unsecured and US card losses climb, and trading revenue normalises. Applying half of the Bank of England stress drawdown takes CET1 to about 12.2%, roughly at the 12.2% MDA threshold, which would require buybacks to pause.
- Adverse Scenario (RiskView illustrative): a stagflationary shock similar in design to the 2025 Bank of England stress, with inflation near 4.5% and Bank Rate at 5%, a UK recession and a US consumer credit downturn, plus traded-risk losses in the Investment Bank.(5) The full 420bps drawdown takes CET1 to about 10.1%, 210bps below the MDA threshold but above the 7.2% stressed minimum: distributions stop, while capital adequacy is maintained.

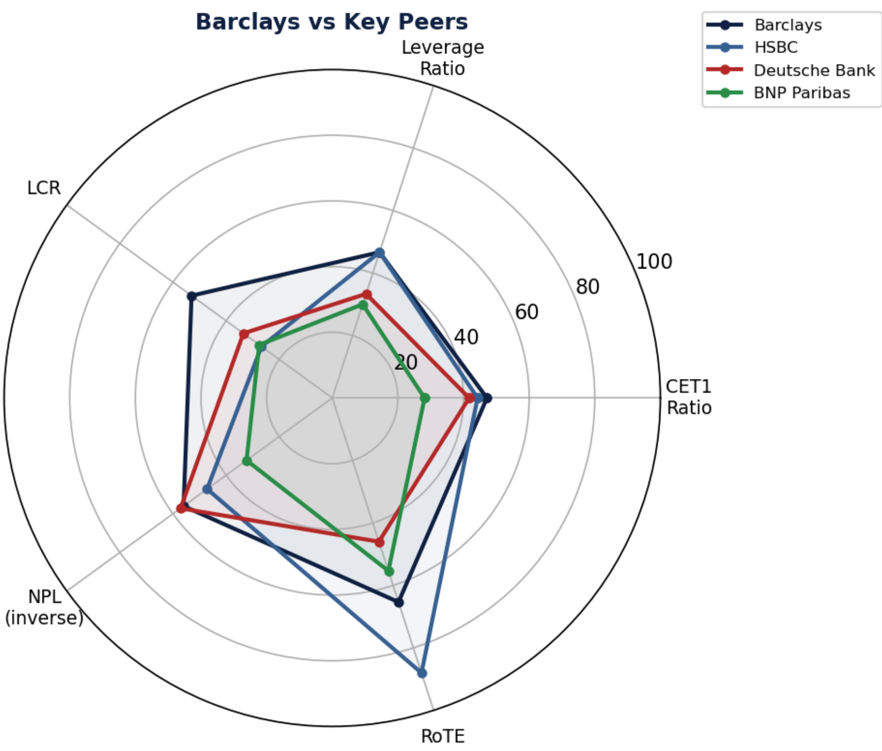
6. Peer Comparison

The seven-bank set covers the largest European universal banks. Converted at 30 June 2026 ECB rates, Barclays' total assets of EUR 2,008bn rank third of seven (peer median EUR 1,954bn), and H1 2026 attributable profit was EUR 4.9bn.(7)(8)

Barclays sits in the top tier on CET1 (2 of 7) and leverage (2 of 7), and in the top tier on LCR (2 of 7) and NSFR (2 of 7). It is in the middle tier on RoTE (4 of 7) and cost/income (4 of 7), and in the bottom tier on MDA headroom (6 of 7) and cost of risk (6 of 7). The pattern fits a bank with strong headline ratios, a demanding requirement stack and a higher-loss consumer credit mix. Ratios are not fully like-for-like. NPL and CET1 bases differ by jurisdiction, and LCRs mix 12-month averages to 30 June 2026 (BNP Paribas, Deutsche Bank, ING, Barclays, HSBC), a 12-month average to 31 March 2026 (Santander) and a quarterly average (UBS) (see Methodology).

