

## **BARCLAYCARD FUNDING PLC**

### **Strategic Report (continued) For the Year Ended 31 December 2023**

#### **Key performance indicators (KPIs)**

The interest income generated on the investor certificate, the interest costs of the medium term notes and the related operating expenses are the principal components of the Company's operations, which are quantified in the Statement of Profit or Loss and Other Comprehensive Income.

Barclays Bank UK PLC as servicer under the MTNP (and which is represented on the Board of Directors of the Company) monitor a number of key performance indicators such as triggers (including performance of the underlying credit card receivables portfolio, related arrears levels, excess spread, portfolio yield, payment rate and charge off rate), the credit ratings of the notes in issue and the credit worthiness of the counterparties relevant to the Company. These key performance indicators are measured against specified thresholds, and should any key performance indicator approach the specified threshold, there are established management actions that would be implemented in order to maintain the asset-backed bonds ratings. At present, all key performance indicators have significant headroom above the specified thresholds which give comfort to Directors on the performance of the underlying receivables and hence the anticipated performance of the Company. Details of these key performance indicators are available in the published investor reports at <https://home.barclays/investor-relations/fixed-income-investors/prospectus-and-documents/secured-funding-securitisation/gracechurch-card-funding/>.

#### **Section 172(1) statement**

The Directors have acted in the way that they considered, in good faith, would be most likely to promote the success of the Company for the benefit of its member as a whole and this section forms our section 172 disclosure, describing how, in doing so, the Directors considered the matters set out in sections 172(1)(a) to (f) of the Act. The Directors also took into account the views and interests of a wider set of stakeholders.

The Directors considered, amongst other matters, the following:

- the documents governing the financing and other principal transactions to which the Company is party (together, the "programme documentation") have been formulated with the aim of achieving the Company's purpose and business objectives, safeguarding the assets of the Company and promoting the success of the Company;
- in accordance with relevant securitisation legislation the Company is only permitted to retain minimal profit;
- the Company has no employees;
- the Company has appointed various third parties to perform certain roles strictly governed by the programme documentation, fee arrangements agreed in advance;
- as a special purpose vehicle, the Company has no physical presence or operations and accordingly has minimal impact on the community and the environment; and
- Barclays Bank UK PLC ("Barclays") holds 75% of the issued share capital of the Company, representing 51% of the issued voting share capital and a 49% entitlement to distributable profits. The remaining issued share capital is all held on a discretionary trust basis for charitable purposes.

You can find out more about who the Barclays Group's key stakeholders are, how management and/or the Directors engaged with them, the key issues raised and actions taken on pages 38 to 39 of the Barclays PLC Annual Report 2023 and also on page 15 to 16 of the Barclays Bank UK PLC Annual Report 2023.

Considering this broad range of interests is an important part of the way the Board makes decisions, although in balancing those different perspectives it will not always be possible to deliver everyone's desired outcome.

## **BARCLAYCARD FUNDING PLC**

### **Strategic Report (continued) For the Year Ended 31 December 2023**

#### **Section 172(1) statement (continued)**

##### **How does the Board engage with stakeholders?**

Depending on the decision in question, the relevance of each particular stakeholder group may differ, and equally the Board adopts a variety of methods of engagement with different stakeholder groups. The Board will sometimes engage directly with certain stakeholders on certain issues, but the size and distribution of our stakeholders and of Barclays means that stakeholder engagement often takes place at an operational level.

In addition, to ensure a more efficient and effective approach, certain stakeholder engagement is led at Barclays Group level, in particular where matters are of group-wide significance or have the potential to impact the reputation of the Barclays Group.

The Board considers and discusses information from across the organisation to help it understand the impact of the Company's operations on, and the interests and views of, our key stakeholders. It also reviews strategy, financial and operational performance as well as information covering areas such as key risks, and legal and regulatory compliance. This information is provided to the Board through reports sent in advance of each Board meeting, and through in-person presentations.

As a result of these activities, and the information it receives, the Board has an overview of engagement with stakeholders, and other relevant factors, which enables the Directors to comply with their legal duty under section 172 of the Companies Act 2006.

The following are an example of how the Directors have had regard to the matters set out in sections 172 (1)(a)-(f) when discharging their section 172 duties and the effect of that on certain of the decisions taken by them.

##### **Engagement in action**

###### *Implementing and Embedding the new Financial Conduct Authority ('FCA') Consumer Duty*

In July 2023, the Consumer Duty came into force. The Consumer Duty is a new outcomes-based regulation, designed to ensure relevant financial services firms deliver good outcomes for retail customers consistent with the three cross-cutting rules to (i) act in good faith, (ii) avoid causing foreseeable harm, and (iii) enable and support retail customers; and the four retail customer outcomes relating to: (i) products and services, (ii) price and value, (iii) consumer understanding, and (iv) consumer support.

The implementation of, and ongoing compliance with, the Consumer Duty is the responsibility of the operating entities within the Barclays Group, primarily Barclays Bank PLC ('BBPLC') and Barclays Bank UK PLC ('BBUKPLC'). However, given the significance of the Consumer Duty, the Barclays PLC Board also provides relevant oversight of the Consumer Duty across the Group.

A Consumer Duty lens has been applied in the development of the Barclays Group-wide change programme, Consistently Excellent, with the spirit of the Consumer Duty reflected in the 'world-class service for clients and customers'.

###### *Achieving a consistently excellent standard*

Barclays continues to focus on delivering to a higher operating standard via the Barclays Group-wide cultural change programme, Consistently Excellent. This programme challenges colleagues to address five key areas – Precision, Service, Focus, Efficiency and Diversity of thought – to establish a new operating standard.

**BARCLAYCARD FUNDING PLC**

**Strategic Report (continued)  
For the Year Ended 31 December 2023**

**Section 172(1) statement (continued)**


**Engagement in action (continued)**

*Achieving a consistently excellent standard (continued)*

This higher standard is becoming part of the Barclays culture and collectively, the Group is working hard to equip everyone with the right skills to achieve this, while rewarding progress. Barclays have incorporated this into its existing Values and Mindset behaviours and as part of an enhanced set of leadership behaviours as well as updating its key processes for attracting, retaining and developing talent, planning for succession, and recognising and rewarding performance.

To help create a common understanding across the Barclays Group, Consistently Excellent workshops were held throughout 2023 for senior leaders. In 2024, all colleagues will be invited to attend these workshops.

This report was approved by the Board and signed on its behalf by:

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**P Whitaker**  
**For and on behalf of Intertrust Directors 1 Limited**  
Director  
Date: 26/6/2024  
Registered number: 02530163