



**BARCLAYS BESPOKE DISCLOSURE
COMMODITY FUTURES TRADING COMMISSION RULE 1.55(K)**

COMMODITY FUTURES TRADING COMMISSION RULE 1.55(K):

FCM-SPECIFIC DISCLOSURE DOCUMENT

The Commodity Futures Trading Commission (Commission) requires each futures commission merchant (FCM), including Barclays Capital Inc. (BCI), to provide the following information to a customer prior to the time the customer first enters into an account agreement with the FCM or deposits money or securities (funds) with the FCM. Except as otherwise noted below, the information set out is as of June 30, 2018. BCI will update this information annually and as necessary to take account of any material change to its business operations, financial condition or other factors that BCI believes may be material to a customer’s decision to do business with BCI. Nonetheless, BCI’s business activities and financial data are not static and will change in non-material ways frequently throughout any 12-month period.

NOTE: BCI is a subsidiary of Barclays Group US Inc. (BGUS), which is a subsidiary of Barclays US LLC (IHC LLC). The IHC LLC is an indirect parent entity of BCI and is a wholly-owned subsidiary of Barclays Bank, PLC (BBPLC and together with its subsidiaries Barclays or the Group). BCI’s FCM business forms part of the Investment Banking division of Barclays Group (together with Barclays). Barclays is an international financial services provider engaged in personal banking, credit cards, corporate and investment banking and wealth management. Information that may be material with respect to BCI for purposes of the Commission’s disclosure requirements may not be material to BGUS, IHC LLC or BBPLC for purposes of applicable securities laws.

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I. BCI and its Principals

i. Contact Information

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745 Seventh Ave.
New York, NY 10019
Telephone: 212-526-7000
Email: futuresCSUS@barclays.com
Website: www.Barcap.com

ii. Designated Self-Regulatory Organization

BCI's designated self-regulatory organization is the New York Mercantile Exchange (NYMEX), a Designated Contract Market under the Commodity Exchange Act and a subsidiary of CME Group Inc. The NYMEX website address is: <http://www.cmegroup.com/company/nymex.html>

iii. Principals

The below is a brief description of those persons identified as principals of BCI pursuant to CFTC Rule 3.1(a). Please note that although defined as a "Principal" under CFTC rules a person may have little or no day-to-day control or involvement with the FCM activities of BCI. For example, CFTC Rule 3.1(a) defines any director of BCI as a principal of BCI, even if such person is not involved in the FCM business of BCI.

Murray Barnes

Americas Chief Risk Officer
745 Seventh Avenue
New York, NY 10019, USA

Murray Barnes is the Americas Chief Risk Officer for Barclays, based in New York. He has responsibility for independent risk oversight of Barclays' consolidated US operations, including its US Intermediate Holding Company, as well as Barclays' operations elsewhere in the Americas. Murray is a Managing Director and sits on the Board of Barclays Capital Inc., the US registered broker-dealer of Barclays. He is a member of the US Executive Committee and the Barclays Group Risk Executive Committee.

Prior to his current role, Murray was head of Risk's enterprise-wide stress testing team in the US. Murray previously served as Head of Market Risk for Barclays International; with global risk oversight of the firm's trading activities across the Credit, Equity, FX, Rates and Commodity markets. Prior to that role, Murray was Head of Market Risk for Traded Credit

and Securitized Products. Murray joined Barclays in 2010 as Head of Market Risk for Emerging Markets. Murray joined Barclays from Citigroup, where he spent more than 20 years in various roles within Treasury and the Risk function, most recently as a Managing Director within Citigroup's Institutional Clients Group, having global risk oversight of the firm's activities in traded credit markets in both developed and emerging markets.

Matthew H. Eisenberg

Chief Compliance Officer, FCM
745 Seventh Avenue
New York, NY 10019, USA

Matthew Eisenberg is currently the Head of Americas Agency Derivatives Services ('ADS') for Barclays, and was appointed the Chief Compliance Officer of the FCM on May 12, 2017.

Matt has been with Barclays for the past 6 years. He began his career with PaineWebber (now UBS) as a Compliance Analyst in Branch Review. He held various roles in his tenor there, including roles in Financial Crime / Anti-money Laundering and serving as the Compliance Officer for UBS of Puerto Rico. After UBS, he worked in the Regulatory Investigations Group at Bank of America, covering all areas of the bank, including capital markets, investment banking, retail banking, and card services, specifically focused on matters that presented significant reputational, financial and/or regulatory risk to the bank.

Just prior to Barclays, he was a Senior Manager at Deloitte Financial Advisory Services working on a variety of engagements related to regulatory investigations, complex litigation, and regulatory remediation for International Financial Services clients.

Matt most recently, served as the Chief of Staff to the Americas Head of Compliance and Americas Head of Regulatory Compliance which he transitioned to from Americas Head of Regulatory Relations for Barclays.

Matt earned a bachelor's degree in History from Gettysburg College (Gettysburg, PA) and his master's in business administration from Rutgers University (Newark, NJ.) He currently co-chairs SIFMA's Compliance and Regulatory Policy Committee's Conduct and Culture sub-committee.

Monty Forrest

Managing Director, Head of Americas Operations CIBWM
1301 Sixth Avenue
New York Metro Campus, NY 10019, USA

Mr. Forrest is a Managing Director at Barclays with over 23 years of experience in the financial industry. He is the head of Operations for the Americas with a remit spanning Corporate and Investment Banking. Mr. Forrest has been with Barclays since 2008 and has held a number of

senior positions within Operations. Over the past seven years he has held roles as head of Operations within the Investment Bank for Equities, Prime Services, Settlements, Asset Servicing, Tax Operations and Risk and Control.

Prior to Barclays he spent 16 years at Lehman Brothers in a variety of Front Office and Operations management positions across Fixed Income, Equities and Prime Services. He is a member of the Global Operations Executive Committee, The Americas Governance Risk and Control Committee, The BCI Board and the FINRA Operations Advisory Committee.

Bert Fuqua

Global Head of Markets Legal
745 Seventh Avenue
New York, NY 10019, USA

Bert Fuqua is the Global Head of Markets Legal for Barclays International, based in New York. As the Global Head of Markets Legal, Bert is responsible for business coverage and support and legal risk management for the Markets businesses globally and acts as the primary point of contact on Legal issues for the Co-Heads of Markets and their management teams. He was also appointed as the Chief Legal Officer for Barclays Capital Inc. in November 2018.

Bert joined Barclays in January 2018, having worked at UBS for the previous fifteen years. At UBS, his last role was as Global General Counsel for the Investment Bank, and he had previously managed Legal teams in the Americas covering both Banking and Markets businesses and had acted as the General Counsel of UBS's institutional broker dealer UBS Securities LLC.

Prior to UBS, Bert held roles advising on derivatives, structured products and fixed income businesses at Bear Stearns, Greenwich Capital/NatWest Markets, and Bankers Trust. He started his career in 1992 in the corporate department at the law firm Paul, Weiss, Rifkind, Wharton and Garrison in New York.

Bert has an undergraduate degree in Economics from Harvard College and a law degree from New York University School of Law where he was a member of the managing board of the NYU Law Review and the Order of the Coif.

Gerard LaRocca

Managing Director, Chief Administrative Officer, Americas
745 Seventh Avenue
New York, NY 10019, USA

Gerard LaRocca is a Managing Director, Chief Administrative Officer, Americas, at Barclays, based in New York. Mr. LaRocca is also the President of Barclays Capital Inc. and a member of Barclays Americas Management Committee. Mr. LaRocca joined Barclays in 1998 as a

Managing Director and previously served as the Head of Global Operations and the Chief Financial Officer.