(4) Bank of England, Monetary Policy Report July 2026 (Tables A1.A-A1.C and 3.B), 30 July 2026.
(5) Bank of England, Financial Stability Report Dec 2025 (2025 Bank Capital Stress Test); Barclays statement, 2 Dec 2025.
(7) RiskView H1 2026 European peer dataset: cited latest disclosures of BNP, DB, Santander, ING, HSBC and UBS.
(8) ECB euro foreign exchange reference rates, 30 June 2026.

Metric	Barclays	BNP Par.	Deutsche	Santander	ING	HSBC	UBS	Median
CET1 ratio	14.3%	13.0%	13.9%	14.0%	13.1%	14.1%	14.4%	14.0%
Leverage ratio	4.9%	4.4%	4.5%	4.8%	4.2%	4.9%	5.8%	4.8%
LCR	157.7%	134.8%	140.1%	147.0%	137.0%	134.0%	177.3%	140.1%
NSFR	135.8%	108.6%	118.0%	122.0%	127.7%	140.0%	115.0%	122.0%
NPL ratio	2.0%	2.9%	2.0%	2.9%	1.5%	2.4%	1.0%	2.0%
NPL coverage	37.5%	45.3%	32.8%	41.7%	33.5%	33.1%	28.1%	33.5%
RoTE	14.8%	13.3%	11.9%	17.4%	15.3%	18.2%	13.9%	14.8%
Cost/income	55.0%	59.3%	60.9%	42.8%	52.1%	46.2%	72.7%	55.0%
Total assets, EURbn	2,008	3,084	1,521	1,954	1,161	3,018	1,498	1,954
H1 net income, EURbn	5	8	4	9	4	13	5	5



Commentary

- HSBC is the closest regulatory comparator, under the same PRA framework and Bank of England stress test. Its CET1 ratio is 14.1% and its UK leverage ratio 4.9% on the same basis, but a 11.1% CET1 requirement gives it 300bps of MDA headroom against Barclays' 210bps. RoTE of 18.2% and cost/income of 46.2% are both stronger, and its stress drawdown of 300bps compares with 420bps.(7)
- Deutsche Bank, the other investment-bank-heavy balance sheet, has a CET1 ratio of 13.9%, leverage of 4.5%, RoTE of 11.9% and cost/income of 60.9%. Its EBA-basis NPL ratio of 2.00% compares with 0.99% for Barclays on the equivalent Pillar 3 CR1 basis.(7)
- BNP Paribas runs a 13.0% CET1 ratio and 4.4% leverage, but a 10.4% requirement leaves it 254bps of MDA headroom, more than Barclays despite a lower headline ratio. The comparison shows how much of Barclays' capital strength is absorbed by its Pillar 2A and G-SII add-ons.(7)
- Santander has the widest MDA headroom (401bps) and Santander the highest cost of risk (115bps); UBS leads on leverage (5.8%) and Santander on cost/income (42.8%).(7)
- Barclays' RoTE of 14.8% is in line with the peer median of 14.8%, and its cost/income ratio of 55% compares with a median of

(7) RiskView H1 2026 European peer dataset: cited latest disclosures of BNP, DB, Santander, ING, HSBC and UBS.

55.0%. Returns are no longer the weak point of the investment case; capital headroom and credit costs are.

7. Year-over-Year Changes

Year on year, Barclays combined better returns with softer balance sheet ratios. CET1 rose to 14.3% from 14.0% while H1 distributions reached GBP 2.3bn, and RoTE and cost/income both improved. The leverage ratio and LCR moved the other way, and the loan loss rate rose. The FY 2025 column is a full-year figure and is not seasonally comparable with half-year ratios.(1)(6)

Metric	H1 2025	FY 2025	H1 2026	vs H1 2025
CET1 ratio	14.0%	14.3%	14.3%	Improved
Leverage ratio	5.0%	5.1%	4.9%	Weaker
LCR	177.7%	170.0%	157.7%	Weaker
NPL ratio	2.0%	2.1%	2.0%	Weaker
RoTE	13.2%	11.3%	14.8%	Improved
Cost/income	58.0%	61.0%	55.0%	Improved

