



BARCLAYS BANK IRELAND PLC

*(Incorporated with limited liability in Ireland)*

REGISTRATION DOCUMENT

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This registration document dated 27 May 2022 ("**Registration Document**") constitutes a registration document for the purposes of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**").

This Registration Document has been prepared for the purpose of giving information with respect to Barclays Bank Ireland PLC ("**Issuer**") which, according to the particular nature of the relevant transaction, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer.

This Registration Document is valid for a period of twelve months from the date of its approval. For the avoidance of doubt, the Issuer shall have no obligation to supplement this Registration Document in the event of significant new factors, material mistakes or material inaccuracies when this Registration Document is no longer valid.

This Registration Document has been approved by the Central Bank of Ireland (the "**CBI**"), as competent authority under the Prospectus Regulation.

The CBI only approves this Registration Document as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation.

Such approval should not be considered as an endorsement of the Issuer that is the subject of this Registration Document.

The credit ratings included or referred to in this Registration Document will be treated, for the purposes of Regulation (EC) No 1060/2009 on credit rating agencies (as amended, the "**EU CRA Regulation**"), as having been issued by Fitch Ratings Ireland Limited ("**Fitch**") and S&P Global Ratings Europe Limited ("**S&P**"), each of which is established in the European Union ("**EU**") and has been registered under the EU CRA Regulation. The ratings Fitch and S&P have given in relation to this Registration Document are endorsed by Fitch Ratings Limited and S&P Global Ratings UK Limited respectively, each of which is established in the United Kingdom ("**UK**") and registered under Regulation (EC) No 1060/2009 on credit rating agencies as it forms part of domestic law of the UK by virtue of the European Union (Withdrawal) Act 2018, as amended (the "**UK CRA Regulation**").

**The date of this Registration Document is 27 May 2022.**

## IMPORTANT NOTICES

The Issuer accepts responsibility for the information contained in this Registration Document and declares that, to the best of the knowledge of the Issuer, the information contained in this Registration Document is in accordance with the facts and that the Registration Document makes no omission likely to affect its import.

This Registration Document is to be read and construed with all documents incorporated by reference into it.

No person has been authorised to give any information or to make any representation not contained in, or not consistent with, this Registration Document, including any documents incorporated by reference herein, and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, any trustee or any dealer appointed in relation to any issue of debt or derivative securities by the Issuer.

This Registration Document, including any documents incorporated by reference herein, should not be considered as a recommendation by the Issuer, any trustee or any dealer appointed in relation to any issue of debt or derivative securities by the Issuer that any recipient of this Registration Document, including any document incorporated by reference herein, should purchase any debt or derivative securities issued by the Issuer.

The Issuer confirms that any information from third party sources has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by such third party source, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Each prospective investor contemplating subscribing for or purchasing debt or derivative securities issued by the Issuer should consider the terms and conditions of such debt or derivative securities, as set out in the relevant prospectus or other offering document, independently (or at the advice of its own professional advisers), in addition to making its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. No part of this Registration Document, including any documents incorporated by reference herein, constitutes an offer or invitation by or on behalf of the Issuer, any trustee or any dealer appointed in relation to any issue of debt or derivative securities by the Issuer or any of them to any person to subscribe for or to purchase any of the debt or derivative securities issued by the Issuer.

None of the delivery of this Registration Document or any documents incorporated by reference herein or any prospectus, other offering document referring to this Registration Document or any relevant Final Terms or Pricing Supplement or the offering, sale or delivery of any debt or derivative securities shall, in any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof, or that the information contained in this Registration Document, including any documents incorporated by reference herein, is correct at any time subsequent to the date hereof or that any other written information delivered in connection herewith or therewith is correct as of any time subsequent to the date indicated in such document. Any dealer or trustee appointed in relation to any issue of debt or derivative or securities by the Issuer expressly does not undertake to review the financial condition or affairs of the Issuer or its subsidiary undertakings during the life of such securities.

The distribution of this Registration Document, including any document incorporated by reference herein, and the offer or sale of securities issued by the Issuer may be restricted by law in certain jurisdictions. Persons into whose possession this Registration Document or any document incorporated by reference herein or any securities issued by the Issuer come must inform themselves about, and observe, any such restrictions. For a description of certain restrictions on offers, sales and deliveries of securities issued by the Issuer and on the distribution of this Registration Document, including any document incorporated by reference herein, see the applicable description of arrangements relating to subscription and sale of the relevant debt or derivative securities in the relevant prospectus or other offering document.

In this Registration Document and in relation to any securities issued by the Issuer, references to the "**relevant dealers**" are to whichever of the dealers enters into an agreement for the issue of such securities issued by the Issuer as described in the applicable description of arrangements relating to subscription and sale of the relevant debt or derivative securities in the relevant prospectus or other offering document and references to the "**relevant Final Terms**" are to the Final Terms or Pricing Supplement relating to such securities.

## INTRODUCTION

### **What is this document?**

This Registration Document contains information describing the Issuer's business activities as well as certain financial information and material risks faced by the Issuer, which, according to the particular nature of the Issuer and the securities which the Issuer may offer to the public or apply to have admitted to trading on a regulated market, is necessary to enable you to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer. Some of this information is incorporated by reference into this Registration Document.

### **How do I use this Registration Document?**

You should read and understand fully the contents of this Registration Document, including any documents incorporated by reference. This Registration Document contains important information about the Issuer, as well as describing certain risks relating to the Issuer and its business. An overview of the various sections comprising this Registration Document is set out below.

The *Risk Factors* section describes the principal risks and uncertainties which could have a material adverse effect on the business, operations, financial condition or prospects of the Issuer, and could have a material adverse effect on the return on the Securities.

The *Information Incorporated by Reference* section sets out the information that is deemed to be incorporated by reference into this Registration Document. This Registration Document should be read together with all information which is deemed to be incorporated into this Registration Document by reference.

The *Issuer, the BBPLC Group and the Group* section provides certain information about the Issuer, the BBPLC Group and the Group (each as defined below), as well as details of litigation, investigations and reviews that the Issuer is party to and the subject of.

The *General Information* section sets out further information on the Issuer which the Issuer is required to include under applicable rules (including details of where you can inspect documents which are relevant to you in conjunction with this Registration Document).

## DEFINITIONS AND INTERPRETATION

The terms the "**Group**" or "**Barclays**" mean Barclays PLC together with its subsidiaries and the term "**BBPLC Group**" means Barclays Bank PLC together with its subsidiaries.

In this Registration Document, the abbreviations "**€m**" and "**€bn**" represent millions and thousands of millions of euros, respectively.

"**Irish Bail-in Power**" means any write-down, conversion, transfer, modification and/or suspension power existing from time to time under any laws, regulations, rules or requirements relating to the resolution of banks, banking group companies, credit institutions and/or investment firms incorporated in Ireland in effect and applicable in Ireland to the Issuer, including but not limited to any such laws, regulations, rules or requirements that are implemented, adopted or enacted within the context of any European Union directive or regulation of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms, as the same has been or may be amended from time to time, pursuant to which obligations of a bank, banking group company, credit institution or investment firm or any of its affiliates can be reduced, cancelled, amended, transferred and/or converted into shares or other securities or obligations of the obligor or any other person.

"**Relevant Resolution Authority**" means the Central Bank of Ireland, the Single Resolution Board established pursuant to the SRM Regulation and/or any other authority entitled to exercise or participate in the exercise of the Irish Bail-in Power from time to time.

"**Securities**" means any securities issued by the Issuer described in any securities note and, if applicable, summary, which, when read together with this Registration Document, comprise a prospectus for the purposes of Article 6(3) of the Prospectus Regulation or in any base prospectus for the purposes of Article 8 of the Prospectus Regulation or other offering document into which this Registration Document may be incorporated by reference.

"**SRM Regulation**" means Regulation (EU) No 806/2014 of the European Parliament and Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010, as amended or replaced from time to time.

Where the context so requires, capitalised terms used will be defined in this Registration Document and are referenced in the Index of Abbreviations to this Registration Document.

Any reference in this Registration Document to any legislation (whether primary legislation or other subsidiary legislation made pursuant to primary legislation) shall be construed as a reference to such legislation as the same may have been, or may from time to time be, amended, superseded or re-enacted.

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## RISK FACTORS

*Prospective investors should consider carefully the risks set forth and referred to below and the other information contained in this Registration Document (including any information incorporated by reference herein) prior to making any investment decision with respect to the Securities.*

*Each of the risks described below could have a material adverse effect on the Issuer's business, operations, financial condition or prospects, which, in turn, could have a material adverse effect on the return on the Securities. Prospective investors should only invest in the Securities after assessing these risks. More than one risk factor may have a simultaneous or a compounding effect which may not be predictable. No assurance can be given as to the effect that any combination of risk factors may have on the return on the Securities. The risks below are not exhaustive and there may be additional risks and uncertainties that are not presently known to the Issuer or that the Issuer currently believes to be immaterial but that could have a material impact on the business, operations, financial condition or prospects of the Issuer.*

*Prospective investors should note that the risks described below are not the only risks the Issuer faces. The Issuer has described only those risks relating to its operations that it considers to be material. There may be additional risks that the Issuer currently considers not to be material or of which it is not currently aware, and any of these risks could have the effects set forth above.*

### **Principal Risks relating to the Issuer**

The Issuer has identified a broad range of risks to which its businesses are exposed. Material risks are those to which senior management pay particular attention and which could cause the delivery of the Issuer's strategy, results of operations, financial condition and/or prospects to differ materially from expectations. Emerging risks are those which have unknown components, the impact of which could crystallise over a longer time period. In addition, certain other factors beyond the Issuer's control, including escalation of terrorism or global conflicts, natural disasters, pandemics and similar events, although not detailed below, could have a similar impact on the Issuer.

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

#### **1. Risks relating to the impact of COVID-19**

The COVID-19 pandemic has had, and continues to have, a material impact on businesses around the world and the economic environments in which they operate. Additionally, the impacts of the economic downturn resulting from the COVID-19 pandemic and post-recovery environment, from a commercial, regulatory and risk perspective, could be significantly different to past crises and persist for a prolonged period. As a result, there are a number of factors associated with the COVID-19 pandemic and its impact on global economies that have had and could continue to have a material adverse effect on the profitability, capital and liquidity of the Issuer.

The COVID-19 pandemic has caused disruption to the Issuer's customers, suppliers and staff. Most jurisdictions in which the Issuer operates implemented severe restrictions on the movement of their respective populations, with a resultant significant impact on economic activity in those jurisdictions. While a number of restrictions have been eased with the roll-out of COVID-19 vaccination programmes, others still remain in place and future developments are highly uncertain. In some jurisdictions, restrictions that had been previously lifted were re-imposed in response to a resurgence in cases. These decisions are being taken by the governments of individual jurisdictions (including through the implementation of emergency powers) and impacts (including any subsequent lifting, extension or reimposition of restrictions) may vary from jurisdiction to jurisdiction and/or within jurisdictions. It remains unclear how the COVID-19 pandemic will evolve through 2022 (including whether there will be further waves of the COVID-19 pandemic, whether COVID-19 vaccines continue to prove effective, whether further new strains of COVID-19 will emerge and whether, and in what manner, additional restrictions will be imposed and/or existing restrictions extended) and the Issuer continues to monitor the situation closely. However, despite the COVID-19 contingency plans established by the Issuer, the ability to conduct business may be adversely affected by disruptions to infrastructure and supply chains, business processes and technology services, resulting from the unavailability of staff due to illness or the failure of third parties to supply services. This may cause significant customer detriment, costs to reimburse losses incurred by the Issuer's customers, potential litigation costs (including regulatory fines, penalties and other sanctions), and reputational damage.

In many of the jurisdictions in which the Issuer operates, schemes were initiated by central banks, national governments and regulators to provide financial support to parts of the economy most impacted by the COVID-19 pandemic. The rapid introduction and varying nature of these support schemes, as well as customer expectations, required the Issuer to implement large-scale changes in a short period of time, leading to an increase in certain risks faced by the Issuer, including operational risk, conduct risk, reputation risk and fraud risk. These risks are likely to be heightened further as and when those government and other support schemes expire, are withdrawn or are no longer supported. Furthermore, the impact from participating in government and central bank-supported loan and other financing schemes may be exacerbated if the Issuer is required by any government or regulator to offer forbearance or additional financial relief to borrowers or if the Issuer is unable to rely on guarantees provided by governments in connection with financial support schemes.