Matthew Larson

Managing Director, CFO IHC & Head of BI Finance, Americas
745 Seventh Avenue
New York, NY 10019 USA

Matt Larson is Chief Financial Officer (CFO) of Barclays US (the IHC) and Head of BI finance for the Americas overseeing Finance, Tax and Treasury. The last 3 years Matt previously served as the Financial Controller, for Americas being responsible for Financial Reporting, Regulatory Reporting, Technical Accounting and Governance and Control in the region. He also oversaw the Financial Control teams in the Investment Bank and Barclaycard in the US, Canada and Mexico.

Matt has had a well rounded career in Finance to date and is used to the complexities of financial control across multiple legal entities. He joined Barclays 3 year ago from Goldman Sachs where he was for eight years, most recently as the Head of Funding in Finance. Prior to that, Matt held positions at JP Morgan Chase and Deloitte & Touche as well as other financial services companies.

Stephen Li

Managing Director, CEO of the FCM, Head of ADS Americas
745 Seventh Avenue
New York, NY 10019, USA

Stephen Li is a Managing Director, CEO of the FCM and Head of Agency Derivative Services, Americas, for Barclays, based in New York. The Agency Derivatives Services unit comprises the Futures & Options, OTC Clearing and FX Prime Brokerage businesses.

Mr. Li joined Barclays in 2005 in New York to develop the firm's FX and Derivative Intermediation platform. From 2009 Mr. Li was given global responsibility for the product build out of Barclays' OTC Clearing platform. He relocated to London in 2010 to establish the OTC Clearing business in EMEA and in 2012 was named Head of Agency Derivative Services, EMEA. He returned to New York in 2016 after being appointed to his current role.

Previously, he worked at Goldman Sachs for 12 years in various Derivative Operations and Prime Service roles in Asia and the US

Joseph Logozzo

ADS Head of US Clearing Management
745 Seventh Avenue

New York, NY 10019, USA

Joseph Logozzo is currently a Director at Barclays and responsible for the Clearing Management function within Agency Derivatives Services (ADS). ADS incorporates futures execution and clearing, over-the-counter derivatives clearing, and foreign exchange prime brokerage.

Mr. Logozzo has significant capital markets experience with front, middle and back-office business processes at various types of financial institutions including investment banks, broker/dealers, asset manager, exchanges, clearing organizations and depositories. Mr. Logozzo joined Barclays in 2006 as the COO for the US Equities and Prime Services businesses. In 2009, Mr. Logozzo relocated from New York to London to take up the role of COO for EMEA Prime Services and Global Futures. When the Prime Services business created the ADS unit in 2011, Mr. Logozzo returned to New York to take up the role of Global COO for ADS. In 2013 Mr. Logozzo took up a line role in the Futures business, becoming the ADS Global Treasurer in late 2014, and in late 2016 obtained his current role leading the US Clearing business for ADS.

Prior to Barclays, Mr. Logozzo was at Credit Suisse in the Strategic Planning and Implementation group. At Credit Suisse, he led large front-to-back programs for the investment bank. Mr. Logozzo started his career at Accenture (formerly Andersen Consulting). He spent 13 years in Accenture's Capital Markets practice delivering projects for investment banks, asset managers and various infrastructure providers to the financial markets industry.

Mr. Logozzo graduated magna cum laude from New York University's Stern School of Business with a BS in Economics and International Business.

Michael Lublinsky

Managing Director, Global Head of Macro
745 Seventh Avenue
New York, NY 10019, USA

Michael Lublinsky is Global Head of Macro at Barclays, based in New York. He is a member of the Barclays International Executive Committee. Mr. Lublinsky was named CEO and Board member of BCI's Board of Director, effective February 2018.

Michael has over 20 years of markets experience. He joins Barclays in November 2017 after two years at Brevan Howard where he was a Senior Portfolio Manager and Head of Fixed Income in the US. Prior to this, he spent 13 years at the Royal Bank of Scotland in a variety of senior leadership roles, most recently as Global Head of Trading, Head of Markets in the Americas and Co-Head of Global Banking and Markets in the Americas. Michael began his

career as an interest rate trader at Credit Suisse First Boston in 1995 and went on to become Head of Interest Rate Options Trading before leaving CSFB in 2004.

He has a MBA from the University of California and a BS in Applied Mathematics from the University of Moldova.

Daniel Simeonov

Head of FCM Risk Management Unit
745 Seventh Avenue
New York, NY 10019, USA

Daniel D. Simeonov is a Vice President, based in New York. He is part of the regional Credit Portfolio Risk Management team and is responsible for monitoring, reporting and presenting reviews of Mandate & Scale Credit Risk limits, exposures and credit quality MI reporting, credit risk appetite, and governance as related to counterparty credit risk frameworks, policies, and standards. Mr. Simeonov joined Barclays in 2014. Between 2014 and 2015 he was Team Lead of the Glasgow, UK based Global Portfolio Reporting team, where he was responsible for aggregating and presenting Barclays' counterparty and wholesale credit exposure globally, including risk related to interest rate, credit default swaps and foreign exchange intermediation.

Prior to joining Barclays, Mr. Simeonov was the Head of Market Risks Department at Societe Generale's Bulgarian subsidiary. Prior to joining Societe Generale he served tenures in the central bank of the Republic of Bulgaria, part of ESCB, as Risk Analyst and Portfolio Manager for the foreign exchange reserves of the country. He has over 10 years of experience in capital markets, including managing bond, futures, and gold portfolios and designing, evolving, and managing enterprise risk limit frameworks and MI reporting for subsidiaries of global financial institutions.

Mr. Simeonov received an MSc in Applied Mathematics from Sofia University "St. Kliment Ohridski" in 2011 and a BA in Economics and in Mathematics from the American University in Bulgaria in 2005.

Robert L. Thrash

Managing Director, Head of ADS Execution
745 Seventh Avenue
New York, NY 10019, USA

Robert Thrash is a Managing Director and the global Head of Execution Services within Agency Derivatives Services ("ADS") at Barclays, based in New York. Mr. Thrash is responsible for the Futures Electronic Trading and Futures Execution Sales businesses.

Mr. Thrash joined Barclays in 2007 in Global Rates, where he held Rates trading roles based in both New York and Tokyo between 2007 and 2011. In 2011, Mr. Thrash returned to New

York in 2011 to create and manage the ADS Risk and Treasury teams. He held this role until 2014.

II. BCI's Business Activities and Services

The FCM is a division of BCI, which is a US Securities and Exchange Commission (SEC) registered broker dealer and is an indirect subsidiary of BBPLC, which provides large corporate, government and institutional clients with a full spectrum of solutions to meet their strategic advisory, financing and risk management needs. Although not all necessarily offered through the FCM, Barclays offers clients access to a variety of services and asset classes through its different business lines. Such business lines and services include offering equity and fixed income financing, including securities lending; equity research; and execution services for exchange traded and OTC equities, fixed income, currency, commodities and derivatives products.

The following is an approximate percentage of BCI's assets and capital applicable to the various business and product lines and services as of June 30, 2018:

Activity/Product Line	Percentage of Assets	Capital Employed
Financing (Resales, Borrows)	51.24%	9.88%
Inventory by Business Line		
FICC	24.37%	27.68%
Equities	4.64%	20.44%
Other Inventory	0	0
Goodwill and Tangible Assets	0	0
Receivable from Broker-Dealers and Customers	16.05%	8.71%
Investments in Subsidiaries and Receivable from Affiliates	.28%	8.60%
Fixed and All Other Assets	3.43%	24.69%

i. BCI's FCM Business

BCI's FCM clients are made up of institutional, commercial and proprietary entities that are all eligible contract participants, as defined in the Commodity Exchange Act and CFTC rules. Through BCI and its affiliates, the FCM's clients are able to trade exchange traded and centrally cleared futures, options on futures and swaps across sectors and throughout global markets.