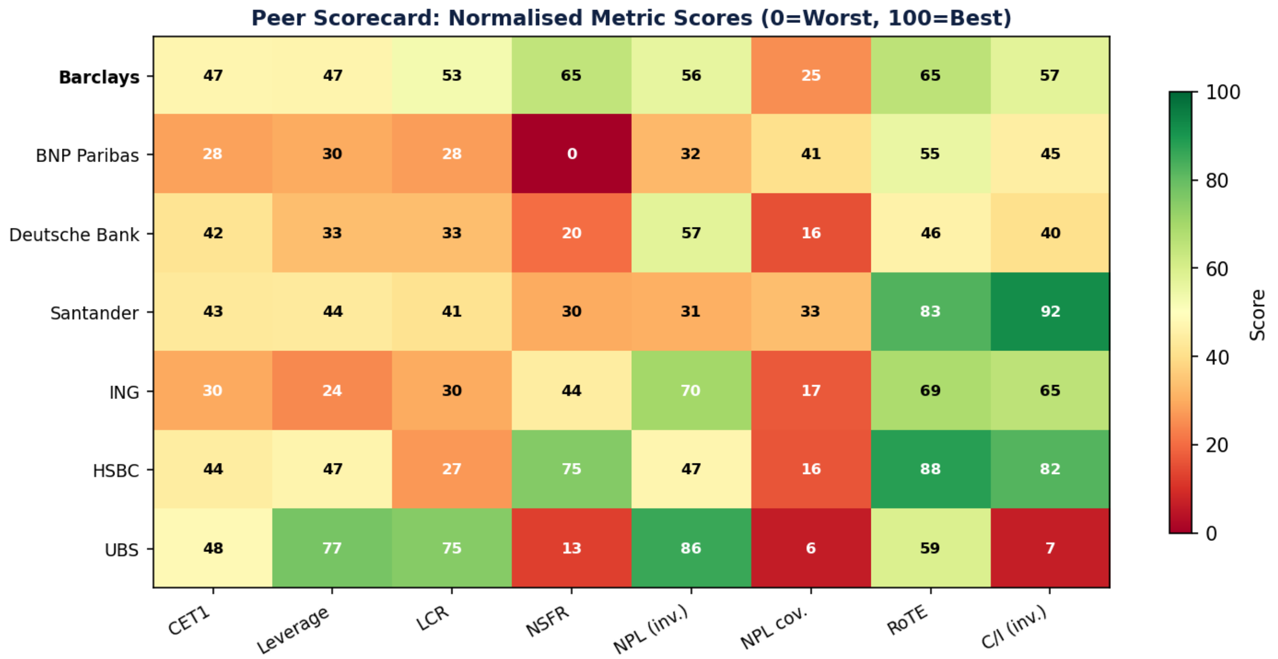
- CET1: +30bps year on year despite a doubled interim dividend (5.9p) and GBP 1.5bn of buybacks announced in the half, showing capital generation of more than 100bps a half at current profitability.(1)
- Leverage: -10bps year on year and -20bps since December, as Investment Bank trading growth outpaced Tier 1 capital. This is the ratio to watch in H2 2026.(1)
- LCR: down 20 points year on year, mainly because of the June 2025 change in the methodology for secured-financing outflows feeding into the 12-month average, not a loss of liquid assets; the liquidity pool grew over the same period.(1)
- Stage 3 ratio: 2.04% against 2.03% a year earlier, essentially flat, while Stage 2 balances fell to 8.33% of loans from 9.88%. The rise in the loan loss rate to 62bps reflects a single-name loss rather than broad book deterioration.(1)(6)
- Returns: RoTE up 1.6 points to 14.8% and cost/income down 3 points to 55%, helped by strong Global Markets and fee income and a c.GBP 225m gain on the American Airlines portfolio sale, which flatters the half-year comparison.(1)