As these schemes and other financial support schemes provided by national governments (such as job retention and furlough schemes, payment deferrals and mass lending schemes) expire, are withdrawn or are no longer supported, there is a risk that economic growth and employment may be negatively impacted which may, in turn, impact the Issuer's results of operations and profitability. In addition, the Issuer may experience a higher volume of defaults and delinquencies in certain portfolios which may negatively impact the Issuer's risk weighted assets ("**RWAs**"), level of impairment and, in turn, capital position, and may initiate collection and enforcement actions to recover defaulted debts. The inception of large scale collections and recovery programmes (including the use of third party debt collection agents) may also create significant risk if (because of the complexity, speed and scale of these programmes) defaulting borrowers are harmed by the Issuer's conduct which may also give rise to civil legal proceedings, including class actions, regulatory censure, potentially significant fines and other sanctions, and reputational damage. Other legal disputes may also arise between the Issuer and defaulting borrowers relating to matters such as breaches or enforcement of legal rights or obligations arising under loan and other credit agreements. Adverse findings in any such matters may result in the Issuer's rights not being enforced as intended.

Changes in macroeconomic variables such as gross domestic product ("**GDP**") and unemployment have a significant impact on the modelling of expected credit losses ("**ECLs**") by the Issuer. As a result, the Issuer experienced higher ECLs in 2020 compared to prior periods, though this trend was reversed in 2021 as economic conditions partially recovered. The economic environment remains uncertain and future impairment charges may be subject to further volatility (including from changes to macroeconomic variable forecasts) depending on the longevity of the COVID-19 pandemic and related containment measures and the continued efficacy of any COVID-19 vaccines, as well as the longer term effectiveness of central bank, government and other support measures. In addition, ECLs may be adversely impacted by increased levels of default for single name exposures in certain sectors directly impacted by the COVID-19 pandemic.

Furthermore, the Issuer relies on models to support a broad range of business and risk management activities, including informing business decisions and strategies, measuring and limiting risk, valuing exposures (including the calculation of impairment), conducting stress testing and assessing capital adequacy. Models are, by their nature, imperfect and incomplete representations of reality because they rely on assumptions and inputs, and so they may be subject to errors affecting the accuracy of their outputs and/or misused. This may be exacerbated when dealing with unprecedented scenarios, such as the COVID-19 pandemic, due to the lack of reliable historical reference points and data. For further details on model risk, refer to "6. *Model risk*" below.

There can be no assurance that economic activity will return to pre-pandemic levels and, accordingly, there could be further adverse impacts on the Issuer's income and profitability caused by lower lending and transaction volumes due to volatility or weakness in the capital markets.

Furthermore, in order to support lending activity to promote economic growth, governments and/or regulators may limit management's flexibility in managing its business, require the deployment of capital in particular business lines or otherwise restrict or limit capital distributions and capital allocation.

Any and all such events mentioned above could have a material adverse effect on the Issuer's business, results of operations, financial condition, prospects, liquidity, capital position and credit ratings (including potential credit rating agency changes of outlooks or ratings), as well as on the Issuer's customers, employees and suppliers.

## 2. **Business conditions, general economy and geopolitical issues**

The Issuer's operations are subject to potentially unfavourable global and local economic and market conditions, as well as geopolitical developments, which may have a material effect on the Issuer's business, results of operations, financial condition and prospects.

A deterioration in global or local economic and market conditions may lead to (among other things): (i) deteriorating business, consumer or investor confidence and lower levels of fixed asset investment and productivity growth, which in turn may lead to lower client activity, including lower demand for borrowing from creditworthy customers; (ii) higher default rates, delinquencies, write-offs and impairment charges as borrowers struggle with the burden of additional debt; (iii) subdued asset prices and payment patterns, including the value of any collateral held by the Issuer; (iv) mark-to-market losses in trading portfolios resulting from changes in factors such as credit ratings, share prices and solvency of counterparties; and (v) revisions to calculated ECLs leading to increases in impairment allowances. In addition, the Issuer's ability to borrow from other financial institutions or raise funding from external investors may be affected by deteriorating economic conditions and market disruption.

Geopolitical events may lead to further financial instability and affect economic growth. In particular:

- Global GDP growth recovered in 2021 from the severe contraction in 2020 as a result of the COVID-19 pandemic. While government support packages, accommodative monetary policy and the lifting of certain restrictions on movement bolstered economic growth and confidence in 2021, the global outlook remains highly uncertain, especially regarding: (a) ongoing concerns about how the COVID-19 pandemic may develop; (b) the disruptive impact of the COVID-19 pandemic on supply chains; and (c) how long inflationary pressures will persist and whether central banks will succeed in normalising monetary policy. These factors could adversely affect economic growth, affect specific industries or countries or affect the Issuer's employees and business operations in affected countries. Refer to "1. Risks relating to the impact of COVID-19" above for further details.
- Recent increases in inflation have been partly driven by a rebalancing of supply and demand, following the relaxation of restrictions on movement that were imposed during the COVID-19 pandemic. Monetary policy remains highly accommodative, increasing the risk that more abrupt government action will be necessary later if inflation does not prove transitory. A prolonged period of rising inflation may develop into slow or stagnant economic growth if combined with slowing economic expansion and elevated unemployment. Inflation may be further driven by supply chain disruptions and labour shortages and the imposition of further restrictions on movement due to the failure to contain the spread of COVID-19.
- An escalation in geopolitical tensions or increased use of protectionist measures, such as in the Ukraine and Russia conflict, may have a material adverse effect on the Issuer's business.

Trading disruption between the EU and the UK may have a significant impact on economic activity in the EU and the UK which, in turn, could have a material adverse effect on the Issuer's business, results of operations, financial condition and prospects. Unstable economic conditions could result in (among other things):

- a recession in Ireland and/or one or more member states of the European Economic Area ("EEA") in which it operates, with lower growth, higher unemployment and falling property prices, which could lead to increased impairments in relation to a number of the Issuer's portfolios (including, but not limited to, its mortgage portfolio, unsecured lending portfolio (including credit cards) and commercial real estate exposures);
- increased market volatility (in particular in currencies and interest rates), which could impact the Issuer's trading book positions and affect the underlying value of assets in the banking book and securities held by the Issuer for liquidity purposes;
- a credit rating downgrade for the Issuer (either directly or indirectly as a result of a downgrade in the Irish sovereign credit ratings) or its parent (BBPLC (as defined below)), which could significantly increase the Issuer's cost of and/or reduce its access to funding, widen credit spreads and materially adversely affect the Issuer's interest margins and liquidity position; and/or



- a widening of credit spreads more generally or reduced investor appetite for the Issuer's debt securities, which could negatively impact the Issuer's cost of and/or access to funding.

### 3. **The impact of interest rate changes on the Issuer's profitability**

Changes to interest rates are significant for the Issuer, especially given the uncertainty as to the direction of interest rates and the pace at which they may change particularly in the Issuer's main market of the EU.

A period of low interest rates and flat yield curves, including any rate cuts and/or negative interest rates, may affect and continue to put pressure on the Issuer's net interest margins (the difference between its lending income and borrowing costs) and could adversely affect the Issuer's profitability and prospects.

Interest rate rises could positively impact the Issuer's profitability over the medium term as corporate business income increases due to margin decompression. However, further increases in interest rates, if larger or more frequent than expected, could lead to generally weaker than expected growth, reduced business confidence, investment and higher unemployment. This, combined with the impact interest rate rises may have on the affordability of loan arrangements for borrowers, could cause stress in the Issuer's lending portfolio and underwriting activity with resultant higher credit losses driving an increased impairment charge which could have a material effect on the Issuer's business, results of operations, financial condition and prospects.

### 4. **Competition in the banking and financial services industry**

The Issuer operates in a highly competitive environment in which it must evolve and adapt to the significant changes as a result of financial regulatory reform, technological advances, increased public scrutiny and prevailing economic conditions. The Issuer expects that competition in the financial services industry will continue to be intense and may have a material adverse effect on the Issuer's future business, results of operations, financial condition and prospects.

New competitors in the financial services industry continue to emerge. Technological advances and the growth of e-commerce have made it possible for non-banks to offer products and services that traditionally were banking products such as electronic securities trading, payments processing and online automated algorithmic-based investment advice. Furthermore, payments processing and other services could be significantly disrupted by technologies, such as blockchain (used in cryptocurrency systems) and "buy now pay later" lending, both of which are currently subject to lower levels of regulatory oversight. Furthermore, the introduction of Central Bank Digital Currencies could potentially have significant impacts on the banking system and the role of commercial banks within it by disrupting the current provision of banking products and services. It could allow new competitors, some previously hindered by banking regulation (such as FinTechs), to provide customers with alternative access to financial services and increase disintermediation of banking services.

New technologies have required and could require the Issuer to spend more to modify or adapt its products or make additional capital investments in its businesses to attract and retain clients and customers or to match products and services offered by its competitors, including technology companies.

Ongoing or increased competition and/or disintermediation of our services may put pressure on the pricing for the Issuer's products and services, which could reduce the Issuer's revenues and profitability, or may cause the Issuer to lose market share, particularly with respect to traditional banking products such as deposits and bank accounts. This competition may be on the basis of quality and variety of products and services offered, transaction execution, innovation, reputation and price. The failure of any of the Issuer's businesses to meet the expectations of clients and customers, whether due to general market conditions, under-performance, a decision not to offer a particular product or service, changes in client and customer expectations or other factors, could affect the Issuer's ability to attract or retain clients and customers. Any such impact could, in turn, reduce the Issuer's revenues.

### 5. **Regulatory change agenda and impact on business model**

The Issuer remains subject to ongoing significant levels of regulatory change and scrutiny in many of the countries in which it operates. As a result, regulatory risk will remain a focus for senior management. Furthermore, a more intensive regulatory approach and enhanced requirements together with the potential lack of international regulatory co-ordination as enhanced supervisory standards are developed

and implemented may adversely affect the Issuer's business, capital and risk management strategies and/or may result in the Issuer deciding to modify its legal entity, capital and funding structures and business mix, or to exit certain business activities altogether or not to expand in areas despite otherwise attractive potential.

There are several significant pieces of legislation and areas of focus which will require considerable management attention, cost and resource, including:

- Changes in prudential requirements may impact minimum requirements for own funds and eligible liabilities ("**MREL**"), leverage, liquidity or funding requirements, applicable buffers and/or add-ons to such minimum requirements and risk weighted assets calculation methodologies all as may be set by international or EU authorities. This includes the upcoming implementation of the remaining Basel III reforms, as well as the expected incorporation of risks associated with climate change into the prudential framework and increased scrutiny of firms' governance and risk management frameworks (including in respect of climate change and environmental social governance ("**ESG**") risks). Such or similar changes to prudential requirements or additional supervisory and prudential expectations, as well as requirements imposed by the Issuer's regulators under the resolution framework, either individually or in aggregate, may result in, among other things, a need for further management actions to meet the changed requirements, such as:
  - increasing capital, MREL or liquidity resources, reducing leverage and risk weighted assets;
  - modifying the terms of outstanding capital instruments;
  - modifying legal entity structure (including with regard to issuance and deployment of capital, MREL and funding at an unquantified cost);
  - changing the Issuer's business mix or exiting other certain businesses thus potentially reducing our business prospects; and/or
  - undertaking other actions to strengthen the Issuer's position or resolvability which may have unforeseen cost, capital or other consequences constraining our business.
- The derivatives market has been the subject of particular focus for regulators in recent years across the G20 countries and beyond, with regulations introduced which require the on-venue trading and clearing of standardised over-the-counter ("**OTC**") derivatives and the mandatory margining of non-cleared OTC derivatives. These regulations may increase costs for market participants, as well as reduce liquidity in the derivatives markets, in particular if there are areas of overlapping or conflicting regulation. More broadly, changes to the regulatory framework could entail significant costs for market participants and may have a significant impact on certain markets in which the Issuer operates.
- The Group and certain of its members, including the Issuer, are subject to supervisory stress testing exercises and other similar assessments in a number of jurisdictions. These exercises currently include the programmes of the Bank of England and the European Banking Authority. Failure to meet the requirements of regulatory stress tests, or the failure by regulators to approve the stress test results and capital plans of the Issuer or Group, could result in the Group or certain of its members, including the Issuer, being required to increase their capital position, limit capital distributions or position additional capital in specific subsidiaries.
- As a result of the on-shoring of EU legislation in the UK, UK-based entities within the Group are currently subject to substantially the same rules and regulations as prior to the UK's withdrawal from the EU. It is the UK's intention to recast on-shored EU legislation as part of UK legislation and Prudential Regulation Authority and Financial Conduct Authority rules, which could result in changes to regulatory requirements in the UK. If the regulatory regimes for EU and UK financial services change further, the provision of cross-border banking and investment services across the Issuer may become more complex and costly which could have a material adverse effect on the Issuer's business and results of operations and could result in the Issuer modifying its legal entity, capital and funding structures and business mix, exiting certain business activities

altogether or not expanding in areas despite otherwise attractive potential returns. This may also be exacerbated if the Issuer expands further and, as a result of its growth and importance to the Group and the EEA banking system as a whole, the Issuer is made subject to higher capital requirements or restrictions are imposed by regulators, on capital allocation and capital distributions by the Issuer.