BCI is a member of the following Designated Contract Markets/Exchanges and provides clearing services for the following Swap Execution Facilities:

Designated Contract Markets/Exchanges	Swap Execution Facilities
CBOE Chicago Futures Exchange	Bloomberg SEF LLC
Chicago Board of Trade	Ice Swap Trade LLC
Chicago Mercantile Exchange, Inc.	Javelin SEF LLC
Commodity Exchange Inc.	MarketAxess SEF Corporation
	trueEX LLC
ICE Futures US, Inc.	TW SEF LLC
New York Mercantile Exchange, Inc.	Eris Exchange LLC

BCI provides customers access to products cleared by the below Clearing Organizations in which BCI, an affiliate of BCI or a third-party is a clearing member.

Clearing Organization	BCI a Member	BCI Affiliate a Member	Third Party a Member
Athens Derivatives Exchange SA - ADECH			X
Asigna Compensacion y Liquidacion - Mexico			X
Australian Clearing House Pty Ltd			X
BME Clearing – MEFF Exchange		X	
BOI Shareholding Ltd –Bombay Stock Exchange		X	
Bursa Malaysia Derivatives Clearing Bhd			X
Canadian Derivatives Clearing Corporation (CDCC) – Montreal Exchange			X
Cassa di Compensazione e Garanzia S.p.A. - Italy		X	
Central Clearing House & Depository			X

(Budapest) Ltd - Hungary			
CME Clearing	X	X	
Eurex Clearing AG - Germany		X	
HKEx – Hong Kong Exchange		X	
ICE Clear Canada			X
ICE Clear Credit	X	X	
ICE Clear Europe	X	X	
ICE Clear U.S.	X		
Intermarket Clearing Corporation (ICC) – NASDAQ OMX PHLX	X		
Internal Clearing Department – Taiwan Futures Exchange			X
Japanese Commodity Clearing House Co Ltd (JCCH) – Tokyo			X
Japanese Securities Clearing Corporation - Japan		X	
KDPW-National Depository For Securities - Poland			X
LCH CDS Clear		X	
LCH Clearnet LLC		X	
LCH Clearnet Ltd		X	
LCH Clearnet S.A		X	
LCH Forex Clear		X	
LME Clear Ltd			X
Market Operation Department of KOFEX - Korea			X
Minneapolis Grain Exchange Clearing House			X
OM Stockholm Exchange AB - Sweden		X	
Options Clearing	X		

Corporation (OCC)			
SAFEX Clearing Company PTY Ltd – South Africa		X	
Singapore Exchange Derivatives Clearing (SGX-DC)		X	
Stock Exchange Clearing Hse Ltd & Maof Clear'g Hse - Israel		X	
TAKASBANK – Turkish Derivatives Exchange			X
The BM&F Derivatives Clearinghouse - Brazil			X
The Thailand Clearing House Company Limited (TCH)			X
Tokyo Financial Exchange (TFX)		X	

Where BCI is not a member of an exchange or clearinghouse, in order to provide its clients with access to the products offered at such exchanges and clearinghouses, BCI will sometimes use a carrying broker that either is a member of the exchange or clearinghouse or has a relationship with such a member. Below are the names of the direct carrying brokers that BCI uses for its client business:

Carrying Brokers US/Non-US	Affiliated with BCI Y/N
Barclays Bank PLC	Y
Societe Generale SA	N
RBC Capital Markets LLC	N

III. Bank Depositories, Custodians and Investment of Client Funds

Barclays has in place policies and procedures for selecting the bank depositories and custodians to hold FCM client funds as well as for selecting how it will invest client funds, including

counterparties to such investments. Prior to opening an account to deposit client funds, and annually thereafter, the FCM undertakes a review and evaluation of the depository to satisfy itself that the depository is sound and does not present unreasonable risk. Among other things, Barclays reviews the entity's experience and market expertise, creditworthiness, accounting practices, internal and external auditing practices, settlement practices, disaster recovery and business continuity procedures, reporting and regulatory oversight. As part of this review, Barclays obtains written responses from the entity that are reviewed by representatives of Barclays' treasury, operations, legal, compliance, credit/risk and business departments prior to opening an account to deposit client funds or as part of the annual review. Barclays only invests FCM client funds in accordance with CFTC Rule 1.25¹. Barclays bears sole responsibility for any losses resulting from the investment of client funds and no investment losses are borne or otherwise allocated to Barclays' clients. All investment options must be approved by the FCM's Treasury and Investment Committee, which is made up of senior management of the FCM's business, treasury and compliance functions and meets at least quarterly. The FCM's treasury department monitors all investments of customer funds and on a daily basis reviews, among other things, the asset, issuer, and counterparty concentration percentages; the dollar weighted time to maturity of the portfolio, as applicable; the comparison of the market value (plus accrued interest) to the contract value (plus accrued interest) for any repurchase or reverse repurchase agreement; the value of investments to ensure the value given to investments of customer funds are never greater than market value; and the change in market value from the business day before. Additionally, the holdings within each money market mutual fund and across all funds are reviewed periodically to determine exposure to, among other things, countries and investment types. Barclays' credit risk department establishes overall limits for each depository, custodian and counterparty that the FCM may face.

IV. Material Risks

Although BCI takes measures to minimize the risks that its activities have on its clients, by entrusting funds with any FCM a client is subjecting itself to risks associated with that FCM. Perhaps one of the most serious risks posed to a client of an FCM is that the FCM becomes insolvent. Accordingly, when selecting an FCM, it is important for clients to understand, among other things, those risks posed by the FCM's creditworthiness, investment of client funds and the FCM's own funds, leverage, capital, liquidity and other lines of business.

Currently BCI holds FCM client funds solely in cash or cash equivalents, including money market mutual funds. Further, BCI has procedures in place, including daily calculations, so that at no time is more than 50% of investable client assets invested in non-cash equivalent instruments. In this way, BCI maintains sufficient cash or cash equivalents so it is able to return at least 50% of client cash that is not being used to margin positions within a day without

¹ With respect to cleared OTC derivatives, please note that BCI has waived its unilateral right to use and invest the portion of a customer's cash initial margin that is passed through to a central counterparty.

having to liquidate non-cash instruments.

In order to ensure that it is in compliance with its regulatory capital requirements and that it has sufficient liquidity to meet its ongoing obligations, BCI holds a significant portion of its own assets in cash and cash equivalents, such as on demand deposits and also holds assets in US government securities, including treasury securities and certain agency securities. BCI also invests in other short-term highly liquid instruments such as money market instruments, commercial paper, and certificates of deposit and invests a limited amount of its funds in state and municipal securities and certain highly-rated corporate debt securities. Some investments in which BCI places its assets, including certain asset-backed securities and mortgage-backed securities, may be less liquid instruments with limited price transparency. In such instances, there is a risk that if BCI needs to liquidate such investments in times of stress it may not be able to do so quickly or at the current valuation.

As a client of BCI, you are also subject to certain risks based upon the creditworthiness of BCI, its capital, leverage ratios and access to liquid assets as well as risks posed to BCI by non-FCM business lines. BCI, as both an SEC registered broker dealer and CFTC registered FCM is required to maintain minimum adjusted net capital. The purpose of this capital is to ensure that BCI maintains sufficient liquid assets so as to meet its financial obligations that arise in its day-to-day activities. For example, timing differences between when the FCM must post margin at a clearinghouse for its client positions and when clients provide the FCM with the required margin require the FCM to post margin at the clearinghouse before it receives the applicable margin from the client. If an FCM does not have sufficient capital and access to liquid assets it may be unable to meet its obligations, which could result in the client positions and assets being put at risk, including possibly being subject to a bankruptcy proceeding.

BCI maintains a liquidity pool which consists primarily of unencumbered securities, including US treasuries, US agency debt, and US agency MBS, as well as cash and cash equivalents. Liquidity stress scenarios are used to assess the appropriate level for these liquidity pools. BCI's FCM maintains sufficient cash or cash equivalents so as to be able to return at least 50% of client cash that is not being used to margin positions within a day without having to liquidate non-cash instruments. Additionally, BCI has access to credit, such as letters of credit.