8. Potential Improvements

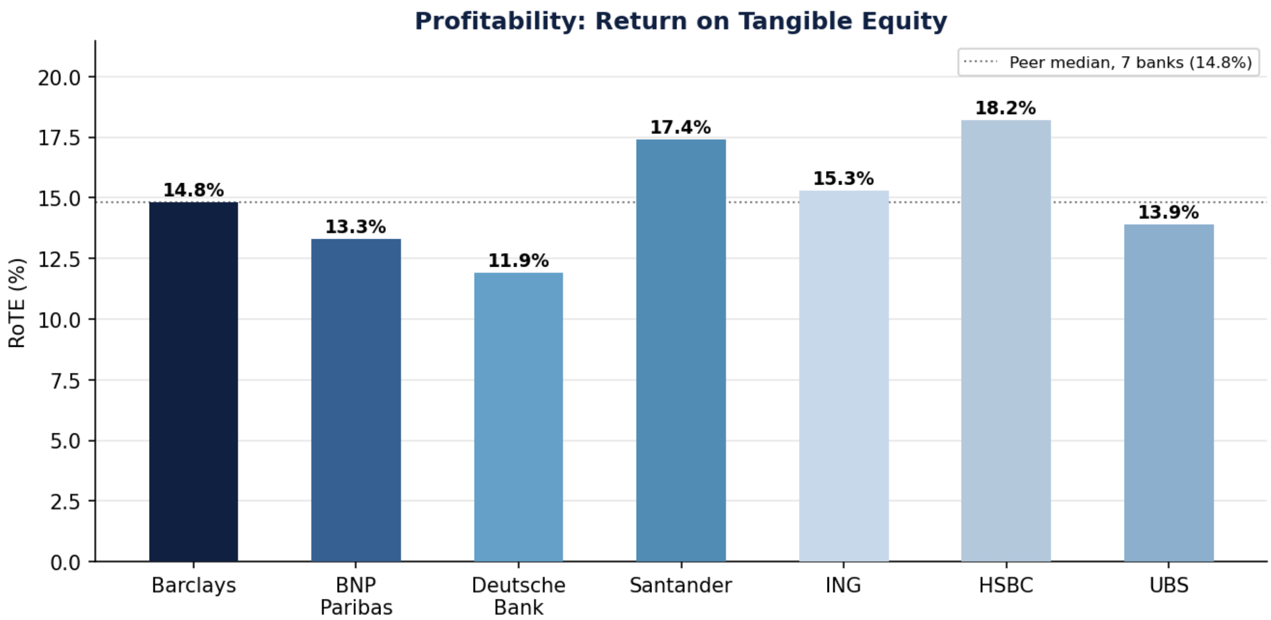
Barclays enters the 2027 regulatory transition from a stronger earnings base than a year ago, but with less spare capacity than its headline ratios suggest. The priorities below target the gap between strong reported ratios and thin headroom against Barclays-specific requirements, together with the concentrations the stress test and H1 credit costs exposed.

(1) Barclays PLC Interim Results Announcement, 30 June 2026 (published 28 July 2026).
(6) Barclays PLC H1 2025 and FY 2025 Results Announcements and Pillar 3 Reports (prior-period comparatives).

