

24 MAY 2022

REGISTRATION DOCUMENT SUPPLEMENT

SUPPLEMENT 2/2022



**BARCLAYS BANK PLC**

*(Incorporated with limited liability in England and Wales)*

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This supplement dated 24 May 2022 (the "**Supplement**") constitutes a supplement for the purposes of Articles 10(1) and 23(5) of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018, as amended (the "**UK Prospectus Regulation**").

This Supplement is supplemental to and must be read in conjunction with the registration document 9/2022 dated 7 March 2022, as supplemented by Supplement 1/2022 dated 30 March 2022 (together, the "**Registration Document**") prepared for the purposes of giving information with respect to Barclays Bank PLC (the "**Issuer**").

This Supplement has been approved by the United Kingdom Financial Conduct Authority (the "**FCA**"), as competent authority under the UK Prospectus Regulation. The FCA only approves this Supplement as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer that is the subject of this Supplement. With effect from the date of this Supplement the information appearing in, or incorporated by reference into, the Registration Document shall be supplemented in the manner described below.

Terms defined in the Registration Document shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

The purpose of this Supplement is to:

- (a) include the following paragraph after the risk factor "*Change delivery and execution risks*" commencing on page 8 of the Registration Document:

**"8. Internal control over financial reporting and disclosure controls and procedures**

The Issuer is subject to requirements under the Sarbanes-Oxley Act of 2002, as amended (the "**Sarbanes-Oxley Act**") to perform system and process evaluation and testing of its internal control over financial reporting to allow management to assess the effectiveness of its internal controls. In connection with the offer and sale of securities by the Issuer in excess of the amounts registered under the Issuer's 2019 F-3 (as defined below) (see "*Legal risk and legal, competition and regulatory matters – a) Over-issuance of US securities under the Barclays Bank PLC US Shelf*" below), management has concluded that the Issuer had a material weakness in relation to certain aspects of its internal control environment and, as a consequence, its internal control over financial reporting as at 31 December 2021 was not effective under the applicable Committee of Sponsoring Organizations (COSO) Framework and its disclosure controls and procedures were not effective as at such date. The material weakness that has been identified relates to a weakness in controls over the identification of external regulatory limits related to securities issuance and monitoring against these limits. As a result of this weakness, the Issuer issued securities in excess of the amount under the 2019 F-3.

Remediation efforts have begun and the Issuer is taking steps to strengthen internal controls relating to securities issuance to address the material weakness. However, internal control systems (no matter how well designed) have inherent limitations and may not prevent or detect further misstatements or errors (whether of a similar or different character to the foregoing). If the Issuer

fails to maintain an effective internal control environment or its disclosure controls and procedures are not effective, the Issuer could suffer material misstatements in its financial statements and fail to meet its reporting obligations, which could cause investors to lose confidence in the Issuer's reported financial information. This could in turn limit the Issuer's access to capital markets, negatively impact its results of operations, and lead to a negative impact on the trading price of its securities. Additionally, ineffective internal control over financial reporting could expose the Issuer to increased risk of fraud or misuse of corporate assets and subject it to potential regulatory investigations and civil or criminal sanctions. Any of the foregoing could have a material adverse effect on the Issuer's and the Barclays Bank Group's business, financial condition, results of operations and reputation as a frequent issuer in the securities markets.";

- (b) include the following sub-paragraph in the the risk factor "*Legal risk and legal, competition and regulatory matters*" commencing on page 18 of the Registration Document:

**"(a) Over-issuance of US securities under the Barclays Bank PLC US Shelf**

The Issuer may be subject to claims for rescission or damages and regulatory enforcement actions in connection with certain sales of securities issued by it in excess of the amount set forth in a prior registration statement.