The leverage ratio of an FCM provides information on how much of an FCM's assets is made up of borrowed funds or debt. Leverage ratio is calculated as the total balance sheet assets, less any instruments guaranteed by the U.S. government and held as an asset or to collateralize an asset (e.g., a reverse repo) divided by total capital (the sum of stockholder's equity and subordinated debt). The lower the leverage ratio, the less debt a firm has. If an FCM is excessively leveraged it may not be able to access liquid assets, particularly in a time of stress. As of June 30, 2018, BCI's leverage ratio as reported to CFTC and National Futures Association (NFA) is 7.31%.

Creditworthiness of an entity is an important part of its ability to access liquidity. The creditworthiness of an entity is assessed based upon the entity's range of business and financial attributes including risk management processes and procedures, capital strength, earnings,

funding, liquidity, accounting and governance. BCI subscribes to an independent credit rating agency review by Standard and Poor's. The most recent review rated BCI as "A" for long-term counterparty credit and "A-1" for short-term counterparty credit.

In addition to being an FCM, BCI is a registered broker dealer that engages in various securities trading and brokerage activities. Securities transactions, both as principal and as agent, are executed with individuals and institutions including other brokers and dealers, central clearers and exchanges, commercial banks, insurance companies, pension plans, mutual funds, hedge funds and other financial institutions. In the event that counterparties to the transactions do not fulfill their obligations, BCI may be exposed to credit risk. The exposure to credit risk associated with the nonperformance of counterparties in fulfilling their contractual obligations can be directly affected by volatile trading markets and/or the extent to which such obligations are unsecured. BCI monitors its counterparty risk through the use of a variety of credit and market exposure reporting and control procedures, including marking to market securities and collateral and requiring adjustments of collateral levels as considered appropriate. In connection with its derivatives trading activities, BCI may enter into master netting agreements and collateral arrangements with counterparties, that provide BCI with the ability to offset counterparty's rights and obligations, request additional collateral when necessary, or liquidate the collateral in the event of counterparty default. In addition, BCI reviews the credit standing of each counterparty and customer with whom it conducts business as considered necessary.

As noted above, BCI's FCM is only a part of the much larger Barclays Group. More specifically, the FCM business is part of Barclays' Investment Bank which is operated across a number of Barclays' affiliates, with BCI and BBPLC being the two main entities. At a high level, since BCI is a subsidiary and/or affiliate of other Barclays' entities it is subject to the risk that if such an entity, particularly BBPLC, were to become insolvent, there would likely be a knock-on effect for BCI. Additionally, through the normal course of its business, BCI enters into certain transactions and activities with its affiliates. BCI enters into certain financing arrangements with its parent, including a line of credit. BCI receives cash, securities, and a third-party letter of credit pledged by BBPLC for the purposes of meeting BBPLC's margin requirements. BCI also executes and clears products for its affiliates as well as its affiliates' clients on US exchanges and BCI also places customer funds with BBPLC to provide its clients with access to certain non-US exchanges. To the extent that client funds are placed with an affiliate of BCI, the interconnected nature of BCI and its affiliates may pose additional risk to the client. For example, there is a greater likelihood that if one entity were to become insolvent so would the other than if such funds were placed with an unaffiliated third-party.

V. Material Complaints and Enforcement Actions

As noted above, BCI is a registered US broker-dealer and FCM, and is a subsidiary of BBPLC (together with its subsidiaries "Barclays" or the "Group"). BCI is or has been involved in a number of judicial, regulatory and arbitration proceedings concerning matters arising in connection with the conduct of its businesses. In addition, BCI and certain of its affiliates are subject to a number of investigations and reviews by, and in some cases have received subpoenas and requests for documents and information from, various governmental and

regulatory bodies and self-regulatory organizations relating to matters concerning their businesses. Pursuant to 17 CFR 1.55(k)(7), the following disclosure is intended to provide information that may be material to an FCM customer regarding administrative, civil, enforcement or criminal actions filed against BCI, that have not concluded, and enforcement complaints or actions filed against BCI, during the last three years. This is not a comprehensive list of all proceedings to which BCI is or has been a party. Additional information on regulatory, civil and arbitration proceedings involving Barclays, including the proceedings described below, proceedings involving BCI that are not required to be disclosed under 17 CFR 1.55(k)(7) and proceedings involving other Barclays entities, is available through the National Futures Association's Background Affiliation Status Information Center (which can be accessed electronically at www.nfa.futures.org/basicnet), the Financial Industry Regulatory Authority's (FINRA) BrokerCheck (which can be accessed electronically at <http://brokercheck.finra.org/Search/Search.aspx>) and under the caption "Legal, competition and regulatory matters" in the notes to the financial statements in the Group's Annual Report on Form 20-F filed with the US Securities and Exchange Commission (the "SEC") (which can be accessed electronically at <http://www.sec.gov>).

* * *

Legal, competition and regulatory matters

Barclays Bank PLC and the Barclays Bank Group face legal, competition and regulatory challenges, many of which are beyond our control. The extent of the impact on Barclays of these matters cannot always be predicted but may materially impact our operations, financial results, condition and prospects. Matters arising from a set of similar circumstances can give rise to either a contingent liability or a provision, or both, depending on the relevant facts and circumstances.

In connection with the implementation of structural reform in the UK, on 1 April 2018, the UK banking business was transferred from Barclays Bank PLC to Barclays Bank UK PLC, a separate subsidiary of Barclays PLC. This transfer included the rights and liabilities in respect of certain of the matters described below (which are also disclosed in the financial statements of Barclays Bank UK PLC), although Barclays Bank PLC may remain the party on record to the relevant proceedings.

Investigations into certain advisory services agreements and other matters and civil action

The UK Serious Fraud Office (SFO), the Financial Conduct Authority (FCA), the US Department of Justice (DoJ) and the US Securities and Exchange Commission (SEC) have been conducting investigations into certain advisory services agreements entered into by Barclays Bank PLC.

Background information

Barclays Bank PLC entered into two advisory services agreements with Qatar Holding LLC (Qatar Holding) in June and October 2008 (the Agreements). The FCA commenced an

investigation into whether the Agreements may have related to Barclays PLC's capital raisings in June and November 2008 (the Capital Raisings). The existence of the June 2008 advisory services agreement was disclosed, but the entry into the advisory services agreement in October 2008 and the fees payable under the Agreements, which amounted to a total of £322m payable over a period of five years, were not disclosed in the announcements or public documents relating to the Capital Raisings. The SFO also commenced an investigation into the Agreements and into a \$3bn loan (the Loan) provided by Barclays Bank PLC in November 2008 to the State of Qatar.

SFO Proceedings

In June 2017, the SFO charged Barclays PLC with two offences of conspiring with certain former senior officers and employees of Barclays to commit fraud by false representations relating to the Agreements and one offence of unlawful financial assistance contrary to section 151 of the Companies Act 1985 in relation to the Loan. In February 2018, the SFO also charged Barclays Bank PLC with the same offence in respect of the Loan. In May 2018, the Crown Court dismissed all charges against Barclays PLC and Barclays Bank PLC. In July 2018, the SFO made an application to the High Court seeking to reinstate against Barclays PLC and Barclays Bank PLC all of the charges dismissed by the Crown Court. Barclays intends to defend the application brought by the SFO.