## 6. **Impact of benchmark interest rate reforms on the Issuer**

Global regulators and central banks in the UK, US and EU have been driving international efforts to reform key benchmark interest rates and indices, such as the London Interbank Offered Rate ("**LIBOR**") and the Euro Overnight Index Average ("**EONIA**"), which are used to determine the amounts payable under a wide range of transactions and make them more reliable and robust. These benchmark reforms have resulted in significant changes to the methodology and operation of certain benchmarks and indices, the adoption of alternative "risk-free" reference rates ("**RFRs**"), the discontinuation of certain reference rates (including LIBOR and EONIA), and the introduction of implementing legislation and regulations. Specifically, regulators in the UK, US and EU directed that certain non-US dollar LIBOR tenors would cease at the end of 2021. Furthermore, certain US dollar LIBOR tenors are to cease by the end of June 2023 and restrictions have been imposed on new use of US dollar LIBOR. Notwithstanding these developments, given the unpredictable consequences of benchmark reform, any of these developments could have an adverse impact on market participants, including the Issuer, in respect of any financial instruments linked to, or referencing, any of these benchmark interest rates.

Uncertainty associated with such potential changes, including the availability and/or suitability of alternative RFRs, the participation of customers and third-party market participants in the transition process, challenges with respect to required documentation changes, and impact of legislation to deal with certain legacy contracts that cannot convert into or add fall-back RFRs before cessation of the benchmark they reference, may adversely affect a broad range of transactions (including any securities, loans and derivatives which use LIBOR or EONIA or any other affected benchmark to determine the interest payable which are included in the Issuer's financial assets and liabilities) that use these reference rates and indices, and present a number of risks for the Issuer, including, but not limited to:

- **Conduct risk:** in undertaking actions to transition away from using certain reference rates (such as LIBOR and EONIA) to new alternative RFRs, the Issuer faces conduct risks. These may lead to customer complaints, regulatory sanctions or reputational impact if the Issuer is considered to be (among other things): (i) undertaking market activities that are manipulative or create a false or misleading impression; (ii) misusing sensitive information or not identifying or appropriately managing or mitigating conflicts of interest; (iii) providing customers with inadequate advice, misleading information, unsuitable products or unacceptable service; (iv) not taking a consistent approach to remediation for customers in similar circumstances; (v) unduly delaying the communication and migration activities in relation to client exposure, leaving them insufficient time to prepare; or (vi) colluding or inappropriately sharing information with competitors.
- **Litigation risk:** the Issuer may face legal proceedings, regulatory investigations and/or other actions or proceedings regarding (among other things): (i) the conduct risks identified above, (ii) the interpretation and enforceability of provisions in LIBOR-based contracts, and (iii) the Issuer's preparation and readiness for the replacement of LIBOR with alternative RFRs.
- **Financial risk:** the valuation of certain of the Issuer's financial assets and liabilities may change. Moreover, transitioning to alternative RFRs may impact the Issuer's ability to calculate and model amounts receivable by them on certain financial assets and determine the amounts payable on certain financial liabilities (such as debt securities issued by them) because certain alternative RFRs (such as the Swiss Average Rate Overnight and the euro short-term rate) are look-back rates whereas term rates (such as LIBOR and EONIA) allow borrowers to calculate at the start of any interest period exactly how much is payable at the end of such interest period. This may have a material adverse effect on the Issuer's cash flows.
- **Pricing risk:** changes to existing reference rates and indices, discontinuation of any reference rate or indices and transition to alternative RFRs may impact the pricing mechanisms used by the Issuer on certain transactions.

- **Operational risk:** changes to existing reference rates and indices, discontinuation of any reference rate or index and transition to alternative RFRs may require changes to the Issuer's IT systems, trade reporting infrastructure, operational processes and controls. In addition, if any reference rate or index (such as LIBOR or EONIA) is no longer available to calculate amounts payable, the Issuer may incur expenses in amending documentation for new and existing transactions and/or effecting the transition from the original reference rate or index to a new reference rate or index.
- **Accounting risk:** an inability to apply hedge accounting in accordance with International Accounting Standards ("IAS") 39 could lead to increased volatility in the Issuer's financial results and performance.

Any of these factors may have a material adverse effect on the Issuer's business, results of operations, financial condition, prospects and reputation.

For further details on the impacts of benchmark interest rate reforms on the Issuer, refer to Note 41 to the financial statements of the Issuer on pages 170 to 174 of the 2021 Annual Report (as defined below).

## 7. **Change delivery and execution risks**

The Issuer will need to adapt and/or transform the way it conducts business in response to changing customer behaviour and needs, technological developments, regulatory expectations, increased competition and cost management initiatives. Furthermore, changes to the Issuer's business model might also arise from the ECB's ongoing review of how international banking groups (such as Barclays) manage their EU businesses. Accordingly, effective management of transformation projects is required to successfully deliver the Issuer's strategic priorities, involving delivering both on externally driven programmes, as well as key business initiatives to deliver revenue growth, product enhancement and operational efficiency outcomes. The magnitude, complexity and, at times, concurrent demands of the projects required to meet these priorities can result in heightened execution risk.

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

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

### **Material existing and emerging risks impacting individual principal risks**

#### 1. **Climate risk**

The risks associated with climate change are subject to rapidly increasing societal, regulatory and political focus, both in the EU and internationally. Embedding climate risk into the Issuer's risk framework in line with regulatory expectations and requirements, and adapting the Issuer's operations and strategy to address the financial risks resulting from both: (i) the physical risk of climate change; and (ii) the risk from the transition to a low carbon economy, could have a significant impact on the Issuer's business, results of operations, financial condition and prospects, the Issuer's customers and clients and the creditworthiness of the Issuer's counterparties.

Physical risks from climate change arise from a number of factors and relate to specific weather events and longer-term shifts in the climate. The nature and timing of extreme weather events are uncertain but they are increasing in frequency and their impact on the economy is predicted to be more acute in the future. The potential impact on the economy includes, but is not limited to, lower GDP growth, higher unemployment and significant changes in asset prices and profitability of industries. Damage to properties and operations of borrowers could impair asset values and the creditworthiness of customers leading to increased default rates, delinquencies, write-offs and impairment charges in the Issuer's portfolios. In addition, the Issuer's premises and resilience may also suffer physical damage due to weather events leading to increased costs for the Issuer.

As the economy transitions to a low-carbon economy, financial institutions such as the Issuer may face significant and rapid developments in stakeholder expectations, policy, law and regulation which could impact the lending activities the Issuer undertakes, as well as the risks associated with its lending portfolios and the value of the Issuer's financial assets. As sentiment towards climate change shifts and societal preferences change, the Issuer may face greater scrutiny of the type of business it conducts, adverse media coverage and reputational damage, which may in turn impact customer demand for the Issuer's products, returns on certain business activities and the value of certain assets and trading positions, resulting in impairment charges.

In addition, the impacts of physical and transition climate risks can lead to second order connected risks, which have the potential to affect the Issuer's retail and wholesale portfolios. The impacts of climate change may increase losses for those sectors sensitive to the effects of physical and transition risks. Any subsequent increase in defaults and rising unemployment could create recessionary pressures, which may lead to wider deterioration in the creditworthiness of the Issuer's clients, higher ECLs, and increased charge-offs and defaults among retail customers.

With effect from 3 February 2022, climate risk became one of the principal risks within the Issuer's Enterprise Risk Management Framework. Failure to adequately embed risks associated with climate change into its risk framework to appropriately measure, manage and disclose the various financial and operational risks it faces as a result of climate change, or failure to adapt the Issuer's strategy and business model to the changing regulatory requirements and market expectations on a timely basis, may have a material and adverse impact on the Issuer's level of business growth, reputation, competitiveness, profitability, capital requirements, cost of funding, and financial condition.

In March 2020, the Group announced its ambition to become a net zero bank by 2050 and its commitment to align all of its financing activities with the goals and timelines of the Paris Agreement. In order to reach these ambitions and targets or any other climate-related ambitions or targets the Group may commit to in future, the Issuer will need to incorporate climate considerations into its strategy, business model, the products and services it provides to customers and its financial and non-financial risk management processes (including processes to measure and manage the various financial and non-financial risks the Issuer faces as a result of climate change).

The Issuer also needs to ensure that its strategy and business model adapt to changing national and international standards, industry and scientific practices, regulatory requirements and market expectations regarding climate change, which remain under continuous development and are subject to different interpretations. There can be no assurance that these standards, practices, requirements and expectations will not be interpreted differently than what was the Group's understanding when defining its climate-related ambitions and targets, or change in a manner that substantially increases the cost or effort for the Issuer to achieve such ambitions and targets. In addition, the Group's ambitions and targets may prove to be considerably more difficult or even impossible to achieve under such changing circumstances. This may be exacerbated if the Group chooses or is required to accelerate its climate-related ambitions or targets as a result of (among other things) regulatory developments or stakeholder expectations.

Achieving the Group's climate-related ambitions and targets will also depend on a number of factors outside the Issuer's control, including (among other things) the availability of data to measure and assess the climate impact of the Issuer's customers, advancements of low-carbon technologies and supportive public policies in the markets where the Issuer operates. If these external factors and other changes do not occur, or do not occur on a timely basis, the Group may fail to achieve its climate-related ambitions and targets and this could have a material adverse effect on the Issuer's business, results of operations, financial condition, prospects and reputation.

## 2. **Credit risk**

Credit risk is the risk of loss to the Issuer from the failure of clients, customers or counterparties, including sovereigns, to fully honour their obligations to the Issuer, including the whole and timely payment of principal, interest, collateral and other receivables.

### a) **Impairment**

Impairment is calculated in line with the requirements of IFRS9 which results in recognition of loss allowances, based on ECLs, on a forward-looking basis using a broad scope of financial instruments. Measurement involves complex judgement and impairment charges are potentially volatile, particularly under stressed conditions which could have a material adverse effect on the Issuer's business, results of operations, financial condition and prospects. For further details, refer to Note 7 (*Impairment losses on financial instruments*) to the financial statements of the Issuer on pages 120 to 124 of the 2021 Annual Report (as defined below).

#### **b) Specific sectors and concentrations**

The Issuer is subject to risks arising from changes in credit quality and recovery rates of loans and advances due from borrowers and counterparties in any specific portfolio. Any deterioration in credit quality could lead to lower recoverability and higher impairment in a specific sector. The following are areas of uncertainties to the Issuer's portfolio which could have a material impact on performance:

- **Consumer affordability:** this has remained a key area of focus, particularly in unsecured lending. Macroeconomic factors, such as unemployment, higher interest rates or broader inflationary pressures, that impact a customer's ability to service debt payments could lead to increased arrears in both unsecured and secured products. The Issuer is exposed to the adverse credit performance of unsecured products, particularly in Germany, through the Issuer's Barclays Consumer Bank Europe business.
- **Italian mortgage and wholesale exposure:** The Issuer is exposed to a decline in the Italian economic environment through a mortgage portfolio in run-off and positions to wholesale customers. The Italian economy was severely impacted by the COVID-19 pandemic in 2020 and recovery has been slower than anticipated. Should the Italian economy deteriorate further or any recovery take longer to materialise, there could be a material adverse effect on the Issuer's results including, but not limited to, increased credit losses and higher impairment charges.
- **Leverage finance underwriting:** the Issuer takes on sub-investment grade underwriting exposure, including single name risk. The Issuer is exposed to credit events and market volatility during the underwriting period. Any adverse events during this period may potentially result in loss for the Issuer, or an increased capital requirement should there be a need to hold the exposure for an extended period.
- **Air travel:** the COVID-19 pandemic has caused a significant reduction in demand for air travel as both the willingness and ability to travel have reduced, impacting revenues of the Issuer's clients and their ability to service their debt obligations. While the situation is expected to improve as travel restrictions are eased, changes in consumer behaviour, both due to COVID-19 and climate change, create uncertainty for the sector. Furthermore, the possibility of further global and regional pandemics pose additional risks for the sector.

The Issuer also has large individual exposures to single name counterparties, both in its lending activities and in its financial services and trading activities, including transactions in derivatives and transactions with brokers, central clearing houses, dealers, other banks, mutual and hedge funds and other institutional clients. The default of such counterparties could have a significant impact on the carrying value of these assets. In addition, where such counterparty risk has been mitigated by taking collateral, credit risk may remain high if the collateral held cannot be monetised, or has to be liquidated at prices which are insufficient to recover the full amount of the loan or derivative exposure. Any such defaults could have a material adverse effect on the Issuer's results due to, for example, increased credit losses and higher impairment charges.