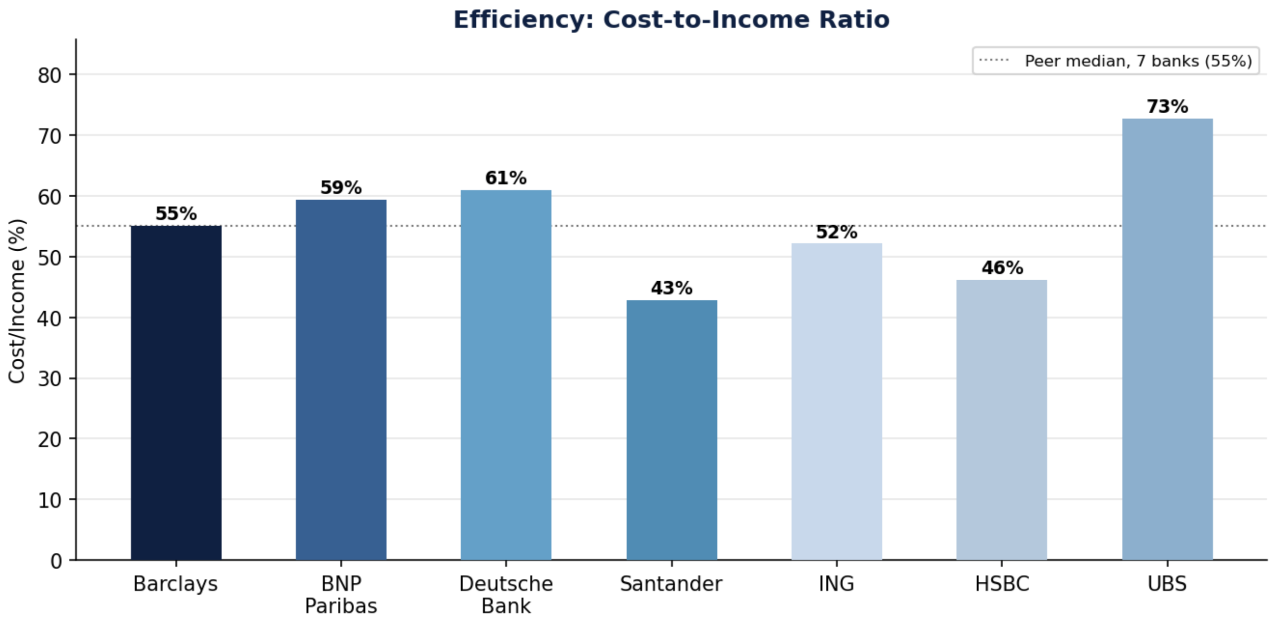
Scorecard: Barclays vs Peers



Profitability: Return on Tangible Equity



Efficiency: Cost-to-Income Ratio



Barclays: Areas for Improvement

- Set an explicit leverage budget for Global Markets: with about 80bps of leverage headroom and exposure up GBP 98bn in six months, financing and matched-book growth should be capped by a published internal leverage target (for example, at least 100bps over requirement), supported by netting, compression and client repricing.
- Pace distributions against 2027 RWA inflation: c.GBP 19-26bn of Basel 3.1 and cards-model RWAs equals roughly 69-93bps of CET1. Buyback sizing through 2026 should assume only partial Pillar 2A relief until the PRA's review is concluded.
- Reduce stress-test sensitivity: a 420bps Bank of England drawdown, the largest in the peer set, reflects traded-risk and US consumer exposures. Significant risk transfer on cards receivables and tighter tail-risk limits in trading would narrow the gap to HSBC.
- Tighten single-name and event-driven lending limits: the GBP 228m Q1 2026 loss pushed the loan loss rate to the top of guidance. Concentration limits and hold levels in leveraged and event-driven finance deserve review before the credit cycle turns.
- Rebalance the US Consumer Bank: a 575bps loss rate needs matching risk-adjusted margins. Completing the internal-model migration and continuing the shift toward prime, partner-diversified lending would improve capital efficiency.
- Close the efficiency gap: a 55% cost/income ratio compares with Santander's 42.8% and management's low-50s 2028 target; delivering the more than GBP 2bn of planned efficiency savings is necessary to keep returns above target if markets income normalises.
- Improve disclosure comparability: publish an EBA-basis NPL ratio and a Group net interest margin alongside the Stage 3 metrics, and release the interim Pillar 3 report on results day, so investors can compare Barclays with EU peers without reconstruction.
- Manage structural hedge duration: the GBP 4.6bn economic value sensitivity to a parallel rate rise and the multi-year income loss in a falling-rate scenario argue for disclosing hedge notional, duration and reinvestment yields each quarter, so investors can monitor both the value and income risks.

Appendix

Data Sources

- (1) Barclays PLC Interim Results Announcement, 30 June 2026 (published 28 July 2026).
- (2) Barclays PLC Interim Pillar 3 Report, 30 June 2026 (KM1, OV1, KM2, CR1 and IRRBB tables).

- (3) Barclays Q2 2026 Results Presentation, 28 July 2026 (slides 50, 51 and 53).
- (4) Bank of England, Monetary Policy Report July 2026 (Tables A1.A-A1.C and 3.B), 30 July 2026.
- (5) Bank of England, Financial Stability Report Dec 2025 (2025 Bank Capital Stress Test); Barclays statement, 2 Dec 2025.
- (6) Barclays PLC H1 2025 and FY 2025 Results Announcements and Pillar 3 Reports (prior-period comparatives).
- (7) RiskView H1 2026 European peer dataset: cited latest disclosures of BNP, DB, Santander, ING, HSBC and UBS.
- (8) ECB euro foreign exchange reference rates, 30 June 2026.