FCA Proceedings and other investigations

In September 2013, the FCA issued warning notices (the Notices) finding that, while Barclays PLC and Barclays Bank PLC believed at the time of the execution of the Agreements that there should be at least some unspecified and undetermined value to be derived from them, the primary purpose of the Agreements was not to obtain advisory services but to make additional payments, which would not be disclosed, for the Qatari participation in the Capital Raisings. The Notices concluded that Barclays PLC and Barclays Bank PLC were in breach of certain disclosure-related listing rules and Barclays PLC was also in breach of Listing Principle 3 (the requirement to act with integrity towards holders and potential holders of the Company's shares). In this regard, the FCA considers that Barclays PLC and Barclays Bank PLC acted recklessly. The financial penalty provided in the Notices against Barclays is £50m. Barclays PLC and Barclays Bank PLC continue to contest the findings. The FCA action has been stayed due to the SFO proceedings.

In addition, the DoJ and the SEC have been conducting investigations relating to the Agreements.

Civil Action

In January 2016, PCP Capital Partners LLP and PCP International Finance Limited (PCP) served a claim on Barclays Bank PLC seeking damages for fraudulent misrepresentation and deceit, arising from alleged statements made by Barclays Bank PLC to PCP in relation to the terms on which securities were to be issued to potential investors, allegedly including PCP, in the November 2008 capital raising. PCP seeks damages of up to £1,477m (plus interest from November 2017) and costs. Barclays Bank PLC is defending the claim and trial is scheduled to commence in October 2019.

Claimed amounts/Financial impact

It is not currently practicable to provide an estimate of the financial impact of the actions described on Barclays or what effect they might have upon Barclays' operating results, cash flows or financial position in any particular period. PCP has made a claim against Barclays Bank PLC for damages of up to £1,477m plus interest and costs. This amount does not necessarily reflect Barclays Bank PLC's potential financial exposure if a ruling were to be made against it in that matter.

Investigations into certain business relationships

In 2012, the DoJ and SEC commenced investigations in relation to whether certain relationships with third parties who assist Barclays PLC to win or retain business are compliant with the US Foreign Corrupt Practices Act. Various regulators in other jurisdictions are also being briefed on the investigations. Separately, Barclays is cooperating with the DoJ and SEC in relation to an investigation into certain of its hiring practices in Asia and elsewhere and is keeping certain regulators in other jurisdictions informed.

Claimed amounts/Financial impact

It is not currently practicable to provide an estimate of the financial impact of the actions described on Barclays or what effect they might have upon Barclays' operating results, cash flows or financial position in any particular period.

Investigations relating to whistleblowing systems and controls

In April 2017, the FCA and the Prudential Regulation Authority (PRA) commenced investigations into the Barclays Group Chief Executive Officer (CEO), as to his individual conduct and senior manager responsibilities relating to Barclays' whistleblowing programme and to his attempt in 2016 to identify the author of a letter that was treated by Barclays Bank PLC as a whistleblower, and into Barclays Bank PLC, as to its responsibilities relating to the attempt by the CEO to identify the author of the letter, as well as Barclays' systems and controls and culture relating to whistleblowing.

In May 2018, the FCA and PRA published final notices confirming their finding that the CEO's actions in relation to this matter represented a breach of Individual Conduct Rule 2 (requirement to act with due skill, care and diligence). There were no findings by the FCA or PRA that the CEO acted with a lack of integrity nor any findings that he lacked fitness and propriety to continue to perform his role as Barclays Group Chief Executive Officer.

In respect of its investigation relating to Barclays Bank PLC, the FCA and PRA concluded that they would not take enforcement action in respect of this matter. However, each of Barclays Bank PLC and Barclays Bank UK PLC have agreed to be subject to requirements to report to the FCA and PRA on certain aspects of their whistleblowing programmes.

Barclays also continues to provide information to, and cooperate with, authorities in the US with respect to this matter.

Claimed amounts/Financial impact

It is not currently practicable to provide an estimate of the financial impact of the actions described on Barclays or what effect they might have upon Barclays' operating results, cash flows or financial position in any particular period.

Investigations into LIBOR and other benchmarks

Regulators and law enforcement agencies, including certain competition authorities, from a number of governments have been conducting investigations relating to Barclays Bank PLC's involvement in manipulating certain financial benchmarks, such as LIBOR and EURIBOR.

Background information

In 2012, Barclays Bank PLC announced that it had reached settlements with the Financial Services Authority (FSA) (as predecessor to the FCA), the US Commodity Futures Trading Commission (CFTC) and the DoJ in relation to their investigations concerning certain benchmark interest rate submissions, and Barclays Bank PLC paid total penalties of £290m. The settlement with the DoJ was made by entry into a Non-Prosecution Agreement (NPA) which has now expired. Barclays PLC, Barclays Bank PLC and Barclays Capital Inc. (BCI) have reached settlements with certain other regulators and law enforcement agencies. Barclays Bank PLC continues to respond to requests for information from the SFO in relation to its ongoing LIBOR investigation, including in respect of Barclays Bank PLC. The investigation by the prosecutor's office in Trani, Italy also remains pending.

Claimed amounts/Financial impact

Aside from the settlements discussed above, it is not currently practicable to provide an estimate of the financial impact of the actions described on Barclays or what effect they might have upon Barclays' operating results, cash flows or financial position in any particular period.

LIBOR and other benchmark civil actions

A number of individuals and corporates in a range of jurisdictions have threatened or brought civil actions against Barclays and other banks in relation to LIBOR and/or other benchmarks.

Background information

Following settlement of the investigations referred to above in 'Investigations into LIBOR and other Benchmarks' various individuals and corporates in a range of jurisdictions have threatened or brought civil actions against Barclays. While certain cases have been dismissed or settled subject to approval from the court (and in the case of class actions, the right of class members to opt out of the settlement and to seek to file their own claims), other actions remain pending and their ultimate impact is unclear.

USD LIBOR Cases in MDL Court

The majority of the USD LIBOR cases, which have been filed in various US jurisdictions, have been consolidated for pre-trial purposes before a single judge in the US District Court in the Southern District of New York (SDNY) (MDL Court).

The complaints are substantially similar and allege, amongst other things, that Barclays PLC, Barclays Bank PLC, BCI and other financial institutions individually and collectively violated provisions of the US Sherman Antitrust Act (Antitrust Act), the US Commodity Exchange Act (CEA), the US Racketeer Influenced and Corrupt Organizations Act (RICO), the Securities Exchange Act of 1934 and various state laws by manipulating USD LIBOR rates.

Certain of the proposed class actions have been settled. Claims purportedly brought on behalf of plaintiffs that (i) engaged in USD LIBOR-linked over-the-counter transactions; (ii) purchased USD LIBOR-linked financial instruments on an exchange; (iii) purchased USD LIBOR-linked debt securities; or (iv) issued loans linked to USD LIBOR have been settled for \$120m, \$20m, \$7.1m and \$4m respectively. The settlements remain subject to final court approval and/or the right of class members to opt out of the settlement and to seek to file their own claims.

The remaining putative class actions and individual actions seek unspecified damages with the exception of five lawsuits, in which the plaintiffs are seeking a combined total in excess of \$1.25bn in actual damages against all defendants, including Barclays Bank PLC, plus punitive damages. Some of the lawsuits also seek trebling of damages under the Antitrust Act and RICO.

EURIBOR Case in the SDNY

In 2015, \$94m was paid in settlement of a EURIBOR-related class action. The court entered an order granting final approval of Barclays' settlement in May 2018.

Additional USD LIBOR Case in the SDNY

In 2015, an individual action against Barclays Bank PLC and other panel bank defendants was dismissed by the SDNY. The plaintiff alleged that the panel bank defendants conspired to increase USD LIBOR, which caused the value of bonds pledged as collateral for a loan to decrease, ultimately resulting in the sale of the bonds at a low point in the market. In March 2018, the court denied the plaintiff's motion for leave to amend its complaint and dismissed the case. The plaintiff's appeal of the court's order is pending.