### **3. Market risk**

Market risk is the risk of loss arising from potential adverse changes in the value of the Issuer's assets and liabilities from fluctuation in market variables including, but not limited to, interest rates, foreign exchange, equity prices, commodity prices, credit spreads, implied volatilities and asset correlations.

Economic and financial market uncertainties remain elevated, as the path of the COVID-19 pandemic is inherently difficult to predict. Further waves of the COVID-19 pandemic, a disruptive adjustment to monetary policy normalisation intensifying social unrest that weighs on market sentiment and

deteriorating trade and geopolitical tensions are some of the factors that could heighten market risks for the Issuer's portfolios.

In addition, the Issuer's trading business is generally exposed to a prolonged period of elevated asset price volatility, particularly if it adversely affects market liquidity. Such a scenario could impact the Issuer's ability to execute client trades and may also result in lower client flow-driven income and/or market-based losses on its existing portfolio of market risks. These can include higher hedging costs from rebalancing risks that need to be managed dynamically as market levels and their associated volatilities change.

It is difficult to predict changes in market conditions, and such changes could have a material adverse effect on the Issuer's business, results of operations, financial condition and prospects.

#### 4. **Treasury and capital risk**

There are three primary types of treasury and capital risk faced by the Issuer:

##### a) **Liquidity risk**

Liquidity risk is the risk that the Issuer is unable to meet its contractual or contingent obligations or that it does not have the appropriate amount, tenor and composition of funding and liquidity to support its assets. This could cause the Issuer to fail to meet internal and/or regulatory liquidity requirements, make repayments as they fall due or be unable to support day-to-day banking activities. Key liquidity risks that the Issuer faces include:

- **Stability of the Issuer's deposit funding profile:** deposits which are payable on demand or at short notice, could be affected by the Issuer failing to preserve the current level of customer and investor confidence.
- **Ongoing access to wholesale funding:** the Issuer regularly accesses the money and capital markets to provide short-term and long-term unsecured and secured funding to support its operations. A loss of counterparty confidence, or adverse market conditions, could lead to a reduction in the tenor, or an increase in the costs of the Issuer's unsecured and secured wholesale funding.
- **Impacts of market volatility:** adverse market conditions, with increased volatility in asset prices, can negatively impact the Issuer's liquidity position through increased derivative margin requirements and/or wider haircuts when monetising liquidity pool securities, and make it more difficult to execute secured financing transactions.
- **Intraday liquidity usage:** increased collateral requirements at payments and securities settlement systems could negatively impact the Issuer's liquidity position, as cash and liquid assets required for intraday purposes are unavailable to meet other outflows.
- **Off-balance sheet commitments:** deterioration in economic and market conditions could cause customers to draw on off-balance sheet commitments provided to them, for example, revolving credit facilities, negatively affecting the Issuer's liquidity position.
- **Credit rating changes and the impact on funding costs:** Any reductions in a credit rating (in particular, any downgrade below investment grade) may affect the Issuer's access to the money or capital markets and/or terms on which the Issuer is able to obtain market funding (for example, this could lead to increased costs of funding and wider credit spreads, the triggering of additional collateral or other requirements in derivative contracts and other secured funding arrangements or limits on the range of counterparties who are willing to enter into transactions with the Issuer).

Any of these factors could have a material adverse effect on the Issuer's business, results of operations, financial condition and prospects.

##### b) **Capital risk**

Capital risk is the risk that the Issuer has an insufficient level or composition of capital to support its normal business activities and to meet its regulatory capital requirements under normal operating environments or stressed conditions (both actual and as defined for internal planning or regulatory stress

testing purposes). This also includes the risk from the Issuer's defined benefit pension plans. Key capital risks that the Issuer faces include:

- **Failure to meet prudential capital requirements:** This could lead to the Issuer being unable to support some or all of its business activities, a failure to pass regulatory stress tests, increased cost of funding due to deterioration in investor appetite or credit ratings, restrictions on distributions including the ability to meet dividend targets, and/or the need to take additional measures to strengthen the Issuer's capital or leverage position.
- **Adverse changes in foreign exchange rates impacting capital ratios:** The Issuer has risk weighted assets and leverage exposures denominated in foreign currencies. Changes in foreign currency exchange rates may adversely impact the Euro equivalent value of these items. As a result, the Issuer's regulatory capital ratios are sensitive to foreign currency movements. Failure to appropriately manage the Issuer's balance sheet to take account of foreign currency movements could result in an adverse impact on the Issuer's regulatory capital and leverage ratios.
- **Adverse movements in the pension fund:** Adverse movements in pension assets and liabilities for defined benefit pension schemes could result in deficits on a technical provision and/or IAS 19 accounting basis. This could lead to the Issuer making additional contributions to its pension plans and/or a deterioration in its capital position. Under IAS 19, the liabilities discount rate is derived from the yields of high quality corporate bonds. Therefore, the valuation of the Issuer's defined benefit pension schemes would be adversely affected by a prolonged fall in the discount rate due to a persistent low interest rate and/or credit spread environment. Inflation is another significant risk driver to the pension fund as the liabilities are adversely impacted by an increase in long-term inflation expectations.

c) **Interest rate risk in the banking book**

Interest rate risk in the banking book is the risk that the Issuer is exposed to capital or income volatility because of a mismatch between the interest rate exposures of its (non-traded) assets and liabilities. The Issuer's hedging programmes for interest rate risk in the banking book rely on behavioural assumptions and, as a result, the effectiveness of the hedging strategy cannot be guaranteed. A potential mismatch in the balance or duration of the hedging assumptions could lead to earnings deterioration. A decline in interest rates in Euro and other G3 currencies may also compress net interest margin on banking book liabilities. In addition, the Issuer's liquid asset buffer is exposed to income reduction due to adverse movements in Central Bank deposit rates which may have a material adverse effect on the capital position of the Issuer.

5. **Operational risk**

Operational risk is the risk of loss to the Issuer from inadequate or failed processes or systems, human factors or due to external events where the root cause is not due to credit or market risks. Examples include:

- **Operational resilience**

The Issuer functions in a highly competitive market, with market participants that expect consistent and smooth business processes. The loss of or disruption to business processing is a material inherent risk within the Issuer and across the financial services industry, whether arising through impacts on the Issuer's technology systems or availability of personnel or services supplied by third parties. Failure to build resilience and recovery capabilities into business processes or into the services of technology, real estate or suppliers on which the Issuer's business processes depend, may result in significant customer detriment, costs to reimburse losses incurred by the Issuer's customers, and reputational damage.

- **Cyber attacks**

Cyber attacks continue to be a global threat that is inherent across all industries, with the number and severity of attacks continuing to rise. The financial sector remains a primary target for cyber criminals, hostile nation states, opportunists and hacktivists. The Issuer, like other financial institutions, experiences numerous attempts to compromise its cyber security.



The Issuer dedicates significant resources to reducing cyber security risks, but it cannot provide absolute security against cyber attacks. Malicious actors are increasingly sophisticated in their methods, seeking to steal money, gain unauthorised access to, destroy or manipulate data, and disrupt operations, and some of their attacks may not be recognised until launched, such as zero-day attacks that are launched before patches and defences can be readied. Cyber attacks can originate from a wide variety of sources and target the Issuer in numerous ways, including attacks on networks, systems, or devices used by the Issuer or parties such as service providers and other suppliers, counterparties, employees, contractors, customers or clients, presenting the Issuer with a vast and complex defence perimeter. Moreover, the Issuer does not have direct control over the cyber security of the systems of its clients, customers, counterparties and third-party service providers and suppliers, limiting the Issuer's ability to effectively defend against certain threats. Some of the Issuer's third-party service providers and suppliers have experienced successful attempts to compromise their cyber security. These included ransomware attacks that disrupted the service providers' or suppliers' operations and, in some cases, had a limited impact on the Issuer's operations. Such cyber attacks are likely to continue.

A failure in the Issuer's adherence to its cyber security policies, procedures or controls, employee malfeasance, and human, governance or technological error could also compromise the Issuer's ability to successfully defend against cyber attacks. Furthermore, certain legacy technologies that are at or approaching end-of-life may not be able to maintain acceptable levels of security. The Issuer has experienced cyber security incidents and near-misses in the past, and it is inevitable that additional incidents will occur in the future. Cyber security risks will continue to increase, due to factors such as the increasing demand across the industry and customer expectations for continued expansion of services delivered over the Internet; increasing reliance on internet-based products, applications and data storage; and changes in ways of working by the Issuer's employees, contractors, and third party service providers and suppliers and their subcontractors as a potentially long-term consequence of the COVID-19 pandemic. Bad actors have taken advantage of remote working practices and modified customer behaviours that have taken hold during the COVID-19 pandemic, exploiting the situation in novel ways that may elude defences.

Common types of cyber attacks include deployment of malware to obtain covert access to systems and data; ransomware attacks that render systems and data unavailable through encryption; denial of service and distributed denial of service ("**DDoS**") attacks; infiltration via business email compromise; social engineering, including phishing, vishing and smishing; automated attacks using botnets; and credential validation or stuffing attacks using login and password pairs from unrelated breaches. A successful cyber attack of any type has the potential to cause serious harm to the Issuer or its clients and customers, including exposure to potential contractual liability, litigation, regulatory or other government investigation or action, loss of existing or potential customers, damage to the Issuer's brand and reputation, and other financial loss. The impact of a successful cyber attack is also likely to include operational consequences (such as unavailability of services, networks, systems, devices or data), remediation of which could come at significant cost.

Regulators worldwide continue to recognise cyber security as an increasing systemic risk to the financial sector and have highlighted the need for financial institutions to improve their monitoring and control of, and resilience to, cyber attacks. A successful cyber attack may, therefore, result in significant regulatory fines for the Issuer.

- **New and emergent technology**

Technology is fundamental to the Issuer's business and the financial services industry. Technological advancements present opportunities to develop new and innovative ways of doing business across the Issuer, with new solutions being developed both in-house and in association with third-party companies. For example, payment services and securities, futures and options trading are increasingly occurring electronically, both on the Issuer's own systems and through other alternative systems, and becoming automated. Whilst increased use of electronic payment and trading systems and direct electronic access to trading markets could significantly reduce the Issuer's cost base, it may, conversely, reduce the commissions, fees and margins made by the Issuer on these transactions which could have a material adverse effect on the Issuer's business, results of operations, financial condition and prospects.

Introducing new forms of technology, however, has the potential to increase inherent risk. Failure to evaluate, actively manage and closely monitor risk exposure during all phases of business development could introduce new vulnerabilities and security flaws and have a material adverse effect on the Issuer's business, results of operations, financial condition and prospects.

- **External fraud**

The nature of fraud is wide-ranging and continues to evolve, as criminals continually seek opportunities to target the Issuer's business activities and exploit changes in customer behaviour and product and channel use (such as the increased use of digital products and enhanced online services). Fraud attacks can be very sophisticated and are often orchestrated by highly organised crime groups which use ever more sophisticated techniques to target customers and clients directly to obtain confidential or personal information that can be used to commit fraud. The impact from fraud can lead to customer detriment, financial losses (including the reimbursement of losses incurred by customers), loss of business, missed business opportunities and reputational damage, all of which could have a material adverse impact on the Issuer's business, results of operations, financial condition and prospects.

- **Data management and information protection**

The Issuer holds and processes large volumes of data, including personal information, intellectual property, and financial data and the Issuer's businesses are subject to complex and evolving laws and regulations governing the privacy and protection of personal information of individuals. The protected parties can include: (i) the Issuer's clients and customers, and prospective clients and customers; (ii) clients and customers of the Issuer's clients and customers; (iii) employees and prospective employees; and (iv) employees of the Issuer's suppliers, counterparties and other external parties.

The nature of both the Issuer's business and its IT infrastructure also means that personal information may be available in countries other than those from where it originated. Accordingly, the Issuer needs to ensure that its collection, use, transfer and storage of personal information complies with all applicable laws and regulations in all relevant jurisdictions (including as such new and existing regulations continue to be implemented, interpreted and applied), which could: (i) increase the Issuer's compliance and operating costs, particularly in the context of ensuring that adequate data protection and data transfer mechanisms are in place; (ii) impact the development of new products or services, impact the offering of existing products or services, or affect how products and services are offered to clients and customers; (iii) demand significant oversight by the Issuer's management; and (iv) require the Issuer to review some elements of the structure of its businesses, operations and systems in less efficient ways.

