

WRITTEN NOTICE: IRB PERMISSION

To: Barclays Plc (FRN: 204365) (“the company”)

Of: One Churchill Place
Canary Wharf
London
E14 5HP

Date: 20 December 2021

DECISIONS

1. On 1 January 2008, Barclays Bank Plc and Barclays Capital Securities Limited were granted an IRB waiver under s138A of the Financial Services and Markets Act 2000 (the “Act”) by the Prudential Regulation Authority (“PRA”) implementing a joint decision made by the PRA as Consolidating Supervisor and other relevant competent authorities. In accordance with Waivers Transitional Provisions 2.1(2) of the PRA Rulebook Barclays Bank Plc and Barclays Capital Securities Limited’s IRB waiver took effect on 1 January 2014 as permissions granted by the PRA under Chapter 3, Title II, Part Three of Regulation 575/2013 of the European Parliament and of the Council of 26th June 2013 on prudential requirements for credit institutions and investment firms. The permission applied on the consolidated basis of Barclays Bank plc, Barclays Capital Securities Ltd and Barclays Bank UK plc (each a “firm” and together the “firms”). The company has been granted the permission to calculate its risk weighted exposure amounts using the Internal Ratings Based Approach (“IRB Approach”) on the terms and conditions set out in Annex 1 (the “IRB Permission”).
2. If the company ceases to comply with the conditions for granting of this IRB Permission set out in Chapter 3, Title II, Part Three of the CRR, the terms and conditions of the IRB Permission set out in Annex 1, the PRA will re-consider the terms and conditions of the IRB Permission and the requirements relevant to it, including a revocation of the IRB Permission in whole or in part.
3. The IRB Permission takes effect on 17 of December 2021.
4. Details of the IRB Permission will be published.
5. Annex 2 summarises any previous variations of the IRB Permission.

The decision was taken by SRPC.

ANNEX 1
THE INTERNAL RATINGS BASED PERMISSION

Legal Entities

1. The IRB Permission means that the company may apply the Internal Ratings Based approach to the legal entities in its calculation of own funds requirements on the following basis:

a. on its consolidated situation in respect of:

Barclays Bank Plc
Barclays Bank UK Plc
Barclays Capital Securities Limited
Clydesdale Financial Services Limited
Woolwich Plan Managers Limited
Barclays Bank Ireland Plc (EEA authorised - Ireland)
Barclays Investment Solutions Limited (previously Gerrard Investment Management Limited)
Barclays Asset Management Limited
Barclays Security Trustee Limited
Barclays Bank (Suisse) SA
Barclays Bank Delaware
Barclays Bank Mexico SA
Barclays Capital Inc.
Barclays Capital Mauritius Limited
Barclays Merchant Bank (Singapore) Limited
Barclays Group US Inc.
Barclays US LLC
Barclays Services Limited
Barclays Covered Bond Funding LLP
Barclays Covered Bond Limited Liability Partnership
Barclays Direct Investing Nominees Limited
Barclays Financial Planning Nominee Company Limited
Barclays Global Shareplans Nominee Limited
Barclays SAMS Limited
Barclays Singapore Global Shareplans Nominee Limited
Barclayshare Nominees Limited
FIRSTPLUS Financial Group Plc
R C Greig Nominees Limited
Solution Personal Finance Limited
Woolwich Homes Limited

2. The company must calculate its risk-weighted exposure amounts for the categories of exposure identified in Table 1 of Schedule 1 (with the exception of the permanent exemptions and any exposures still subject to sequential implementation) using the IRB Approach, to the extent, in the manner and subject to the conditions set out in this IRB Permission, and in accordance with Table 1 in Schedule 1.

Ratings Systems

3. The company is permitted to use the ratings systems and internal models approaches to equity exposures (together the “Ratings Systems”) as specified in this Notice and in the documentation contained in the firm’s IRB case file (reference ACTS 30274) and comprising its IRB application documentation, as modified by all changes and specifications notified to the firms and the company by the PRA, including those specified in this IRB Permission Notice, all changes and extensions notified by the firms and the company and accepted by the PRA, and all material changes and extensions for which permission has been granted by the PRA noted in Annex 2.

Permanent partial use under CRR Article 150

4. The company is permitted to apply the Standardised Approach for certain exposures in accordance with CRR Article 150.

Reversion to the Standardised Approach under CRR Article 149

5. The company is permitted to revert to use of the Standardised Approach for the calculation of risk-weighted exposure amounts for certain exposure classes or types of exposure.

Reversion to CRR Article 151(8) LGD/Conversion factors under CRR Article 149

6. This paragraph does not apply to this IRB permission.

Sequential implementation

7. The company is required to implement the IRB Approach for all exposures by 1 January 2023.

Treatment by exposure class under CRR Article 151

8. This paragraph does not apply to this IRB permission.
9. The company is permitted to use its own estimates of LGDs and conversion factors for the exposure classes as set out in Table 1 of Schedule 1.

Maturity under CRR Article 162

10. This paragraph does not apply to this IRB permission.

Definition of default under CRR Article 178

11. 90 days is replaced with 180 days in CRR Article 178(1)(b) for exposures secured by residential real estate in the retail exposure class.

Unfunded credit protection under CRR Article 168

12. The company may recognise unfunded credit protection by adjusting PD and LGD.

Eligible collateral under CRR Article 199

13. The company may use as eligible collateral types of physical collateral other than those indicated in paragraphs 2, 3 and 4 of Article 199 of the CRR where permission is or has been granted in accordance with paragraph 6 of Article 199.