Sterling LIBOR Case in SDNY

In 2015, a putative class action was filed in the SDNY against Barclays Bank PLC and other Sterling LIBOR panel banks by a plaintiff involved in exchange-traded and over-the-counter derivatives that were linked to Sterling LIBOR. The complaint alleges, among other things, that defendants manipulated the Sterling LIBOR rate between 2005 and 2010 and, in so doing, committed CEA, Antitrust Act, and RICO violations. In early 2016, this class action was consolidated with an additional putative class action making similar allegations against Barclays Bank PLC and BCI and other Sterling LIBOR panel banks. The defendants' motion to dismiss is pending.

Japanese Yen LIBOR Cases in SDNY

In 2012, a putative class action was filed in the SDNY against Barclays Bank PLC and other Japanese Yen LIBOR panel banks by a plaintiff involved in exchange-traded derivatives. The

complaint also names members of the Japanese Bankers Association's Euroyen Tokyo Interbank Offered Rate (Euroyen TIBOR) panel, of which Barclays Bank PLC is not a member. The complaint alleges, amongst other things, manipulation of the Euroyen TIBOR and Yen LIBOR rates and breaches of the CEA and Antitrust Act between 2006 and 2010. In 2014, the court dismissed the plaintiff's antitrust claims in full, but the plaintiff's CEA claims remain pending. Discovery is ongoing.

In March 2017, a second putative class action concerning Yen LIBOR which was filed in the SDNY against Barclays PLC, Barclays Bank PLC and BCI was dismissed in full. The complaint makes similar allegations to the 2012 class action. The plaintiffs have appealed the dismissal.

SIBOR/SOR Case in the SDNY

A putative class action filed in the SDNY against Barclays PLC, Barclays Bank PLC, BCI and other defendants, alleging manipulation of the Singapore Interbank Offered Rate (SIBOR) and Singapore Swap Offer Rate (SOR) was dismissed by the court in relation to claims against Barclays for failure to state a claim. The plaintiffs amended their complaint in September 2017, and the defendants' motion to dismiss is pending.

Non-US Benchmarks Cases

In addition to US actions, legal proceedings have been brought or threatened against Barclays in connection with alleged manipulation of LIBOR and EURIBOR and other benchmarks in the UK, a number of other jurisdictions in Europe, Israel and Argentina. Additional proceedings in non-US jurisdictions may be brought in the future.

Claimed amounts/Financial impact

Aside from the settlements discussed above, it is not currently practicable to provide an estimate of any further financial impact of the actions described on Barclays or what effect they might have upon Barclays' operating results, cash flows or financial position in any particular period.

Foreign Exchange investigations

Various regulatory and enforcement authorities across multiple jurisdictions have been investigating a range of issues associated with Foreign Exchange sales and trading, including electronic trading.

Background information

In 2015 Barclays reached settlements with the CFTC, the DoJ, the New York State Department of Financial Services (NYDFS), the Board of Governors of the Federal Reserve System (Federal Reserve) and the FCA (together, the 2015 Resolving Authorities) in relation to investigations into certain sales and trading practices in the Foreign Exchange market. In connection with these settlements, Barclays paid total penalties of approximately \$2.38bn and agreed to undertake certain remedial actions.

Under the plea agreement with the DoJ, in addition to a criminal fine, Barclays PLC agreed to a term of probation of three years during which Barclays PLC, including its subsidiaries, must,

amongst other things, (i) commit no crime whatsoever in violation of the federal laws of the US, (ii) implement and continue to implement a compliance program designed to prevent and detect the conduct that gave rise to the plea agreement, (iii) report credible evidence of criminal violations of US antitrust or fraud laws to the relevant US authority, and (iv) strengthen its compliance and internal controls as required by relevant regulatory or enforcement agencies. In January 2017, the US District Court for the District of Connecticut accepted the plea agreement and in accordance with the agreement sentenced Barclays PLC to pay \$650m as a fine and \$60m for violating the NPA (which amounts are part of the \$2.38bn referred to above) and to serve three years of probation from the date of the sentencing order. Barclays also continues to provide relevant information to certain of the 2015 Resolving Authorities.

The full text of the DoJ plea agreement, the orders of the CFTC, NYDFS and Federal Reserve, and the Final Notice issued by the FCA related to the settlements referred to above are publicly available on the 2015 Resolving Authorities' respective websites.

The European Commission is one of several authorities conducting an investigation into certain trading practices in the Foreign Exchange market.

The DoJ has also conducted an investigation into conduct relating to certain trading activities in connection with certain transactions during 2011 and 2012. Barclays has been providing information to the DoJ and other relevant authorities reviewing this conduct. In February 2018, the DoJ concluded its investigation into conduct relating to certain trading activities in connection with one of these transactions. The DoJ issued a letter closing its investigation of Barclays in exchange for, among other things, Barclays' agreement to pay \$12.9m in disgorgement and restitution, which can be offset by any settlement amount paid as civil restitution. In January 2018, a Barclays employee currently under suspension was indicted in connection with this matter.

Claimed amounts/Financial impact

Aside from the settlements discussed above, and a provision of £240m recognised in Q417, it is not currently practicable to provide an estimate of any further financial impact of the actions described on Barclays or what effect they might have on Barclays' operating results, cash flows or financial position in any particular period.

Civil actions in respect of Foreign Exchange

A number of individuals and corporates in a range of jurisdictions have threatened or brought civil actions against Barclays and other banks in relation to Foreign Exchange.

Background information

Following settlement of certain investigations referred to above in 'Foreign Exchange Investigations' a number of individuals and corporates in a range of jurisdictions have threatened or brought civil actions against Barclays and other banks in relation to Foreign Exchange or may do so in future. Certain of these cases have been dismissed or have been settled subject to final approval from the relevant court (and in the case of class actions, the right of class members to opt out of the settlement and to seek to file their own claims).

Consolidated FX Action

In 2014, a number of civil actions filed in the SDNY on behalf of proposed classes of plaintiffs alleging manipulation of Foreign Exchange markets under the Antitrust Act and New York state law and naming several international banks as defendants, including Barclays Bank PLC, were combined into a single consolidated action (Consolidated FX Action). In 2015, Barclays Bank PLC and BCI settled the Consolidated FX Action and paid \$384m. Certain class members have opted out of the settlement and some of these may seek to file their own claims. The settlement is also subject to final court approval.

ERISA FX Action

Since 2015, several civil actions have been filed in the SDNY on behalf of proposed classes of plaintiffs purporting to allege different legal theories of injury (other than those alleged in the Consolidated FX Action) related to alleged manipulation of Foreign Exchange rates, including claims under the US Employee Retirement Income Security Act (ERISA) statute (ERISA Claims), and naming several international banks as defendants, including Barclays PLC, Barclays Bank PLC and BCI. The Court has dismissed the ERISA Claims.

Retail Basis Action

A putative action was filed in the Northern District of California (and subsequently transferred to the SDNY) against several international banks, including Barclays PLC and BCI, on behalf of a putative class of individuals that exchanged currencies on a retail basis at bank branches (Retail Basis Claims). The Court has ruled that the Retail Basis Claims are not covered by the settlement agreement in the Consolidated FX Action. The Court subsequently dismissed all Retail Basis Claims against Barclays and all other defendants. The plaintiffs amended their complaint and sought to expand the action to include credit card, debit card and wire transactions, which expansion the Court denied. The plaintiffs have asked the Court to reconsider the expansion decision.

State Law FX Action

In 2016, a putative class action was filed in the SDNY under federal, New York and California law on behalf of proposed classes of stockholders of Exchange Traded Funds and others who supposedly were indirect investors in FX Instruments. The defendants (including Barclays) moved to dismiss the action. The plaintiffs' counsel then amended the complaint to bring claims on behalf of a proposed class of investors under federal and various state laws who traded FX Instruments through FX dealers or brokers not alleged to have manipulated Foreign Exchange Rates. A different group of plaintiffs subsequently filed another action based on the same theories and asserted substantively similar claims. These two actions have been consolidated and a consolidated complaint was filed in June 2017. The defendants (including Barclays) have moved to dismiss the action.