Concerns regarding the effectiveness of the Issuer's measures to safeguard personal information, or even the perception that those measures are inadequate, could expose the Issuer to the risk of loss or unavailability of data or data integrity issues and/or cause the Issuer to lose existing or potential clients and customers, and thereby reduce its revenues. Furthermore, any failure or perceived failure by the Issuer to comply with applicable privacy or data protection laws and regulations (and the evolving standards imposed by data protection authorities in connection therewith) may subject it to potential contractual liability, litigation, regulatory or other government action (including significant regulatory fines) and require changes to certain operations or practices which could also inhibit the Issuer's development or marketing of certain products or services, or increase the costs of offering them to customers. Any of these events could damage the Issuer's reputation, subject the Issuer to material fines or other monetary penalties, make the Issuer liable to the payment of compensatory damages, divert management's time and attention, lead to enhanced regulatory oversight and otherwise materially adversely affect its business, results of operations, financial condition and prospects.

- **Algorithmic trading**

In some areas of the investment banking business, trading algorithms are used to price and risk manage client and principal transactions. An algorithmic error could result in erroneous or duplicated transactions, a system outage, or impact the Issuer's pricing abilities, which could have

a material adverse effect on the Issuer's business, results of operations, financial condition, prospects and reputation.

- **Processing errors**

The Issuer's businesses are highly dependent on its ability to process and monitor, on a daily basis, a very large number of transactions, many of which are highly complex and occur at high volumes and frequencies, across numerous and diverse markets in many currencies. As the Issuer's customer base and geographical reach expand and the volume, speed, frequency and complexity of transactions, especially electronic transactions (as well as the requirements to report such transactions on a real-time basis to clients, regulators and exchanges) increase, developing, maintaining and upgrading operational systems and infrastructure becomes more challenging, and the risk of systems or human error in connection with such transactions increases, as well as the potential consequences of such errors due to the speed and volume of transactions involved and the potential difficulty associated with discovering errors quickly enough to limit the resulting consequences. Furthermore, events that are wholly or partially beyond the Issuer's control, such as a spike in transaction volume, could adversely affect the Issuer's ability to process transactions or provide banking and payment services.

Processing errors could result in the Issuer, among other things, (i) failing to provide information, services and liquidity to clients and counterparties in a timely manner; (ii) failing to settle and/or confirm transactions; (iii) causing funds transfers, capital markets trades and/or other transactions to be executed erroneously, illegally or with unintended consequences; and (iv) adversely affecting financial, trading or currency markets. Any of these events could materially disadvantage the Issuer's customers, clients and counterparties (including them suffering financial loss) and/or result in a loss of confidence in the Issuer which, in turn, could have a material adverse effect on the Issuer's business, results of operations, financial condition and prospects.

- **Supplier exposure**

The Issuer depends on suppliers for the provision of many of its services and the development of technology. Whilst the Issuer depends on suppliers, it remains fully accountable for any risk arising from the actions of suppliers. The dependency on suppliers and sub-contracting of outsourced services introduces concentration risk where the failure of specific suppliers could have an impact on the Issuer's ability to continue to provide material services to its customers. Failure to adequately manage supplier risk could have a material adverse effect on the Issuer's business, results of operations, financial condition and prospects.

- **Estimates and judgements relating to critical accounting policies and regulatory disclosures**

The preparation of financial statements requires the application of accounting policies and judgements to be made in accordance with IFRS. Regulatory returns and capital disclosures are prepared in accordance with the relevant capital reporting requirements and also require assumptions and estimates to be made. The key areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the financial statements, include credit impairment provisions, taxes, fair value of financial instruments, pensions and post-retirement benefits, and provisions including conduct and legal, competition and regulatory matters (refer to the notes to the audited financial statements for further details). There is a risk that if the judgement exercised, or the estimates or assumptions used, subsequently turn out to be incorrect, this could result in material losses to the Issuer, beyond what was anticipated or provided for. Further development of accounting standards and regulatory interpretations could also materially impact the Issuer's results of operations, financial condition and prospects.

- **Tax risk**

The Issuer is required to comply with the domestic and international tax laws and practice of all countries in which it has business operations. There is a risk that the Issuer could suffer losses due to additional tax charges, other financial costs or reputational damage as a result of failing to comply with such laws and practice, or by failing to manage its tax affairs in an appropriate manner, with much of this risk attributable to the international structure of the Issuer. In addition, increasing tax authority focus on reporting and disclosure requirements around the world and the digitisation of

the administration of tax has potential to increase the Issuer's tax compliance obligations further. For example, the OECD and G20 Inclusive Framework on Base Erosion and Profit Shifting has announced plans to introduce a global minimum tax from 2023 which, if enacted, will likely increase the Issuer's tax compliance obligations. Any systems and process changes associated with complying with these obligations introduce additional operational risk.

- **Ability to hire and retain appropriately qualified employees**

As a regulated financial institution, the Issuer requires diversified and specialist skilled colleagues. The Issuer's ability to attract, develop and retain a diverse mix of talent is key to the delivery of its core business activity and strategy. This is impacted by a range of external and internal factors, such as potential effects on employee engagement and wellbeing from long-term periods of working remotely. Failure to attract or prevent the departure of appropriately qualified and skilled employees could have a material adverse effect on the Issuer's business, results of operations, financial condition and prospects. Additionally, this may result in disruption to service which could in turn lead to disenfranchising certain customer groups, customer detriment and reputational damage.

6. **Model risk**

Model risk is the potential for adverse consequences from decisions based on incorrect or misused model outputs and reports. The Issuer relies on models to support a broad range of business and risk management activities, including informing business decisions and strategies, measuring and limiting risk, valuing exposures (including the calculation of impairment), conducting stress testing, assessing capital adequacy, supporting new business acceptance and risk and reward evaluation, managing client assets, and meeting reporting requirements.

Models are, by their nature, imperfect representations of reality and have some degree of uncertainty because they rely on assumptions and inputs, and so are subject to intrinsic uncertainty, errors and inappropriate use affecting the accuracy of their outputs. This may be exacerbated when dealing with unprecedented scenarios, such as the COVID-19 pandemic, due to the lack of reliable historical reference points and data. For instance, the quality of the data used in models across the Issuer has a material impact on the accuracy and completeness of its risk and financial metrics. Model uncertainty, errors and inappropriate use may result in (among other things) the Issuer making inappropriate business decisions and/or inaccuracies or errors in the Issuer's risk management and regulatory reporting processes. This could result in significant financial loss, imposition of additional capital requirements, enhanced regulatory supervision and reputational damage, all of which could have a material adverse effect on the Issuer's business, results of operations, financial condition and prospects.

7. **Conduct risk**

Conduct risk is the risk of poor outcomes for, or harm to, customers, clients and markets, arising from the delivery of the Issuer's products and services. This risk could manifest itself in a variety of ways, including:

- **Market integrity**

The Issuer's businesses are exposed to risk from potential non-compliance with its policies and standards and instances of wilful and negligent misconduct by employees, all of which could result in potential customer and client detriment, enforcement action (including regulatory fines and/or sanctions), increased operation and compliance costs, redress or remediation or reputational damage which in turn could have a material adverse effect on the Issuer's business, results of operations, financial condition and prospects. Examples of employee misconduct which could have a material adverse effect on the Issuer's business include (i) employees improperly selling or marketing the Issuer's products and services; (ii) employees engaging in insider trading, market manipulation or unauthorised trading; or (iii) employees misappropriating confidential or proprietary information belonging to the Issuer, its customers or third parties. These risks may be exacerbated in circumstances where the Issuer is unable to rely on physical oversight and supervision of employees (such as during the COVID-19 pandemic where employees have worked remotely).

- **Customer protection**

The Issuer must ensure that its customers, particularly those that are vulnerable, are able to make well-informed decisions on how best to use the Issuer's financial services and understand that they are appropriately protected if something goes wrong. Poor customer outcomes can result from the failure to: (i) communicate fairly and clearly with customers; (ii) provide services in a timely and fair manner; (iii) handle and protect customer data appropriately; and (iv) undertake appropriate activity to address customer detriment, including the adherence to regulatory and legal requirements on complaint handling. The Issuer is at risk of financial loss and reputational damage as a result.

- **Product design and review risk**

Products and services must meet the needs of clients, customers, markets and the Issuer throughout their life cycle. However, there is a risk that the design and review of the Issuer's products and services fail to reasonably consider and address potential or actual negative outcomes, which may result in customer detriment, enforcement action (including regulatory fines and/or sanctions), redress and remediation and reputational damage. Both the design and review of products and services are a key area of focus for regulators and the Issuer.

- **Financial crime**

The Issuer may be adversely affected if it fails to effectively mitigate the risk that third parties or its employees facilitate, or that its products and services are used to facilitate, financial crime (money laundering, terrorist financing, breaches of economic and financial sanctions, bribery and corruption, and the facilitation of tax evasion). EU regulations covering financial institutions continue to focus on combating financial crime. Failure to comply may lead to enforcement action by the Issuer's regulators, including severe penalties, which may have a material adverse effect on the Issuer's business, financial condition and prospects.

- **Regulatory focus on culture and accountability**

Regulators around the world continue to emphasise the importance of culture and personal accountability and enforce the adoption of adequate internal reporting and whistleblowing procedures to help to promote appropriate conduct and drive positive outcomes for customers, colleagues, clients and markets. The requirements and expectations of the ECB and CBI's Fitness and Probity Regime have reinforced additional accountabilities for individuals across the Issuer with an increased focus on governance and rigour, with similar requirements also introduced in other jurisdictions globally. The introduction of the CBI's Individual Accountability Framework is expected to further increase individual accountability. Failure to meet these requirements and expectations may lead to regulatory sanctions, both for the individuals and the Issuer.

## 8. **Reputation risk**

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

Any material lapse in standards of integrity, compliance, customer service or operating efficiency may represent a potential reputation risk. Stakeholder expectations constantly evolve, and so reputation risk is dynamic and varies between geographical regions, groups and individuals. A risk arising in one business area can have an adverse effect upon the Issuer's overall reputation and any one transaction, investment or event (in the perception of key stakeholders) can reduce trust in the Issuer's integrity and competence. The Issuer's association with sensitive topics and sectors has been, and in some instances continues to be, an area of concern for stakeholders, including (i) the financing of, and investments in, businesses which operate in sectors that are sensitive because of their relative carbon intensity or local environmental impact; (ii) potential association with human rights violations (including combating modern slavery) in the Issuer's operations or supply chain and by clients and customers; and (iii) the financing of businesses which manufacture and export military and riot control goods and services.

Reputation risk could also arise from negative public opinion about the actual, or perceived, manner in which the Issuer (including its employees, clients and other associations) conducts its business activities, or the Issuer's financial performance, as well as actual or perceived practices in banking and the financial services industry generally. Modern technologies, in particular online social media channels and other broadcast tools that facilitate communication with large audiences in short time frames and with minimal

costs, may significantly enhance and accelerate the distribution and effect of damaging information and allegations. Negative public opinion may adversely affect the Issuer's ability to retain and attract customers, in particular, corporate and retail depositors, and to retain and motivate staff, and could have a material adverse effect on the Issuer's business, results of operations, financial condition and prospects.

In addition to the above, reputation risk has the potential to arise from operational issues or conduct matters which cause detriment to customers, clients, market integrity, effective competition or the Issuer (refer to "5. *Operational risk*" above).

#### 9. **Legal risk and legal, competition and regulatory matters**

The Issuer conducts activities in a highly regulated market which exposes it and its employees to legal risk arising from (i) the multitude of laws and regulations that apply to the businesses it operates, which are highly dynamic, may vary between jurisdictions and/or conflict, and are often unclear in their application to particular circumstances especially in new and emerging areas; and (ii) the diversified and evolving nature of the Issuer's businesses and business practices. In each case, this exposes the Issuer and its employees to the risk of loss or the imposition of penalties, damages or fines from the failure of members of the Issuer's to meet their respective legal obligations, including legal or contractual requirements. Legal risk may arise in relation to any number of the material existing and emerging risks identified above.

A breach of applicable legislation and/or regulations by the Issuer and/or its employees could result in criminal prosecution, regulatory censure, potentially significant fines and other sanctions. Where clients, customers or other third parties are harmed by the Issuer's conduct, this may also give rise to civil legal proceedings, including class actions. Other legal disputes may also arise between the Issuer's and third parties relating to matters such as breaches or enforcement of legal rights or obligations arising under contracts, statutes or common law. Adverse findings in any such matters may result in the Issuer's being liable to third parties or may result in the Issuer's rights not being enforced as intended.

There are currently no legal, competition or regulatory matters to which the Issuer is currently exposed that give rise to a material contingent liability. Nonetheless, the Issuer is engaged in various legal proceedings which arise in the ordinary course of business. The Issuer is also subject to requests for information, investigations and other reviews by regulators, governmental and other public bodies in connection with business activities in which the Issuer is, or has been, engaged and may (from time to time) be subject to legal proceedings and other investigations relating to financial and non-financial disclosures made by members of the Issuer (including, but not limited to, in relation to ESG disclosures). Additionally, due to the increasing number of new climate and sustainability-related laws and regulations (or laws and regulatory processes seeking to protect the energy sector from any risks of divestment or challenges in accessing finance), growing demand from investors and customers for environmentally sustainable products and services, and regulatory scrutiny, financial institutions, including the Issuer, may through their business activities face increasing litigation, conduct, enforcement and contract liability risks related to climate change, environmental degradation and other social, governance and sustainability-related issues. Furthermore, there is a risk that shareholders, campaign groups, customers and other interest groups could seek to take legal action against the Issuer for financing or contributing to climate change and environmental degradation.

