

### WRITTEN NOTICE

### IRB PERMISSION

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To: **Barclays Bank Plc (FRN: 122702) ("a firm")**  
**Barclays Capital Securities Limited (FRN: 124431)**  
**("a firm")**  
**Barclays Bank UK plc (FRN: 759676) ("a firm")**  
**Barclays Plc (FRN: 204365) ("the holding company")**  
**(together, "the addressees")**

Address: One Churchill Place, London E14 5HP

Reference Number: 00006485, 00006486, 00006487

Date: 30 August 2023

### 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"). In accordance with Waivers Transitional Provisions 2.1(2) of the PRA Rulebook Barclays Bank Plc and Barclays Capital Securities Limited's IRB waivers took effect on 1 January 2014 as permissions granted by the PRA on an individual and consolidated basis 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 "CRR"). The permission was carried over to Barclays Bank UK plc on 27 June 2019. Accordingly, the firms have been granted the permission to calculate their risk weighted exposure amounts using the Internal Ratings Based Approach ("IRB Approach") on the terms and conditions set out in Annex 1 and Annex 4 (the "IRB Permission"). The permission to use the IRB approach



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- on a consolidated basis was transferred to the holding company on 17 December 2021.
2. Further to regulations 34B and 35B of the Capital Requirements Regulations 2013 and an application made by each firm in accordance with section 55M (5) of the Financial Services and Markets Act 2000 (the "Act") for certain requirements the PRA has decided to grant the firm the requirements specified in Annex 2.
  3. If an addressee 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, and/or any of the requirements set out in Annex 2, 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.
  4. The IRB Permission with the requirements in Annex 2 takes effect on 01 August 2023. This written notice replaces the written notices reference numbers 00001046, 00001047 and 00001048 and that issued to the holding company in December 2021.

### PROCEDURAL MATTERS

5. If an addressee wishes to challenge the decisions taken by the PRA in relation to the IRB Permission, the addressee may refer the matter to the Upper Tribunal.
6. Details of the IRB Permission and the related requirements sought or imposed under section 55M of the Act will be published on the Financial Services Register. The full text of this Written Notice will not be published. However, in the interests of transparency, the PRA's policy is to publish an abridged version of the Written Notice as a record that the IRB Permission has been granted.
7. Further details of procedural matters are contained in Annex 3.
8. Annex 4 summarises any previous variations of the IRB Permission granted by the PRA under the CRR

**Simon Dixon**  
**Head of UK Deposit Takers**

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### ANNEX 1

#### THE INTERNAL RATINGS BASED PERMISSION

##### Legal Entities

1. The IRB Permission means that
  - a. each firm may apply the Internal Ratings Based approach in its calculation of own funds requirements on an individual basis:
  - b. each firm may apply the Internal Ratings Based approach in its calculation of own funds requirements on its sub-consolidated situation in respect of:

Barclays Bank UK PLC

Barclays Asset Management Limited

Barclays Investment Solutions Limited (previously Gerrard Investment Management Limited)

FIRSTPLUS Financial Group Plc

Barclays SAMS Limited

Solution Personal Finance Limited

Barclays Direct Investing Nominees Limited

Barclays Financial Planning Nominee Company Limited

Barclays Singapore Global Shareplans Nominee Limited

R.C Greig Nominees Limited

Barclays Global Shareplans Nominee Limited

Barclayshare Nominees Limited

Woolwich Homes Limited

Barclays Covered Bond LLP

Barclays Covered Bond Funding LLP

- c. the holding company may apply the Internal Ratings Based approach in its calculation of own funds requirements on a consolidated basis in respect of:

Barclays Bank Plc

Barclays Bank UK Plc

Barclays Capital Securities Limited

Clydesdale Financial Services Limited



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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 addressees 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 addressees are 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 firm by the PRA, including those specified in this IRB Permission Notice, all changes and extensions notified by the addressees and accepted by the PRA, and all material changes and extensions for which permission has been granted by the PRA noted in Annex 4.

### **Permanent partial use under CRR Article 150**

4. The addressees are 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 addressees are 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. Each firm 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 addressees are permitted to use their own estimates of LGDs and conversion factors for the exposure classes as set out in Table 1 of Schedule 1.



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### **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 addressees may recognise unfunded credit protection by adjusting PD and LGD.

### **Eligible collateral under CRR Article 199**

13. The addressees 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 as it forms part of retained EU law,



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- (1) the addressees 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 addressees 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 4.