Claimed amounts/Financial impact

It is not currently practicable to provide an estimate of any further financial impact of the actions described above on Barclays or what effect they might have upon Barclays' operating results, cash flows or financial position in any particular period.

Civil actions in respect of ISDAFIX

In 2014, a number of ISDAFIX related civil actions were filed in the SDNY on behalf of proposed class of plaintiffs, alleging that Barclays Bank PLC, a number of other banks and one broker violated the Antitrust Act and several state laws by engaging in a conspiracy to manipulate the USD ISDAFIX. In 2016, Barclays Bank PLC and BCI entered into a settlement agreement with plaintiffs to resolve the consolidated action and paid \$30m, fully resolving all ISDAFIX-related claims that were or could have been brought by the class. The court entered an order granting final approval of the settlement in June 2018.

Claimed amounts/Financial impact

The principal financial impact of the actions described on Barclays is reflected in the settlement described above.

Metals investigations

Barclays Bank PLC has provided information to the DoJ, the CFTC and other authorities in connection with investigations into metals and metals-based financial instruments.

Claimed amounts/Financial impact

It is not currently practicable to provide an estimate of the financial impact of the actions described on Barclays or what effect they might have upon Barclays' operating results, cash flows or financial position in any particular period.

Civil actions in respect of the gold and silver fix

A number of civil complaints, each on behalf of a proposed class of plaintiffs, have been consolidated and transferred to the SDNY. The complaints allege that Barclays Bank PLC and other members of The London Gold Market Fixing Ltd. manipulated the prices of gold and gold derivative contracts in violation of the CEA, the Antitrust Act, and state antitrust and consumer protection laws. Also in the US, a proposed class of plaintiffs filed a complaint against a number of banks, including Barclays Bank PLC, BCI and Barclays Capital Services Ltd., alleging manipulation of the price of silver in violation of the CEA and antitrust laws. The court has dismissed this action as against the Barclays entities.

Civil actions have also been filed in Canadian courts against Barclays PLC, Barclays Bank PLC, Barclays Capital Canada Inc., BCI and Barclays Capital PLC on behalf of proposed classes of plaintiffs alleging manipulation of gold and silver prices in violation of Canadian law.

Claimed amounts/Financial impact

It is not currently practicable to provide an estimate of the financial impact of the actions described on Barclays or what effect they might have upon Barclays' operating results, cash flows or financial position in any particular period.

US residential and commercial mortgage-related activity and litigation

There have been various investigations and civil litigation relating to secondary market trading of US Residential Mortgage-Backed Securities (RMBS) and US Commercial Mortgage-Backed Securities (CMBS).

Background information

Barclays' activities within the US residential mortgage sector during the period from 2005 through 2008 included:

sponsoring and underwriting of approximately \$39bn of private-label securitisations;
economic underwriting exposure of approximately \$34bn for other private-label securitisations;
sales of approximately \$0.2bn of loans to government sponsored enterprises (GSEs);
sales of approximately \$3bn of loans to others; and
sales of approximately \$19.4bn of loans (net of approximately \$500m of loans sold during this period and subsequently repurchased) that were originated and sold to third parties by mortgage originator affiliates of an entity that Barclays acquired in 2007 (Acquired Subsidiary)

DoJ Civil Action

In December 2016, the DoJ filed a civil complaint against Barclays Bank PLC, Barclays PLC, BCI, Barclays Group US Inc., Barclays US LLC, BCAP LLC, Securitized Asset Backed Receivables LLC and Sutton Funding LLC, as well as two former employees, in the US District Court in the Eastern District of New York (EDNY) containing a number of allegations, including mail and wire fraud, relating to mortgage-backed securities sold between 2005 and 2007. In March 2018, Barclays reached a settlement with the DoJ to resolve this complaint for a civil monetary penalty of \$2bn which was paid in H118.

RMBS Repurchase Requests

Barclays was the sole provider of various loan-level representations and warranties (R&Ws) with respect to:

approximately \$5bn of Barclays sponsored securitisations;
approximately \$0.2bn of sales of loans to GSEs; and
approximately \$3bn of loans sold to others

In addition, the Acquired Subsidiary provided R&Ws on all of the \$19.4bn of loans it sold to third parties.

R&Ws on the remaining Barclays sponsored securitisations were primarily provided by third-party originators directly to the securitisation trusts with a Barclays subsidiary, such as the depositor for the securitisation, providing more limited R&Ws. There are no stated expiration provisions applicable to most R&Ws made by Barclays, the Acquired Subsidiary or these third parties.

Under certain circumstances, Barclays and/or the Acquired Subsidiary may be required to repurchase the related loans or make other payments related to such loans if the R&Ws are breached.

The unresolved repurchase requests received on or before 30 June 2018 associated with all R&Ws made by Barclays or the Acquired Subsidiary on loans sold to GSEs and others and

private-label activities had an original unpaid principal balance of approximately \$2.1bn at the time of such sale.

The unresolved repurchase requests discussed above relate to civil actions that have been commenced by the trustees for certain RMBS securitisations in which the trustees allege that Barclays and/or the Acquired Subsidiary must repurchase loans that violated the operative R&Ws. Such trustees and other parties making repurchase requests have also alleged that the operative R&Ws may have been violated with respect to a greater (but unspecified) amount of loans than the amount of loans previously stated in specific repurchase requests made by such trustees. This litigation is ongoing.

In May 2018, the Acquired Subsidiary agreed to a settlement of a civil action relating to claims for indemnification for losses allegedly suffered by a loan purchaser as a result of alleged breaches of R&Ws provided by the Acquired Subsidiary in connection with loan sales to the purchaser during the period 1997 to 2007.

Claimed amounts/Financial impact

It is not currently practicable to provide an estimate of any further financial impact of the actions described on Barclays or what effect they might have upon Barclays' operating results, cash flows or financial position in any particular period.

Alternative trading systems and high-frequency trading

The SEC, the New York State Attorney General (NYAG) and regulators in certain other jurisdictions investigated a range of issues associated with alternative trading systems (ATSs), including dark pools, and the activities of high-frequency traders.

Background information

In 2014, the NYAG filed a complaint (NYAG Complaint) against Barclays PLC and BCI in the Supreme Court of the State of New York alleging, amongst other things, that Barclays PLC and BCI engaged in fraud and deceptive practices in connection with LX, Barclays' SEC-registered ATS. In February 2016, Barclays reached separate settlement agreements with the SEC and the NYAG to resolve those agencies' claims against Barclays PLC and BCI relating to the operation of LX and paid \$35m to each.

Barclays PLC and BCI have been named in a purported class action by an institutional financial services firm under California law based on allegations similar to those in the NYAG Complaint. In October 2016, the federal court in California granted the motion of Barclays PLC and BCI to dismiss the entire complaint and the plaintiffs have appealed the court's decision. In July 2018, the court of appeals affirmed the dismissal.

Following the filing of the NYAG Complaint, Barclays PLC and BCI were also named in a putative shareholder securities class action along with certain current and former executives (Shareholder Class Action). The plaintiffs claim that holders of Barclays American Depository Receipts (ADRs) suffered damages when the ADRs declined in value as a result of the allegations in the NYAG Complaint. A motion to dismiss the complaint filed by the defendants

(including Barclays PLC and BCI), was granted in part and denied in part by the court. In February 2016, the court certified the action as a class action. In November 2017, the appellate court affirmed the class certification.

Claimed amounts/Financial impact

The class actions seek unspecified monetary damages and injunctive relief. It is not currently practicable to provide an estimate of the financial impact of the actions described on Barclays or what effect they might have upon Barclays' operating results, cash flows or financial position in any particular period.