The outcome of legal, competition and regulatory matters, both those to which the Issuer is currently exposed and any others which may arise in the future, is difficult to predict. In connection with such matters, the Issuer may incur significant expense, regardless of the ultimate outcome, and any such matters could expose the Issuer to any of the following outcomes: substantial monetary damages, settlements and/or fines; remediation of affected customers and clients; other penalties and injunctive relief; additional litigation; criminal prosecution; the loss of any existing agreed protection from prosecution; regulatory restrictions on the Issuer's business operations including the withdrawal of authorisations; increased regulatory compliance requirements or changes to laws or regulations; suspension of operations; public reprimands; loss of significant assets or business; a negative effect on the Issuer's reputation; loss of confidence by investors, counterparties, clients and/or customers; risk of credit rating agency downgrades; potential negative impact on the availability and/or cost of funding and liquidity; and/or dismissal or resignation of key individuals. In light of the uncertainties involved in legal, competition and regulatory matters, there can be no assurance that the outcome of a particular matter or matters (including formerly active matters or those arising after the date of this Registration

Document) will not have a material adverse effect on the Issuer's business, results of operations, financial condition and prospects.

**Regulatory action in the event a bank or investment firm in the Group is failing or likely to fail, including the exercise by any Relevant Resolution Authority of a variety of statutory resolution powers, could materially adversely affect the value of the Securities**

*The Issuer is subject to substantial resolution powers*

Under Directive 2014/59/EU (the "**Bank Recovery and Resolution Directive**" or "**BRRD**"), substantial powers are granted to the Relevant Resolution Authorities to implement various resolution measures and stabilisation options with respect to an Irish bank or investment firm and certain of its affiliates (as at the date of this Registration Document, including the Issuer) (each a "**relevant entity**") in circumstances in which a Relevant Resolution Authority is satisfied that the relevant resolution conditions are met.

The BRRD contains four resolution tools and powers which may be used alone or in combination where the Relevant Resolution Authorities considers that (a) a relevant entity is failing or likely to fail, (b) there is no reasonable prospect that any alternative private sector measures would prevent the failure of such relevant entity within a reasonable timeframe, and (c) a resolution action is in the public interest: (i) sale of business, which enables Relevant Resolution Authorities to direct the sale of the institution or the whole or part of its business on commercial terms; (ii) bridge institution, which enables Relevant Resolution Authorities to transfer all or part of the business of the relevant entity to a "bridge institution" (an entity created for this purpose that is wholly or partially owned by one or more public authorities), which may limit the capacity of the relevant entity to meet its repayment obligations; (iii) asset separation, which enables Relevant Resolution Authorities to transfer impaired or problematic assets to one or more publicly owned asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or an orderly wind-down (this can be used together with another resolution tool only); and (iv) bail-in, which gives Relevant Resolution Authorities the power to write down certain claims of unsecured creditors of a failing relevant entity (which write-down may result in the reduction of such claims to zero) and to convert certain unsecured debt claims (including certain senior unsubordinated notes) into equity or other instruments of ownership (the "**bail-in tool**"). Such equity or other instruments of ownership could also be subject to any future application of the BRRD.

Holders of the Securities should assume that, in a resolution situation, financial public support will only be available to a relevant entity as a last resort after the Relevant Resolution Authorities have assessed and used, to the maximum extent practicable, the resolution tools, including the bail-in tool. Any such exercise of the bail-in tool in respect of the Issuer and/or the Securities may result in the cancellation of all, or a portion, of the principal amount of, interest on, or any other amounts payable on, the Securities and/or the conversion of the Securities into shares or other Securities or other obligations of the Issuer or another person, or any other modification or variation to the terms of the Securities.

The exercise of any resolution powers or any suggestion of any such exercise could materially adversely affect the value of any Securities and could lead to holders of the Securities losing some or all of the value of their investment in the Securities.

*Resolution powers triggered prior to insolvency may not be anticipated and holders of Securities may have only limited rights to challenge them*

The resolution powers conferred by the BRRD and SRM Regulation are intended to be used prior to the point at which any insolvency proceedings with respect to the relevant entity could have been initiated. The purpose of the resolution powers is to address the situation where all or part of a business of a relevant entity has encountered, or is likely to encounter, financial difficulties, giving rise to wider public interest concerns.

Although the BRRD (and the European Union (Bank Recovery and Resolution) Regulations 2015 (as amended), which is the legislation implementing the BRRD in Ireland) provides specific conditions to the exercise of any resolution powers and, furthermore, the European Banking Authority's guidelines published in May 2015 set out the objective elements for Relevant Resolution Authorities to apply in determining whether an institution is failing or likely to fail, it is uncertain how any Relevant Resolution Authority would assess such conditions in any particular pre-insolvency scenario affecting the Issuer and/or other members of the Group and in deciding whether to exercise a resolution power.

Relevant Resolution Authorities are also not required to provide any advance notice to holders of the Securities of its decision to exercise any resolution power. Therefore, holders of the Securities may not be able to anticipate a potential exercise of any such powers nor the potential effect of any exercise of such powers on the Issuer, the Group and the Securities.

Furthermore, holders of the Securities may have only limited rights to challenge and/or seek a suspension of any decision of any Relevant Resolution Authority to exercise its resolution powers (including the bail-in tool) or to have that decision reviewed by a judicial or administrative process or otherwise.

*As insured deposits are excluded from the scope of the bail-in tool and other preferred deposits (and insured deposits) rank ahead of any Securities issued by the Issuer, such Securities would be more likely to be bailed-in than certain other unsubordinated liabilities of the Issuer (such as other preferred deposits).*

As part of the reforms required by the Bank Recovery and Resolution Directive, amendments were made to relevant legislation in Ireland (including the Companies Act 2014 (as amended)) to establish in the insolvency hierarchy a statutory preference. Firstly, for deposits up to the coverage level in Article 6 of Directive 2014/49/EU (the "**DGS Directive**") and subrogated claims of deposit guarantee schemes in respect of such deposits ("**insured deposits**") to rank with existing preferred claims as 'ordinary' preferred claims and secondly, for all other deposits of individuals and micro, small and medium sized enterprises that exceed the coverage level in Article 6 of the DGS Directive or held in non-EU branches of an EU bank ("**other preferred deposits**"), to rank as 'secondary' preferred claims only after the 'ordinary' preferred claims.

All such preferred deposits will rank in the insolvency hierarchy ahead of all other unsecured senior creditors of the Issuer, including the holders of the Securities. Furthermore, insured deposits are excluded from the scope of the bail-in tool. As a result, if the bail-in tool were exercised by any Relevant Resolution Authority, the Securities would be more likely to be bailed-in than certain other unsubordinated liabilities of the Issuer such as other preferred deposits.

*Under the terms of certain securities, you have agreed to be bound by the exercise of any Irish Bail-in Power by a Relevant Resolution Authority.*

The Issuer may issue securities which are governed by the laws of a jurisdiction other than Ireland, for the purposes of this risk factor. The terms and conditions of such Securities, as set out in the relevant prospectus or other offering document, will include provisions related to the agreement and acknowledgement with respect to the exercise of the Irish Bail-in Power.

Accordingly, any Irish Bail-in Power may be exercised in such a manner as to result in you and other holders of the Securities losing all or a part of the value of your investment in the Securities or receiving a different security from the Securities, which may be worth significantly less than the Securities and which may have significantly fewer protections than those typically afforded to debt securities. Moreover, the Relevant Resolution Authority may exercise the Irish Bail-in Power without providing any advance notice to, or requiring the consent of, the holders of the Securities.

In addition, under the terms and conditions of the Securities, the exercise of the Irish Bail-in Power by the Relevant Resolution Authority with respect to the Securities is not an Event of Default (as defined in the terms and conditions of the Securities). Prospective investors should refer to the terms and conditions of the relevant Securities for further information.

**A downgrade of the credit rating assigned by any credit rating agency to the Issuer or, if applicable, to the Securities could adversely affect the liquidity or market value of the Securities. Credit ratings downgrades could occur as a result of, among other causes, changes in the ratings methodologies used by credit rating agencies.**

The Securities may be rated by credit rating agencies and may in the future be rated by additional credit rating agencies, although the Issuer is under no obligation to ensure that the Securities issued are rated by any credit rating agency. Credit ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed in these Risk Factors and other factors that may affect the liquidity or market value of the Securities. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the credit rating agency at any time.

Any rating assigned to the Issuer and/or, if applicable, the Securities may be withdrawn entirely by a credit rating agency, may be suspended or may be lowered, if, in that credit rating agency's judgment, circumstances relating



to the basis of the rating so warrant. Ratings may be impacted by a number of factors which can change over time, including the credit rating agency's assessment of: the Issuer's strategy and management's capability; the Issuer's financial condition including in respect of capital, funding and liquidity; competitive and economic conditions in the Issuer's key markets; the level of political support for the industries in which the Issuer operates; and legal and regulatory frameworks affecting the Issuer's legal structure, business activities and the rights of its creditors. The credit rating agencies may also revise the ratings methodologies applicable to issuers within a particular industry, or political or economic region. If credit rating agencies perceive there to be adverse changes in the factors affecting an issuer's credit rating, including by virtue of change to applicable ratings methodologies, the credit rating agencies may downgrade, suspend or withdraw the ratings assigned to an issuer and/or its securities. Revisions to ratings methodologies and actions on the Issuer's ratings by the credit rating agencies may occur in the future.

If the Issuer determines to no longer maintain one or more ratings, or if any credit rating agency withdraws, suspends or downgrades the credit ratings of the Issuer or the Securities, or if such a withdrawal, suspension or downgrade is anticipated (or any credit rating agency places the credit ratings of the Issuer or, if applicable, the Securities on "credit watch" status in contemplation of a downgrade, suspension or withdrawal), whether as a result of the factors described above or otherwise, such event could adversely affect the liquidity or market value of the Securities (whether or not the Securities had an assigned rating prior to such event).

Furthermore, as a result of the EU CRA Regulation, if the status of a rating agency providing a rating in relation to this Registration Document changes or the rating is not endorsed by a credit rating agency registered under the EU CRA Regulation, European regulated investors may no longer be able to use the rating for regulatory purposes. Similarly and as a result of the UK CRA Regulation, if the status of a rating agency providing a rating in relation to this Registration Document changes or the rating is not endorsed by a credit rating agency registered under the UK CRA Regulation, UK regulated investors may no longer be able to use a rating for regulatory purposes. In both cases, any such change could cause this Registration Document to be subject to different regulatory treatment.

## INFORMATION INCORPORATED BY REFERENCE

The following information has been filed with the CBI and shall be deemed to be incorporated in, and to form part of, this Registration Document:

1. the Annual Report of the Issuer in respect of the year ended 31 December 2021 (the "**2021 Annual Report**"); and

<https://home.barclays/content/dam/home-barclays/documents/investor-relations/reports-and-events/annual-reports/2021/BBI-PLC-AR-2021.pdf>

2. the Annual Report of the Issuer in respect of the year ended 31 December 2020 (the "**2020 Annual Report**").

<https://home.barclays/content/dam/home-barclays/documents/investor-relations/reports-and-events/annual-reports/2020/Barclays%20Bank%20Ireland%20PLC%20Annual%20Report%202020.pdf>

The above documents may be inspected as described in paragraph 5 of "*General Information – Documents Available*" herein. The documents listed above are available at <https://home.barclays/investor-relations>. Any information contained in any of the documents specified above which is not incorporated by reference in this Registration Document is either not relevant for prospective investors for the purposes of Article 6(1) of the Prospectus Regulation or is covered elsewhere in this Registration Document. For the avoidance of doubt, unless specifically incorporated by reference into this Registration Document, information contained on the above websites does not form part of this Registration Document.

To the extent that any document or information incorporated by reference into this Registration Document itself incorporates any information by reference, either expressly or impliedly, such information will not form part of this Registration Document for the purposes of the Prospectus Regulation, except where such information or documents are stated within this Registration Document as specifically being incorporated by reference.

The Issuer has applied IFRS as issued by the International Accounting Standards Board and adopted in the EU in the financial statements incorporated by reference above. A summary of the significant accounting policies for the Issuer is included in each of the 2021 Annual Report and the 2020 Annual Report.