Further specifications

14. This paragraph does not apply to this IRB permission.

Material, significant and other changes

15. In accordance with Article 143(3), (4) of the CRR and the Delegated Regulation (EU) No 529/2014 supplementing Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to regulatory technical standards for assessing the materiality of extensions and changes of the Internal Ratings Based Approach and the Advanced Measurement (as amended) as these form part of retained EU law,

(1) the company will require a further permission from the PRA in respect of the following changes to the IRB Permission:

- (a) material changes to the range of application of a ratings system or an internal models approach to equity exposures; or
- (b) material changes to a ratings system or an internal models approach to equity exposures; and

(2) the company must notify the PRA of all changes to ratings systems and internal models approaches to equity exposures subject to the IRB Permission.

16. In accordance with Article 143(3) of the CRR, the PRA has granted permission for material changes as set out in Annex 2.

SCHEDULE 1

High-level scope and coverage of IRB permission

The PRA has granted the IRB permission for the categories and types of exposures identified in Table 1 below with the exception of the permanent exemptions. Exposure classes that are not applicable to the firms are marked N/A.

Table 1

<i>IRB exposure classes</i>	<i>Sub-classes (& art 155 approach, if applicable)</i>	<i>Country</i>	<i>Own estimates of LGDs and Conversion Factors (tick if apply)</i>	<i>Additional provisions</i>
Exposures to central governments and central banks		All countries	✓	
Exposures to institutions	All sub-classes defined in CRR Article 147, paragraph 4.	All countries	✓	
Exposures to corporates	Secured / Development and investment lending on real estate	All countries	✓	
	Other corporate	All countries	✓	
Retail exposures	Mortgage (prime)	All countries	✓	
	Mortgage (sub-prime / non-performing / Buy to Let / Others)	All countries	✓	
	Qualifying revolving retail exposures	All countries	✓	
	Retail SME	All countries	✓	
	Other retail	All countries	✓	
Equity exposures	N/A	N/A	N/A	N/A
Securitisation positions	N/A			Treated according to hierarchy of methods in Article 254 including the use of the Internal Assessment Approach for ABCP (Article 265).
Non-credit-obligation assets		All countries	✓	

ANNEX 4

VERSION CONTROL SCHEDULE

NOTICES OF MATERIAL CHANGES AND EXTENSIONS TO IRB PERMISSION

Version	Comment	Authorisation	Date
1.0	IRB Permission granted	M. Wharton, FSA	13/12/2007
2.0	IRB permission varied by insertion of: <ul style="list-style-type: none">• BIPRU 9.12.20R in paragraph 5.1; and• Paragraphs 5 and 6 in Schedule 2 for use of the ABCP internal assessment approach.	M. Wharton, FSA	16/12/2007
3.0	IRB permission varied as follows: <ul style="list-style-type: none">• Roll-out plan updated and extended by a further two years to 1 January 2013.• The consolidated group updated to reflect changes in the group.	S. Morley, FSA	1/1/2011
4.0	IRB permission varied as follows: <ul style="list-style-type: none">• Roll-out plan updated and extended by a further 4 months to 1 April 2013 for a temporary period to allow competent authorities sufficient time to complete their review of portfolios in the Joint Decision process.	A. Hughes, FSA	1/1/2013
5.0	IRB permission varied as follows: <ul style="list-style-type: none">• Roll-out plan updated• Planned Implementation Window updated to reflect 10 year extension from 1 January 2013 to 1 January 2023.• The consolidated group updated to reflect changes in the Group.• FCA have reviewed the Roll-out plan and approved.	M. Tagg, PRA	1/5/2013
6.0	IRB permission grandfathered under CRR.	M. Tagg, PRA	30/12/ 2013
7.0	Barclays was given permission to make a material change to the permission.	M. Tagg, PRA	21/03/2014
8.0	Barclays was given permission to make a material change to the permission.	M. Pinder, PRA	29/01/2014
9.0	Barclays was given permission to make a material change to the permission.	M. Pinder, PRA	19/10/2014
10.0	Barclays was given permission to make a material change to the permission.	B. Punison, PRA	12/04/2016
11.0	Barclays was given permission to make a material change to the permission.	B. Punison, PRA	05/08/2016
12.0	Barclays was given permission to make a material change to the permission.	S. Morley, PRA	07/10/2016
13.0	Barclays was given permission to make a material change to the permission.	S. Morley, PRA	10/03/2017
14.0	Barclays was given permission to make a material change to the permission.	S. Morley, PRA	03/01/2018
15.0	Barclays was given permission to make a material change to the permission.	S. Morley, PRA	04/04/2018
16.0	Barclays was given permission to make a material change to the permission.	S. Morley, PRA	06/06/2018

17.0	Barclays was given permission to make a material change to the permission.	S. Dixon, PRA	05/10/2018
18.0	IRB permission varied as follows: <ul style="list-style-type: none"> • Application to Barclays Bank UK Plc • Application to the sub-consolidated situation of Barclays Bank UK Plc 	S. Dixon, PRA	27/06/2019
19.0	Barclays was given permission to make a material change to the permission.	S. Dixon, PRA	23/08/2019
20.0	Barclays was given permission to make a material change to the permission.	S. Dixon, PRA	17/10/2019
21.0	Barclays was given permission to make a material change to the permission.	S. Dixon, PRA	30/03/2020
22.0	Permission granted to the Holding Company on a consolidated basis.	SRPC	17/12/2021