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### 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**

<b>IRB exposure classes</b>	<b>Sub-classes (&amp; art 155 approach, if applicable)</b>	<b>Country</b>	<b>Own estimates of LGDs and Conversion Factors (tick if apply)</b>	<b>Additional provisions</b>
<b>Exposures to central governments and central banks</b>		All countries	✓	
<b>Exposures to institutions</b>	All sub-classes defined in CRR Article 147, paragraph 4.	All countries	✓	
<b>Exposures to corporates</b>	Secured / Development and investment lending on real estate	All countries	✓	
	Other corporate	All countries	✓	
<b>Retail exposures</b>	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	✓	





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		countries		
<b>Equity exposures</b>	N/A	N/A	N/A	N/A
<b>Securitisat ion positions</b>	N/A			Treated according to hierarchy of methods in Article 254 including the use of the Internal Assessment Approach for ABCP (Article 265).
<b>Non-credit-obligation assets</b>		All countries	✓	

**ANNEX 2**

**REQUIREMENTS RELEVANT TO THE IRB PERMISSION THAT THE FIRM HAS APPLIED FOR AND THE PRA HAS IMPOSED UNDER SECTION 55M (3) OF THE ACT**

**Reporting Requirements**

The firm must comply with certain requirements under this IRB permission relating to the submission of certain information to the PRA.



### ANNEX 3

#### PROCEDURAL MATTERS

##### Decision-Maker

1. The decision which gave rise to the obligation to give this Notice was made by Simon Dixon (Head of Major UK Banks) by delegation from the Supervision, Risk and Policy Committee (SRPC).

##### The Tribunal

2. The firm has the right to refer the decision to grant the IRB Permission to the Upper Tribunal (the "Tribunal"). The Tax and Chancery Chamber is the part of the Tribunal which, amongst other things, hears references arising from decisions of the PRA. Under paragraph 2(2) of Schedule 3 of the Tribunal Procedure (Upper Tribunal) Rules 2008, the firm has 28 days from the date on which this Written Notice is given to the firm to refer the matter to the Tribunal.
3. A reference to the Tribunal can be made by way of a reference notice (Form FTC3) signed by the firm and filed with a copy of this Written Notice. The Tribunal's contact details are: The Upper Tribunal, Tax and Chancery Chamber, 45 Bedford Square, London WC1B 3DN (telephone: 020 7612 9700; email: [financeandtaxappeals@tribunals.gsi.gov.uk](mailto:financeandtaxappeals@tribunals.gsi.gov.uk)). Further details are contained in "Making a Reference to the UPPER TRIBUNAL (Tax and Chancery Chamber)" which is available from the Tribunal website: <http://www.tribunals.gov.uk/financeandtax/FormsGuidance.htm>.
4. The firm should note that a copy of the reference notice (Form FTC3) must be sent to the PRA at the same time that a reference is filed with the Tribunal. A copy of the reference notice should be sent to Simon Dixon at the PRA, 20 Moorgate, London EC2R 6DA.

##### PRA contacts

5. For more information concerning this matter generally, the firm should contact the Barclays Bank Supervision Team at PRA-UKDT-GSIBS-Barclays@bankofengland.co.uk.



### 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"><li>• BIPRU 9.12.20R in paragraph 5.1; and</li><li>• Paragraphs 5 and 6 in Schedule 2 for use of the ABCP internal assessment approach.</li></ul>	M. Wharton, FSA	16/12/2007
3.0	IRB permission varied as follows: <ul style="list-style-type: none"><li>• Roll-out plan updated and extended by a further two years to 1 January 2013.</li><li>• The consolidated group updated to reflect changes in the group.</li></ul>	S. Morley, FSA	1/1/2011
4.0	IRB permission varied as follows: <ul style="list-style-type: none"><li>• 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.</li></ul>	A. Hughes, FSA	1/1/2013
5.0	IRB permission varied as follows: <ul style="list-style-type: none"><li>• Roll-out plan updated</li><li>• Planned Implementation Window updated to reflect 10 year extension from 1 January 2013 to 1 January 2023.</li><li>• The consolidated group updated to reflect changes in the Group.</li><li>• FCA have reviewed the Roll-out plan and approved.</li></ul>	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



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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"><li>• Application to Barclays Bank UK Plc</li><li>• Application to the sub-consolidated situation of Barclays Bank UK Plc</li></ul>	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
23.0	Barclays was given permission to make a material change to the permission.	S. Dixon, PRA	17/01/2022
24.0	Barclays was given permission to make a material change to the permission.	S. Dixon, PRA	01/08/2023

