



Direction

To: **Barclays Bank UK PLC** (“the *firm*”) FRN: 759676

Ref: **4894674**

Of: 1 Churchill Place, London, E14 5HP

Date: 1 April 2018

PRA Rulebook Version as in force at the date this Direction takes effect

Power

1. This direction is given by the *PRA* under section 138A of *FSMA*.

Duration

2. (1) This direction takes effect on 1 April 2018.

(2) This direction ends on the date on which the *guarantee* ceases to be in force in relation to any *eligible loan* granted by the *firm* under the *scheme*.

Rules Modified

3. The *PRA* directs that the *rules* listed below apply to the *firm* with the modifications shown.

Rule	Modification
Credit Risk 1.2	In this part, the following definitions shall apply: <u><i>eligible loan</i></u> has the meaning given to it in the rules governing the <i>scheme</i>. ... <u><i>guarantee</i></u> is the Help to Buy: Mortgage Guarantee Scheme Deed of Guarantee entered into between the <i>firm</i> and Her Majesty’s Treasury on 3 October 2013. ... <u><i>scheme</i></u> means the Help to Buy: Mortgage Guarantee Scheme launched by Her Majesty’s Treasury in January 2014.



Credit Risk 3.1	<u>Subject to 3.3, a <i>firm</i> must notify the <i>PRA</i> that it is relying on the deemed transfer of significant credit risk under paragraph 2 of Article 243 of the <i>CRR</i> or paragraph 2 of Article 244 of the <i>CRR</i>, including when this is for the purposes of Article 337(5) of the <i>CRR</i>, no later than one month after the date of the transfer.</u>
Credit Risk 3.3	<u>Where the deemed transfer of significant credit risk under paragraph 2 of Article 244 of the <i>CRR</i> is achieved in relation to an <i>eligible loan</i>, a <i>firm</i> need not provide the notification in 3.1 in relation to that <i>eligible loan</i>.</u>
Credit Risk 3.4	<u>Where 3.3 applies, the <i>firm</i> must provide the information set out in the Annex in relation to the <i>eligible loans</i> originated under the <i>scheme</i> during each quarter of the calendar year and submit it to the <i>PRA</i> no later than 45 (forty five) working days from the end of each relevant quarterly period.</u>

Interpretation

- Interpretative provisions (including definitions) of the *PRA* Rulebook apply to this direction in the same way they apply to the *PRA* Rulebook.

Simon Morley

Head of Major UK Banks
Prudential Regulation Authority



ANNEX

Significant risk transfer reporting

The following data items shall be provided for the portfolio of *eligible loans* that are subject to the *guarantee*, collated into aggregation buckets in accordance with (i) quarter of origination and (ii) *scheme* LTV bucket.

Note: this table applies to all firms

#	Data field	Note
1	<i>Scheme</i> LTV band and quarter of origination	
2	Aggregate of initially advanced amounts for all <i>eligible loans</i> outstanding at the end of the reporting period (i.e. quarter) originated in the relevant aggregation bucket	Consider COREP template C14.00 and field 130 - Total Amount of Securitised Exposures at Origination Date when compiling submissions for this field.
3	Aggregate of outstanding balance, as at the end of the reporting period, for all <i>eligible loans</i> originated in the relevant aggregation bucket	Consider COREP template C14.00 and field 140 - Total Amount, as a guiding concept when compiling submissions for this field.
4	Number of currently outstanding <i>eligible loans</i> , originated in the aggregation bucket	
5	Exposure weighted average LTV at origination (%) for all <i>eligible loans</i> in the relevant aggregation bucket	
6	Exposure weighted average indexed LTV(%) for all <i>eligible loans</i> in the relevant aggregation bucket	
7	Regulatory capital approach employed for UK retail residential mortgages (SA/IRB).	Consider COREP template C14.00 and field 170 - Approach Applied, as a guiding concept when compiling submissions for this field.



#	Data field	Note
8	Own funds requirements of the CRR disregarding the effects of the <i>guarantee</i>	Consider COREP template C14.00 and field 220 - Own Funds Requirements Before Securitisation (%) as a guiding concept when compiling submissions for this field.
9	Own funds requirements of the CRR taking into account the effect of the <i>guarantee</i>	
10	Total amount of outstanding balance of loans in the <i>eligible loan</i> portfolio, within the aggregation bucket, protected by the <i>guarantee</i> (£)	
11	Total amount of outstanding balance of loans in the <i>eligible loan</i> portfolio, within the aggregation bucket, not protected by the <i>guarantee</i> (£)	This should include all retained senior positions and vertical slices of <i>eligible loans</i> .
12	Total value of provisions/impairments/value adjustments taken against both the guaranteed element and the retained element of all <i>eligible loans</i> within the aggregation bucket.	
13	Total own funds requirements on unprotected elements for all <i>eligible loans</i> in the aggregation bucket, including requirements for retained senior positions and vertical slices	
14	For all outstanding eligible loans in the relevant aggregation bucket, the firm's aggregate exposure to outstanding amounts exceeding an initial LTV of 80% (£)	
15	Weighted average remaining life (in years) to the contractual maturity, weighted by the outstanding loan balance as at the reporting date.	



#	Data field	Note
16	Exposure amount of <i>eligible loans</i> originated in the aggregation bucket which are more than 3 months in arrears, divided by the total exposure amount of all <i>eligible loans</i> originated in the same aggregation bucket, as at the end of the reporting period.	
17	Premium payable by the <i>firm</i> to Her Majesty's Treasury as a percentage of the protected element of the mortgage loan portfolio (%)	Due to the upfront nature of the premium, this field will only be required to be completed on the first submission date for each aggregation bucket.
18	A <i>firm's</i> own expected loss (£)	A <i>firm</i> should provide the output of their own economic capital models/risk systems.
19	A <i>firm's</i> own total loss projection (i.e. expected loss plus unexpected loss) (£)	A <i>firm</i> should provide the output of its own economic capital models/risk systems.
20	A <i>firm's</i> own exposure weighted probability of default (%)	A <i>firm</i> should provide the output of their own economic capital models/risk systems.