## FORWARD-LOOKING STATEMENTS

This Registration Document and certain documents incorporated by reference herein contain certain forward-looking statements within the meaning of Section 21E of the US Securities Exchange Act of 1934, as amended, and Section 27A of the US Securities Act of 1933, as amended, with respect to the Issuer. The Issuer cautions readers that no forward-looking statement is a guarantee of future performance and that actual results or other financial condition or performance measures could differ materially from those contained in the forward-looking statements. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements sometimes use words such as "may", "will", "seek", "continue", "aim", "anticipate", "target", "projected", "expect", "estimate", "intend", "plan", "goal", "believe", "achieve" or other words of similar meaning. Examples of forward-looking statements include, among others, statements or guidance regarding or relating to the Issuer's future financial position, income growth, assets, impairment charges, provisions, business strategy, capital, leverage and other regulatory ratios, capital distributions (including dividend payout ratios and expected payment strategies), projected levels of growth in the banking and financial markets, projected costs or savings, any commitments and targets (including, without limitation, environmental, social and governance ("ESG") commitments and targets), estimates of capital expenditures, plans and objectives for future operations, projected employee numbers, IFRS impacts and other statements that are not historical fact.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. The forward-looking statements speak only as at the date on which they are made. Forward-looking statements may be affected by a number of factors, including, without limitation: changes in legislation, the development of standards and interpretations under IFRS, including evolving practices with regard to the interpretation and application of accounting and regulatory standards, emerging and developing ESG reporting standards, the outcome of current and future legal proceedings and regulatory investigations, future levels of conduct provisions, the policies and actions of governmental and regulatory authorities, the Issuer's ability along with government and other stakeholders to measure, manage and mitigate the impacts of climate change effectively; environmental, social and geopolitical risks and the impact of competition. In addition, factors including (but not limited to) the following may have an effect: capital, leverage and other regulatory rules applicable to past, current and future periods; macroeconomic and business conditions in Ireland, the EU and any systemically important economy which impacts Ireland and the EU; the effects of any volatility in credit markets; market-related risks such as changes in interest rates and foreign exchange rates; effects of changes in valuation of credit market exposures; changes in valuation of issued securities; volatility in capital markets; changes in credit ratings of the Issuer or any securities issued by the Issuer; direct and indirect impacts of the coronavirus ("COVID-19") pandemic; instability as a result of the UK's exit from the EU, the effects of the EU-UK Trade and Cooperation Agreement and the disruption that may subsequently result in Ireland and the EU, the risk of cyber attacks, information or security breaches or technology failures on the Issuer's reputation, business or operations; and the success of future acquisitions, disposals and other strategic transactions. A number of these influences and factors are beyond the Issuer's control. As a result, the Issuer's actual financial position, future results, capital distributions, capital, leverage or other regulatory ratios or other financial and non-financial metrics or performance measures or ability to meet commitments and targets may differ materially from the statements or guidance set forth in the Issuer's forward-looking statements.

Any forward-looking statements made herein speak only as of the date they are made and it should not be assumed that they have been revised or updated in the light of new information or future events. Except as required by the CBI and Euronext Dublin or applicable law, the Issuer expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Issuer's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. The reader should, however, consult any additional disclosures that the Issuer has made or may make in documents it has published or may publish via the website of Euronext Dublin.

Subject to the Issuer's obligations under the applicable laws and regulations of any relevant jurisdiction (including, without limitation Ireland), in relation to disclosure and ongoing information, the Issuer undertakes no obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

## THE ISSUER, THE BBPLC GROUP AND THE GROUP

### History, organisational structure and development of the Issuer

The Issuer is a public limited company, registered at the Companies Registration Office in Ireland under part 17 of the Companies Act 2014 under company number 396330. The liability of the members of the Issuer is limited. Clause 3 of the Issuer's Memorandum of Association sets out the objects for which the Issuer is established, including to carry on the business of banking and to provide and undertake all manner of financial services. The Issuer was incorporated in Ireland on 12 January 2005 and it has its registered head office at One Molesworth Street, Dublin 2, D02 RF29, Ireland (telephone number +353 1618 2600). The whole of the issued ordinary share capital of the Issuer is owned by Barclays Bank PLC ("**BBPLC**"). The whole of the issued ordinary share capital of BBPLC is beneficially owned by Barclays PLC, which is the ultimate holding company of the Group.

The Issuer received its original banking licence on 7 March 2005. The Issuer's activities and business have expanded as a result of the impact of the UK's exit from the EU. The Issuer is the primary legal entity within the Group serving its EU clients. For further information in respect of the expansion of the Issuer's activities and business see the section entitled "*Expansion of the Issuer's business and activities due to the UK's departure from the EU*" below.

### Business overview

Barclays is a British universal bank supporting individuals and small businesses through its consumer banking services, and larger businesses and institutions through its corporate and investment banking services. Barclays is diversified by business, geography and income type. The Group's operations include consumer banking and payments services around the U.K., U.S. and Europe, as well as a top-tier global corporate and investment bank. The Group operates as two divisions - the Barclays UK ("**Barclays UK**") division and the Barclays International ("**Barclays International**") division - which are supported by Barclays Execution Services Limited, the Groupwide service company providing technology, operations and functional services to businesses across the Group. Barclays UK consists of UK Personal Banking, UK Business Banking and Barclaycard Consumer UK businesses. These businesses are carried on by its UK ring-fenced bank BBUKPLC and certain other entities within the Group.

The Issuer, as part of the BBPLC Group, sits within Barclays International. Barclays International consists of Corporate and Investment Bank and Consumer, Cards and Payments businesses. These businesses are carried on by BBPLC and its subsidiaries (including the Issuer), as well as by certain other entities within the Group.

The principal activities of the Issuer are the provision of corporate and investment banking services to EU corporate entities, retail banking services in Germany and Italy and private banking services to EU clients.

The Issuer has two business segments:

- Corporate and Investment Bank ("**CIB**") which is comprised primarily of the EU Corporate Banking, Investment Banking and Markets businesses of the Group; and
- Consumer, Cards and Payments ("**CC&P**") which is comprised of Barclaycard Germany and the EU Private Banking business of the Group.

The Issuer's CIB provides products and services to money managers, financial institutions, governments, supranational organisations and corporate clients to manage their funding, financing, strategic and risk management needs.

The Issuer's CC&P business provides credit cards, online loans, instalment purchase-financing, electronic Point of Sale financing and deposits in Germany through Barclaycard Germany, whilst the Issuer's Private Bank business offers banking, credit and investment capabilities to meet the needs of our clients across the EU.

The Issuer additionally has a Head Office function, which includes the Issuer's central support functions and holds the Issuer's legacy Italian mortgage portfolio.

### Expansion of the Issuer's business and activities due to the UK's departure from the EU

The expansion of the Issuer's activities commenced in December 2018 with the transfer of BBPLC's German branch to the Issuer. BBPLC subsequently migrated all of its European branches in France, Italy, Portugal, Spain,

Sweden and the Netherlands to the Issuer during the first quarter of 2019. The migration of the branches included (among other things) the transfer of the Barclaycard German credit card and personal loan business, an Italian mortgage portfolio (which is being allowed to naturally run-off) and all EEA deposits booked in the transferred branches. In November 2019, the Issuer's Luxembourg branch obtained a licence to conduct regulated activities and in February 2020, the Issuer's Belgium branch (which was registered in May 2019) also obtained a licence to conduct regulated activities.

BBPLC and the Issuer separately received approval from the High Court of England and Wales on 29th January 2019 to transfer certain Banking and Markets, Corporate and Private Banking business (including related contracts, assets, liabilities and other positions) to the Issuer under Part VII of the Financial Services and Markets Act 2000 (the "**Part VII**"). The Part VII enabled the transfer and/or duplication of certain legal relationships and contracts that were in place with the clients of BBPLC and Barclays Capital Securities Limited (another subsidiary of BBPLC within the BBPLC Group) to the Issuer without the need for new documentation to be signed. The effective window under the Part VII to effect the transfer of client positions or businesses or duplication of contracts ended on 26 July 2019 and, accordingly, no further transfers to the Issuer will be undertaken under the Part VII.

Additional contracts, positions, assets and liabilities have also separately been transferred to the Issuer from BBPLC by bilateral agreement with individual clients during the course of 2019 and 2020.

As at the date of this Registration Document, substantially all of the client and business activity that was in-scope for transfer to the Issuer has been transferred or on-boarded, including all such activity within CC&P and materially all such activity within the EU Corporate business. Migrations of client and business activity within the Investment Banking business that was in-scope for transfer to the Issuer to CIB has also been materially completed.

The Issuer's financial position and performance are expected to expand as a result of ongoing activity and trading being undertaken with the clients that have transferred to the Issuer.

### Legal Proceedings

For a description of the governmental, legal or arbitration proceedings that the Issuer faces, see Note 24 (*Provisions*) and Note 26 (*Legal, competition and regulatory matters*) to the financial statements of the Issuer on pages 150 to 151 and page 151, respectively, of the 2021 Annual Report.

### Directors

The Directors of the Issuer, each of whose business address is One Molesworth Street, Dublin 2, D02 RF29, Ireland, their functions in relation to the Issuer and their principal outside activities (if any) of significance to the Issuer are as follows:

| <i>Name</i>       | <i>Function(s) within the Issuer</i>  | <i>Principal outside activities</i>   |
|-------------------|---|---|
| Tim Breedon CBE   | Independent Non-Executive Director, Chair of the Board, Board Nominations Committee Chair   | Barclays PLC (Non-Executive Director); Quilter plc (Non-Executive Director); Apax Global Alpha Limited (Non-Executive Chair and Non-Executive Director)               |
| Francesco Ceccato | Executive Director and Chief Executive Officer  | Ladygrove Farm Management Limited (Director)  |
| Jasper Hanebuth   | Executive Director and Chief Financial Officer  |   |
| Etienne Boris     | Independent Non-Executive Director, Board Audit Committee Chair, Member of the Board Risk Committee and Member of the Board Nominations Committee | Stahl Parent BV (Non-Executive Director); Société Agricole et Immobilière (Non-Executive Director); Miltiades SAS (Non-Executive Chairman and Non-Executive Director) |

| <i>Name</i>       | <i>Function(s) within the Issuer</i>  | <i>Principal outside activities</i>  |
|-------------------|---|--|
| Thomas Huertas    | Independent Non-Executive Director, Board Risk Committee Chair, Member of the Board Audit Committee and Member of the Board Remuneration Committee                | RISC Financial Platform Services Limited (Chairman); Karson Risk Transformation (KRT ISAC) Limited (Director)              |
| Eoin O'Driscoll   | Independent Non-Executive Director, Board Remuneration Committee Chair, Member of the Board Audit Committee and Member of the Board Nominations Committee         | Aderra Limited (Director)  |
| Jennifer Allerton | Independent Non-Executive Director, Member of the Board Audit Committee, Member of the Board Remuneration Committee and Member of the Board Nominations Committee | Aveva Group PLC (Non-Executive Director); Iron Mountain Inc (Non-Executive Director); Sandvik AB (Non-Executive Director); |

No potential conflicts of interest exist between any duties to the Issuer of the Directors, listed above, and their private interests or other duties.

## GENERAL INFORMATION

### 1. Significant Change Statement

There has been no significant change in the financial position or financial performance of the Issuer since 31 December 2021.

### 2. Material Adverse Change Statement

There has been no material adverse change in the prospects of the Issuer since 31 December 2021.

### 3. Legal Proceedings

Save as disclosed under Note 24 (*Provisions*) and Note 26 (*Legal, competition and regulatory matters*) to the financial statements of the Issuer on pages 150 to 151 and page 151, respectively, of the 2021 Annual Report, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this Registration Document which may have, or have had in the recent past, significant effects on the financial position or profitability of the Issuer.

### 4. Auditors

The annual financial statements of the Issuer for the years ended 31 December 2020 and 31 December 2021 have each been audited with an unmodified opinion provided by KPMG, Chartered Accountants and Registered Auditors (Chartered Accountants Ireland), of 1 Harbourmaster Place, International Financial Services Centre, Dublin 1, D01 F6F5, Ireland.

### 5. Documents Available

For as long as this Registration Document remains in effect or any Securities issued in conjunction with this Registration Document remain outstanding, copies of the following documents will, when available, be made available during usual business hours on a weekday (Saturdays, Sundays and public holidays excepted) for inspection and, in the case of (a), (b), (c) and (d) below, shall be available for collection, free of charge, at the registered office of the Issuer and at <https://home.barclays/investor-relations>:

- (a) the constitutional documents of the Issuer;
- (b) the documents set out in the "*Information Incorporated by Reference*" section of this Registration Document;
- (c) all future annual reports and semi-annual financial statements of the Issuer; and
- (d) this Registration Document.

