

GRACECHURCH CARD PROGRAMME FUNDING PLC

Strategic Report (continued) For the Year Ended 31 December 2021'

Principal risks and uncertainties (continued)

The COVID-19 pandemic continued in 2021 and may persist for a prolonged period. However, the negative economic impact of the pandemic was mainly in 2020 with markets appreciating in value in 2021.

Furthermore, the current geopolitical tensions that arose in 2022 may also persist for a prolonged period and introduce broad macroeconomic risk, which result in market volatility. This market volatility introduces a risk of movement in future interest income which if occurred would be offset by a movement in future interest expense. The profit retention arrangements in place would not be impacted.

The principal risk is that the Company is unable to meet its obligations should the interest and principal received on the Company's investments not be sufficient to pay the asset backed note holders interest and principal and the associated expenses of the Company. This could arise if the cash flows generated on the medium term notes are not sufficient to settle interest and principal due on the asset backed notes.

Information on how the Company's Directors manage these principal risks and uncertainties is explained in note 13 to the accompanying financial statements.

Key performance indicators

The interest receivable on the medium term notes, the interest costs of the asset backed notes, and the related operating expenses are the principal components of the Company's operations and have been quantified on the Statement of Profit or Loss and Other Comprehensive Income. Barclays Bank UK PLC as servicer under the MTNP monitors 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 (<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 section 172(1)(a) to (f) of the Companies Act 2006. The Directors also took into account the views and interests of a wider set of stakeholders.

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Strategic Report (continued) For the Year Ended 31 December 2021

Section 172(1) statement (continued)

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;
- 49,999 of the shares in the Company are held by Gracechurch Card (Holdings) Limited and one issued share is held on a discretionary trust basis for charitable purposes.

This report was approved by the Board on 27 June 2022 and signed on its behalf.

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P H Whitaker

per pro Intertrust Directors 1 Limited

Director

Date: 28 June 2022

Company number: 06714746