In August 2019, the SEC declared effective the Issuer's Registration Statement on Form F-3 (the "**2019 F-3**") covering the offer and sale of up to U.S.\$20.8 billion maximum aggregate offering price of securities registered thereunder. It has been estimated that the maximum aggregate offering price set forth in the 2019 F-3 was exceeded in February 2021, with issuances through to 10 March 2022 exceeding the limit by approximately U.S.\$15 billion. The securities that were issued in this period comprise structured notes and exchange traded notes ("**ETNs**"). As such, certain offers and sales were not made in compliance with the Securities Act of 1933, as amended (the "**Securities Act**"), giving rise to rights of rescission for certain purchasers of the securities. As a result, the Issuer has elected to make a rescission offer (the "**Rescission Offer**") to eligible purchasers of the relevant affected securities, which it intends to launch as soon as reasonably practicable. The Barclays Bank Group is also engaged with, and responding to inquiries and requests for information from, various regulators, including the SEC.

The Barclays Bank Group is conducting a review, assisted by external counsel, of the facts and circumstances relating to the sale of the relevant affected securities in excess of amounts registered under the Issuer's 2019 F-3 and, among other things, the control environment related to such sales. The Barclays Bank Group is also conducting an internal review involving a five-year look-back at limits in other issuance programmes. Management has assessed as remote the risk of material financial impact associated with issuance limits other than where pre-registration of securities is required; therefore the focus of the review has been on programmes with external regulatory limits related to securities issuance. This review has not identified any other breach of an external regulatory limit in any issuance programme used by a member of the Barclays Bank Group. Management has identified an instance where a limit imposed solely for internal governance reasons was exceeded when taking into account a large security held on the Barclays Bank Group's own balance sheet issued under a non-SEC registered debt issuance programme which did not have an external limit, although the breach of the internal limit did not give rise to any rights on the part of investors and did not constitute a material weakness. Nevertheless, there can be no assurance that the ongoing internal or external counsel reviews will not identify additional facts and information that could be material to an evaluation of this aspect of the Barclays Bank Group's control environment.

Under Section 12(a)(1) of the Securities Act, certain purchasers of unregistered securities have a right to recover, upon the tender of such security, the consideration paid for such security with interest, less the amount of any income received, or damages if the purchaser no longer owns the security (the "**Rescission Price**"). Pursuant to the Rescission Offer, the Issuer will offer to repurchase the relevant affected securities at the Rescission Price.

Although the Rescission Offer is expected to reduce liability with respect to potential private civil claims, it will not necessarily prevent such claims from being asserted against the Issuer and/or its affiliates, including claims under applicable US federal securities laws. Further, the Rescission Offer

will not bar the SEC or other authorities from pursuing enforcement actions against the Issuer and its affiliates, which could result in fines, penalties and/or other sanctions.

As at 31 March 2022, the Issuer had a provision of £540m relating to this matter, £320m of which was recognised as at 31 March 2022 and £220m of which was recognised as at 31 December 2021 in relation to the c.U.S.\$13 billion over-issuance of structured notes, which represents the best estimate of the rescission right investors have for these securities. A contingent liability exists in relation to the c.U.S.\$2 billion over-issuance of ETNs due to evidentiary challenges and the high level of trading in the securities. A contingent liability also exists in relation to any potential civil claims or enforcement actions taken against the Issuer but the Issuer is unable to assess the likelihood of liabilities that may arise out of such claims or actions, there is currently no indication of the timetable for resolution and it is not practicable to provide an estimate of the financial effects.

The final cost of the Rescission Offer will be impacted by a number of factors, including prevailing market conditions. Prior to the completion of the Rescission Offer, the amount of the provision will fluctuate, perhaps materially, due, in part, to the volatility of the market prices for the structured notes subject to the Rescission Offer. While the Issuer and/or its affiliates have entered into hedging arrangements designed to minimise the volatility, such arrangements cannot by their very nature completely hedge the exposures, which may mean the final impact of the Rescission Offer may materially differ from the £540m provision reflected as at 31 March 2022. In addition, the hedging arrangements may be modified, may not prove effective (in existing or modified form), may expire prior to the end of the Rescission Offer and do not cover any other losses arising out of potential private civil claims or enforcement actions. Any of the foregoing could result in material additional losses for the Barclays Bank Group.

Any liabilities, claims or actions in connection with the over-issuance of securities under the 2019 F-3 could have a material adverse effect on the Issuer's and the Barclays Bank Group's business, financial condition, results of operations and reputation as a frequent issuer in the securities markets.