For the avoidance of doubt, unless specifically incorporated by reference into this Registration Document, information contained on the above websites does not form part of this Registration Document.

### 6. Ratings

The credit ratings included or referred to in this Registration Document will be treated for the purposes of the EU CRA Regulation as having been issued by Fitch and S&P, each of which is established in the EU and has been registered under the EU CRA Regulation\*.

As of the date of this Registration Document, the short-term unsecured obligations of the Issuer are rated A-1 by S&P<sup>1</sup> and F1 by Fitch<sup>2</sup> and the long-term unsecured unsubordinated obligations of the Issuer are rated A by S&P<sup>3</sup> and A+ by Fitch<sup>4</sup>.

7. **Legal Entity Identifier**

The Legal Entity Identifier (LEI) of the Issuer is 2G5BKIC2CB69PRJH1W31.

8. **Issuer Website**

The Issuer's website is <https://home.barclays/>. Unless specifically incorporated by reference into this Registration Document, information contained on the website does not form part of this Registration Document.

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\* **Notes on Issuer ratings:** The information in these footnotes has been extracted from information made available by each rating agency (as at the date of this Registration Document) referred to below. The Issuer confirms that such information has been accurately reproduced and that, so far as the Issuer is aware, and is able to ascertain from information published by such rating agencies, no facts have been omitted which would render the reproduced information inaccurate or misleading.

<sup>1</sup> A short-term obligation rated 'A-1' is rated in the highest category by S&P. The obligor's capacity to meet its financial commitments on the obligation is strong. Within this category, certain obligations are designated with a plus sign (+). This indicates that the obligor's capacity to meet its financial commitments on these obligations is extremely strong.

<sup>2</sup> An 'F1' rating indicates the strongest intrinsic capacity for timely payment of financial commitments; may have an added "+" to denote any exceptionally strong credit feature.

<sup>3</sup> An obligation rated 'A' is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, the obligor's capacity to meet its financial commitments on the obligation is still strong. Ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the rating categories.

<sup>4</sup> 'A' ratings denote strong prospects for ongoing viability. Fundamental characteristics are strong and stable, such that it is unlikely that the bank would have to rely on extraordinary support to avoid default. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings.



## APPENDIX

*This appendix to the Registration Document (the "Appendix") has been prepared for the purposes of Article 26(4) of Regulation (EU) 2017/1129 (the "Prospectus Regulation"). This Appendix is to be read as an introduction to the Registration Document.*

*Any decision to invest in debt or derivative securities of the Issuer should be based on a consideration of the Registration Document as a whole and the terms and conditions of such securities, as set out in the relevant prospectus or other offering document by the investor; the investor could lose all or part of the invested capital; where a claim relating to the information contained in a Registration Document is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the Registration Document before the legal proceedings are initiated; civil liability attaches only to those persons who have tabled the Appendix including any translation thereof, but only where the Appendix is misleading, inaccurate or inconsistent, when read together with the other parts of the Registration Document, or where it does not provide, when read together with the other parts of the Registration Document, key information in order to aid investors when considering whether to invest in such securities.*

| <b>Who is the Issuer of the securities?</b>  |
|--|
| <p><b>Domicile and legal form of the Issuer</b></p> <p>Barclays Bank Ireland PLC (the "<b>Issuer</b>") is a public limited company, registered in Ireland under company number 396330. The liability of the members of the Issuer is limited. The Issuer was incorporated in Ireland on 12 January 2005 and it has its registered head office at One Molesworth Street, Dublin 2, D02 RF29, Ireland (telephone number +353 1618 2600). The Legal Entity Identifier (LEI) of the Issuer is 2G5BKIC2CB69PRJH1W31.</p> <p><b>Principal activities of the Issuer</b></p> <p>The Issuer is part of the BBPLC Group. The principal activities of the Issuer are the provision of corporate and investment banking services to EU corporate entities, retail banking services in Germany and Italy and private banking services to EU clients.</p> <p>The term "<b>BBPLC Group</b>" means Barclays Bank PLC together with its subsidiaries.</p> <p><b>Major shareholders of the Issuer</b></p> <p>The whole of the issued ordinary share capital of the Issuer is beneficially owned by Barclays Bank PLC. The whole of the issued ordinary share capital of the Barclays Bank PLC is beneficially owned by Barclays PLC. Barclays PLC is the ultimate holding company of the Group.</p> <p>The term "<b>Group</b>" means Barclays PLC together with its subsidiaries.</p> <p><b>Identity of the key managing directors of the Issuer</b></p> <p>The key managing directors of the Issuer are Francesco Ceccato (Chief Executive Officer and Executive Director) and Jasper Hanebuth (Chief Financial Officer and Executive Director).</p> <p><b>Identity of the statutory auditors of the Issuer</b></p> <p>The statutory auditors of the Issuer are KPMG, chartered accountants and registered auditors (Chartered Accountants Ireland), of 1 Harbourmaster Pl, International Financial Services Centre, Dublin 1, D01 F6F5, Ireland.</p> |
| <b>What is the key financial information regarding the Issuer?</b>   |
| <p>The Issuer has derived the selected financial information included in the table below for the years ended 31 December 2021 and 31 December 2020 from the annual financial statements of the Issuer for the years ended 31 December 2021 and 2020, which has, save for the financial information under the section</p>   |

entitled "*Certain Ratios from the Financial Statements*", been audited with an unmodified opinion provided by KPMG.

### Income Statement

|                                    | As at 31 December |       |
|------------------------------------|-------------------|-------|
|                                    | 2021              | 2020  |
|                                    | (€m)              |       |
| Net interest income.....           | 312               | 293   |
| Net fee and commission income..... | 771               | 546   |
| Credit impairment charges.....     | 97                | (280) |
| Net trading income.....            | 152               | 41    |
| Profit/(Loss) before tax.....      | 325               | (103) |
| Profit/(Loss) after tax.....       | 235               | (118) |

### Balance Sheet

|                                       | As at 31 December |         |
|---------------------------------------|-------------------|---------|
|                                       | 2021              | 2020    |
|                                       | (€m)              |         |
| Loans and advances to banks .....     | 903               | 906     |
| Loans and advances to customers ..... | 13,083            | 12,143  |
| Total assets.....                     | 117,112           | 134,937 |
| Deposits from banks .....             | 4,252             | 3,488   |
| Deposits from customers .....         | 21,382            | 19,620  |
| Debt securities in issue .....        | 3,397             | 2,297   |
| Subordinated liabilities .....        | 3,171             | 1,061   |
| Total equity .....                    | 5,899             | 4,558   |

### Certain Ratios from the Financial Statements

|                                       | As at 31 December |      |
|---------------------------------------|-------------------|------|
|                                       | 2021              | 2020 |
|                                       | (%)               |      |
| Common Equity Tier 1 capital .....    | 15.5              | 16.7 |
| Total regulatory capital.....         | 20.8              | 22.1 |
| CRR leverage ratio <sup>5</sup> ..... | 6.4               | 6.3  |

### What are the key risks that are specific to the Issuer?

The Issuer has identified a broad range of risks to which its businesses are exposed. Material risks are those to which senior management pay particular attention and which could cause the delivery of the Issuer's strategy, results of operations, financial condition and/or prospects to differ materially from expectations. Emerging risks are those which have unknown components, the impact of which could crystallise over a longer time period. In addition, certain other factors beyond the Issuer's control, including escalation of terrorism or global conflicts, natural disasters, pandemics and similar events, although not detailed below, could have a similar impact on the Issuer.

- **Material existing and emerging risks potentially impacting more than one principal risk:** In addition to material and emerging risks impacting the principal risks set out below, there are also material existing and emerging risks that potentially impact more than one of these principal risks. These risks are: (i) the impact of COVID-19; (ii) potentially unfavourable global and local economic and market conditions, as well as geopolitical developments; (iii) the impact of interest rate changes on the Issuer's profitability; (iv) the competitive environments of the banking and financial services industry; (v) the regulatory change agenda and impact on business model; (vi) the impact of benchmark interest rate reforms on the Issuer; and (vii) change delivery and execution risks.
- **Climate Risk:** The risks associated with climate change are subject to rapidly increasing societal, regulatory and political focus, both in the EU and internationally. Embedding climate risk into the Issuer's risk framework in line with regulatory expectations and requirements, and adapting the Issuer's operations and strategy to address the financial risks

<sup>5</sup> Calculated applying the IFRS9 arrangements of the Regulation (EU) No 575/2013 applicable as at the reporting date.

resulting from both: (i) the physical risk of climate change; and (ii) the risk from the transition to a low-carbon economy, could have a significant impact on the Issuer's business, results of operations, financial condition and prospects, the Issuer's customers and clients and the creditworthiness of the Issuer's counterparties.

- **Credit and Market risks:** Credit risk is the risk of loss to the Issuer from the failure of clients, customers or counterparties, to fully honour their obligations to members of the Issuer. The Issuer is subject to risks arising from changes in credit quality and recovery rates of loans and advances due from borrowers and counterparties in any specific portfolio. Market risk is the risk of loss arising from potential adverse change in the value of the Issuer's assets and liabilities from fluctuation in market variables.
- **Treasury and capital risk and the risk that the Issuer is subject to substantial resolution powers:** There are three primary types of treasury and capital risk faced by the Issuer which are (1) liquidity risk – the risk that the Issuer is unable to meet its contractual or contingent obligations or that it does not have the appropriate amount of stable funding and liquidity to support its assets, which may also be impacted by credit rating changes; (2) capital risk – the risk that the Issuer has an insufficient level or composition of capital; and (3) interest rate risk in the banking book – the risk that the Issuer is exposed to capital or income volatility because of a mismatch between the interest rate exposures of its (non-traded) assets and liabilities. Under Directive 2014/59/EU (the "**Bank Recovery and Resolution Directive**"), substantial powers are granted to Relevant Resolution Authorities to implement various resolution measures and stabilisation options with respect to an Irish bank or investment firm (currently including the Issuer) (including, but not limited to, the bail-in tool, which gives a Relevant Resolution Authority the power to write down certain claims of unsecured creditors of a failing relevant entity (which write-down may result in the reduction of such claims to zero) and to convert certain unsecured debt claim into equity or other instruments of ownership) in circumstances in which the Relevant Resolution Authority is satisfied that the relevant resolution conditions are met.
- **Operational and model risks:** Operational risk is the risk of loss to the Issuer from inadequate or failed processes or systems, human factors or due to external events where the root cause is not due to credit or market risks. Model risk is the risk of potential adverse consequences from financial assessments or decisions based on incorrect or misused model outputs and reports.
- **Conduct, reputation and legal risks and legal, competition and regulatory matters:** Conduct risk is the risk of detriment to customers, clients, market integrity, effective competition or the Issuer from the inappropriate supply of financial services, including instances of wilful or negligent misconduct. Reputation risk is the risk that an action, transaction, investment, event, decision or business relationship will reduce trust in the Issuer's integrity and competence. The Issuer conducts activities in a highly regulated market which exposes it to legal risk arising from (i) the multitude of laws and regulations that apply to the businesses it operates, which are highly dynamic, may vary between jurisdictions, and are often unclear in their application to particular circumstances especially in new and emerging areas; and (ii) the diversified and evolving nature of the Issuer's businesses and business practices. In each case, this exposes the Issuer to the risk of loss or the imposition of penalties, damages or fines from the failure of members of the Issuer to meet their respective legal obligations, including legal or contractual requirements. Legal risk may arise in relation to any of the risk factors summarised above.

**"Irish Bail-in Power"** means any write-down, conversion, transfer, modification and/or suspension power existing from time to time under any laws, regulations, rules or requirements relating to the resolution of banks, banking group companies, credit institutions and/or investment firms incorporated in Ireland in effect and applicable in Ireland to the Issuer, including but not limited to any such laws, regulations, rules or requirements that are implemented, adopted or enacted within the context of any European Union directive or regulation of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms, as the same has been or may be amended from time to time, pursuant to which obligations of a bank, banking group company,

credit institution or investment firm or any of its affiliates can be reduced, cancelled, amended, transferred and/or converted into shares or other securities or obligations of the obligor or any other person.

**"Relevant Resolution Authority"** means the Central Bank of Ireland, the Single Resolution Board established pursuant to the SRM Regulation and/or any other authority entitled to exercise or participate in the exercise of the Irish Bail-in Power from time to time.

**"Securities"** means any securities issued by the Issuer described in any securities note and, if applicable, summary, which, when read together with this Registration Document, comprise a prospectus for the purposes of Article 6(3) of the Prospectus Regulation or in any base prospectus for the purposes of Article 8 of the Prospectus Regulation or other offering document into which this Registration Document may be incorporated by reference.

**"SRM Regulation"** means Regulation (EU) No 806/2014 of the European Parliament and Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010, as amended or replaced from time to time.

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