Methodology Notes

Data basis: Barclays figures come from its H1 2026 results announcement, Interim Pillar 3 Report and results presentation, with H1 2025 and FY 2025 comparatives, each cited to page and table in RiskView's history file; peer figures come from the RiskView H1 2026 European peer dataset. Barclays computed metrics: the NPL ratio is Stage 3 (including POCI) gross loans at amortised cost over gross loans at amortised cost; the EBA-basis ratio is non-performing over gross loans and advances in Pillar 3 CR1; RWA density is RWAs over total assets; MDA headroom is the CET1 ratio less the overall CET1 requirement, excluding any PRA buffer. Barclays does not report a return on equity, so this report uses RoTE.

Definitional caveats: NPL definitions differ between the EBA NPL ratio used by EU banks and the credit-impaired or Stage 3 measures used by UK and Swiss banks, and some peers use management definitions. LCR bases differ: BNP Paribas, Deutsche Bank, ING, Barclays and HSBC report 12-month averages to 30 June 2026; Santander a 12-month average to 31 March 2026 (Q1 2026 Pillar 3); and UBS a quarterly average. The MREL/TLAC field mixes TLAC (BNP Paribas; HSBC summed across resolution groups; UBS on the Swiss basis) with MREL (Santander, Deutsche Bank, Barclays). CET1 ratios are phased-in for some EU peers and fully loaded for Barclays, whose IFRS 9 transitional relief has run off. The UK leverage ratio excludes central bank claims; Barclays' ratio including them is 4.1%. Coverage ratios mix Stage 3-only and total-allowance measures. Rankings should be read with these differences in mind.

Currency: amounts are converted to EUR using ECB euro foreign exchange reference rates, 30 June 2026 (EUR 1 = USD 1.1394 = GBP 0.86178).

Scorecard and radar scores are linear 0-100 scores on fixed ranges shared by every RiskView H1 2026 European report, capped at 0 and 100: CET1 11-18 (higher is better); Leverage 3.5-6.5 (higher is better); LCR 110-200 (higher is better); NSFR 110-150 (higher is better); NPL (inv.) 0.5-4 (lower is better); NPL cov. 25-75 (higher is better); RoTE 5-20 (higher is better); C/I (inv.) 40-75 (lower is better).

Illustrative CET1 paths (RiskView estimates, not bank or supervisory projections) use one rule for every bank so peer bars match across reports: Base holds CET1 at its 30 June 2026 level (organic capital generation offsets distributions); Bear deducts half, and Adverse the full, CET1 depletion from the bank's latest published regulatory stress test (EBA 2025 for EU banks, Bank of England 2025 for UK banks, Federal Reserve 2026 for UBS's US intermediate holding company). Stress tests differ in scope, horizon and methodology, so the paths indicate relative resilience rather than forecasts. In this report the base-case macro path uses the Bank of England July 2026 central projection; bear and adverse macro paths, Bank Rate and loan loss rate assumptions are RiskView illustrative assumptions and do not drive the CET1 paths.

Glossary

CET1	Common Equity Tier 1 capital, the highest-quality regulatory capital
MDA	Maximum Distributable Amount: below this CET1 level, distributions are restricted
Pillar 2A	PRA firm-specific capital requirement for risks not covered by Pillar 1
G-SII buffer	Global systemically important institution buffer (1.5% for Barclays)
CCyB	Countercyclical capital buffer, weighted by the location of credit exposures
UK leverage	Tier 1 capital / leverage exposure excluding central bank claims (PRA basis)
MREL	Minimum requirement for own funds and eligible liabilities
Stage 3	IFRS 9 credit-impaired exposures carrying lifetime expected credit losses (incl. POCI)
RoTE	Return on average tangible shareholders' equity

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