Management has concluded that, by virtue of the fact that there was a weakness in controls over the identification of external regulatory limits related to securities issuance and monitoring against these limits, the Issuer had a material weakness in relation to certain aspects of its internal control environment and, as a consequence, its internal control over financial reporting and disclosure controls and procedures as at 31 December 2021 were not effective. Further details on such material weakness are set out under "*Internal control over financial reporting and disclosure controls and procedures*" above. Further details on disclosure controls and procedures are set out in the additional unaudited information section of the 20-F under "*Disclosure controls and procedures*".;

- (c) replace the page references of the respective notes to the consolidated financial statements of the Issuer where they appear in the Registration Document as follows:
  - (i) Note 7 (*Credit impairment charges*) on pages 126 to 129 of the 20-F;
  - (ii) Note 25 (*Legal, competition and regulatory matters*) on pages 164 to 168 of the 20-F; and
  - (iii) Note 40 (*Interest rate benchmark reform*) on pages 195 to 199 of the 20-F;
- (d) amend the section entitled "*Information Incorporated by Reference*" by replacing the documents incorporated by reference appearing on page 22 of the Registration Document in their entirety with the following, in order to reflect the amendment of the Annual Report of the Issuer on Form 20-F in respect of the year ended 31 December 2021, as filed with the US Securities and Exchange Commission on 23 May 2022. The purpose of the amendment was to record, as at 31 December 2021, a £220m provision and a contingent liability in respect of the over-issuance of securities under the Issuer's 2019 F-3 and disclose the existence of one material weakness in internal control and management's conclusions that Barclays PLC's and the Issuer's internal control over financial reporting and disclosure controls and procedures were not effective as at 31 December 2021. The material weakness that has been identified relates to a weakness in controls over the identification of external regulatory limits related to securities issuance and monitoring against these limits. As a result of this weakness, the Issuer issued securities in excess of the amount registered under the 2019 F-3.

- The Annual Report of the Issuer, as amended and filed with the US Securities and Exchange Commission (the "SEC") on Form 20-F/A on 23 May 2022 in respect of the year ended 31 December 2021 (the "20-F"), except for the section entitled "Exhibit Index" on page 254 of the 20-F, which is not incorporated in and does not form part of this Registration Document; and
- The sections set out below from the Annual Report of the Issuer, as filed with the SEC on Form 20-F on 18 February 2021 containing the audited consolidated financial statements of the Issuer and the independent auditor's report thereon, in respect of the financial year ended 31 December 2020 (the "2020 20-F"):

Report of Independent Registered Public Accounting Firm	Pages 101-104
Consolidated Financial Statements	Pages 105-111
Notes to the Financial Statements	Pages 112-196;

- (e) replace the fourth paragraph in the section entitled "Information Incorporated by Reference" commencing on page 22 of the Registration Document with the following:

"The Issuer has prepared the financial statements incorporated by reference above from the 20-F in accordance with UK-adopted international accounting standards. Such financial statements have also been prepared in accordance with (i) IFRS as issued by the International Accounting Standards Board, including interpretations issued by the IFRS Interpretations Committee ("IFRICs"); and (ii) IFRS adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union. There are currently no differences between UK-adopted international accounting standards and IFRS as adopted by the EU. A summary of the significant accounting policies for the Issuer is included in the 20-F";

- (f) amend the section entitled "Forward-looking Statements" commencing on page 23 of the Registration Document by inserting the following words after "changes in credit ratings of any entity within the Barclays Bank Group or any securities issued by such entities" appearing in the third paragraph:

"the direct and indirect consequences of the Russia-Ukraine War on European and global macroeconomic conditions, political stability and financial markets;"

- (g) amend the section entitled "The Issuer, the Barclays Bank Group and the Group" by replacing the fourth paragraph appearing on page 25 of the Registration Document with the following:

"Based on the Barclays Bank Group's audited financial information for the year ended 31 December 2021 as stated in the 20-F, the Barclays Bank Group had total assets of £1,061,778m (2020: £1,059,731m), loans and advances at amortised cost of £145,259m (2020: £134,267m), total deposits at amortised cost of £262,828m (2020: £244,696m), and total equity of £56,317m (2020: £53,710m). The profit before tax of the Barclays Bank Group for the year ended 31 December 2021 was £5,418m (2020: £3,075m) after credit impairment releases of £277m (2020: credit impairment charges of £3,377m). The financial information in this paragraph is extracted from the audited consolidated financial statements of the Issuer for the year ended 31 December 2021 as stated in the 20-F."; and

- (h) amend the sub-section entitled "Directors" under the section entitled "The Issuer, the Barclays Bank Group and the Group" commencing on page 25 of the Registration Document by replacing it with the following updated information:

<u>"Name"</u>	<u>"Function(s) within the Issuer"</u>	<u>"Principal outside activities"</u>
Nigel Higgins	Chairman and Non-Executive Director	Group Chairman and Non-Executive Director, Barclays PLC; Chairman, Sadler's Wells; Non-Executive Director, Tetra Laval Group
C.S. Venkatakrishnan	Chief Executive and Executive Director	Group Chief Executive and Executive Director, Barclays PLC; Board Member, Institute of International Finance; Advisory Member of the Board, Massachusetts Institute of Technology Golub Centre for Finance and Policy
Anna Cross*	Executive Director	Group Finance Director and Executive Director, Barclays PLC

<u>"Name</u>	<u>Function(s) within the Issuer</u>	<u>Principal outside activities</u>
Michael Ashley	Non-Executive Director	Non-Executive Director, Barclays PLC; Non-Executive Director, Barclays Capital Securities Limited; Member, Cabinet Office Board; Member, ICAEW Ethics Standards Committee; Treasurer, The Scout Association; Member, UK Endorsement Board
Robert Berry	Non-Executive Director	Non-Executive Director, Barclays PLC; Board President, Alina Lodge
Mohamed A. El-Erian	Non-Executive Director	Non-Executive Director, Barclays PLC; Lead Independent Director, Under Armour Inc.; Chief Economic Advisor, Allianz SE; Chairman, Gramercy Funds Management; Senior Advisor, Investcorp Bank BSC; President, Queens' College, Cambridge University
Dawn Fitzpatrick	Non-Executive Director	Non-Executive Director, Barclays PLC; Non-Executive Director, Barclays Capital Securities Limited; Chief Executive Officer and Chief Investment Officer, Soros Fund Management LLC; Member, The New York Federal Reserve's Investor Advisory Committee on Financial Markets; Member, Advisory Board and Investment Committee of the Open Society Foundations' Economic Justice Programme; Member of Advisory Council, The Bretton Woods Committee
Mary Francis	Non-Executive Director	Non-Executive Director, Barclays PLC; Senior Independent Director, PensionBee Group PLC; Member, UK Takeover Appeal Board
Diane Schueneman	Non-Executive Director	Non-Executive Director, Barclays PLC; Non-Executive Director, Barclays US LLC; Chair, Barclays Execution Services Limited

\* This appointment is subject to regulatory approval.

The 20-F has been filed with the SEC and is available on the SEC's website at <https://sec.report/CIK/0000312070> and in electronic form at <https://home.barclays/investor-relations> and shall be deemed to be incorporated in, and form part of, the Registration Document as supplemented by this Supplement.

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

To the extent that there is any inconsistency between (a) any statement in this supplement or any statement incorporated by reference into the Registration Document by this supplement and (b) any other statement in, or incorporated by reference in, the Registration Document, the statements in (a) above will prevail.

If documents which are incorporated by reference into this Supplement themselves incorporate any information or other documents therein, either expressly or implicitly, such information or other documents will not form part of this Supplement for the purposes of the UK Prospectus Regulation except where such information or other documents are specifically incorporated by reference into this Supplement.

Save as disclosed in this Supplement, there has been no other significant new factor, material mistake or material inaccuracy relating to information included in the Registration Document since the publication of the Registration Document.



The date of this Supplement is 24 May 2022