Electricity market action

In 2013, the US Federal Energy Regulatory Commission (FERC) filed a civil action against Barclays Bank PLC in connection with allegations that Barclays Bank PLC manipulated the electricity markets in the Western US. The action was settled for \$105m (\$70m penalty and \$35m disgorgement) which was paid in 2017. In 2015, a civil class action complaint seeking damages of \$139.3m was filed in the US District Court for the SDNY against Barclays Bank PLC by Merced Irrigation District, a California utility company, asserting antitrust allegations in connection with purported manipulation of the electricity markets in and around California. The action has been settled in principle for \$29m (subject to final court approval and to the right of class members to opt out of the settlement and to seek to file their own claims).

Claimed amounts/Financial impact

Barclays does not expect the financial impact of the actions described above to be material to Barclays' operating results, cash flows or financial position.

Treasury auction securities civil actions and related matters

Various civil actions have been filed against Barclays Bank PLC, BCI and other financial institutions alleging violations of antitrust and other laws relating to the markets for US Treasury securities and Supranational, Sovereign and Agency securities. Certain governmental authorities are also conducting investigations relating to trading of certain government securities in various markets.

Background information

Numerous putative class action complaints have been filed in US Federal Court against Barclays Bank PLC, BCI and other financial institutions that have served as primary dealers in US Treasury securities. Those actions have been consolidated and in November 2017, plaintiffs in the putative class action filed a consolidated amended complaint in the US Federal Court in New York against the defendants as well as certain corporations that operate electronic trading platforms on which US Treasury securities are traded. The complaint purports to assert claims under US federal antitrust laws and state common law based on allegations that defendants (i) conspired to manipulate the US Treasury securities market and/or (ii) conspired to prevent the creation of certain platforms by boycotting or threatening to boycott such trading platforms. The defendants have filed a motion to dismiss.

In addition, certain plaintiffs have filed a related, direct action against BCI and certain other financial institutions that have served as primary dealers in US Treasury securities. This complaint alleges that defendants conspired to fix and manipulate the US Treasury securities market in violation of US federal antitrust laws, the CEA and state common law.

In 2017, Barclays PLC, Barclays Bank PLC, BCI, Barclays Services Limited, Barclays Capital Securities Limited and certain other financial institutions were named as defendants in a civil antitrust complaint that alleges that the defendants engaged in a conspiracy to fix prices and restrain competition in the market for US dollar-denominated Supranational, Sovereign and Agency bonds from 2005 through 2015. The defendants have moved to dismiss the action.

Certain governmental authorities are conducting investigations into activities relating to the trading of certain government securities in various markets and Barclays has been providing information to various authorities on an ongoing basis.

Claimed amounts/Financial impact

It is not currently practicable to provide an estimate of the financial impact of the actions described on Barclays or what effect they might have upon Barclays' operating results, cash flows or financial position in any particular period.

Mexican Government Bond civil action

Barclays PLC, Barclays Bank PLC, BCI, Barclays Bank Mexico, S.A., and Grupo Financiero Barclays Mexico, S.A., together with other financial institutions that deal in Mexican government bonds (MGB) are named as defendants in several putative class actions which were consolidated in the SDNY in June 2018. The class actions allege antitrust and state law claims arising out of an alleged conspiracy to fix the prices of MGB from 2006 through mid-2017.

Claimed amounts/Financial impact

It is not currently practicable to provide an estimate of the financial impact of the actions described on Barclays or what effect they might have upon Barclays' operating results, cash flows or financial position in any particular period.

American Depositary Shares

Barclays PLC, Barclays Bank PLC and various former members of Barclays Bank PLC's Board of Directors have been named as defendants in a securities class action consolidated in the SDNY that alleges misstatements and omissions in offering documents for certain American Depositary Shares issued by Barclays Bank PLC in April 2008 with an original face amount of approximately \$2.5 billion (the April 2008 Offering). The plaintiffs assert claims under the Securities Act of 1933, alleging misstatements and omissions concerning (amongst other things) Barclays Bank PLC's portfolio of mortgage-related (including US subprime-related) securities, Barclays Bank PLC's exposure to mortgage and credit market risk, and Barclays Bank PLC's financial condition. The plaintiffs have not specifically alleged the amount of their damages. In June 2016, the SDNY certified the action as a class action. In September 2017, the SDNY granted the defendants' motion for summary judgment. The plaintiffs are appealing this decision.

Claimed amounts/Financial impact

It is not currently practicable to provide an estimate of the financial impact of the action described on Barclays or what effect that it might have upon Barclays' operating results, cash flows or financial position in any particular period.

BDC Finance L.L.C.

BDC Finance L.L.C. (BDC) has filed a complaint against Barclays Bank PLC alleging breach of contract in connection with a portfolio of total return swaps governed by an ISDA Master Agreement (collectively, the Agreement).

Background information

In 2008, BDC filed a complaint in the NY Supreme Court alleging that Barclays Bank PLC breached the Agreement when it failed to transfer approximately \$40m of alleged excess collateral in response to BDC's 2008 demand (Demand).

BDC asserts that under the Agreement Barclays Bank PLC was not entitled to dispute the Demand before transferring the alleged excess collateral and that even if the Agreement entitled Barclays Bank PLC to dispute the Demand before making the transfer, Barclays Bank PLC failed to dispute the Demand. BDC demands damages totalling \$298m plus attorneys' fees, expenses, and pre-judgement interest. A trial on liability issues concluded in April 2017 and the court's decision is pending.

In 2011, BDC's investment advisor, BDCM Fund Adviser, L.L.C. and its parent company, Black Diamond Capital Holdings, L.L.C. also sued Barclays Bank PLC and BCI in Connecticut State Court for unspecified damages allegedly resulting from Barclays Bank PLC's conduct relating to the Agreement, asserting claims for violation of the Connecticut Unfair Trade Practices Act and tortious interference with business and prospective business relations. The parties agreed to stay this case.

Claimed amounts/Financial impact

It is not currently practicable to provide an estimate of the financial impact of the actions described on Barclays or what effect they might have upon Barclays' operating results, cash flows or financial position in any particular period. BDC has made claims against Barclays totalling \$298m plus attorneys' fees, expenses, and pre-judgement interest. This amount does not necessarily reflect Barclays' potential financial exposure if a ruling were to be made against it.

Civil actions in respect of the US Anti-Terrorism Act

Civil complaints against Barclays Bank PLC and other banks allege engagement in a conspiracy and violation of the US Anti-Terrorism Act (ATA).

Background information

An amended civil complaint (the Amended Complaint), filed in the US Federal Court in the EDNY by a group of approximately 350 plaintiffs, alleges that Barclays Bank PLC and a

number of other banks engaged in a conspiracy and violated the ATA by facilitating US dollar denominated transactions for the Government of Iran and various Iranian banks, which in turn funded Hezbollah and other attacks that injured or killed the plaintiffs' family members. The plaintiffs seek to recover for pain, suffering and mental anguish pursuant to the provisions of the ATA, which allows for the tripling of any proven damages and attorneys' fees. Defendants have moved to dismiss the Amended Complaint. In November 2017, a separate civil complaint was filed in the US Federal Court in the SDNY by a group of approximately 160 plaintiffs, alleging claims under the ATA against Barclays Bank PLC and a number of other banks substantially similar to those in the Amended Complaint. The defendants have moved to dismiss this complaint.

In May 2018, a civil complaint was filed in the US Federal Court in the Middle District of Florida by a single plaintiff acting for himself alleging claims under the ATA against Barclays Bank PLC and a number of other banks. Barclays Bank PLC has not been served with this complaint. In July 2018, the court dismissed the complaint subject to the right of the plaintiff to file a revised complaint.

Claimed amounts/Financial impact

It is not currently practicable to provide an estimate of the financial impact of the actions described on Barclays or what effect they might have upon Barclays' operating results, cash flows or financial position in any particular period.

Interest rate swap and credit default swap US civil actions

Barclays PLC, Barclays Bank PLC, and BCI, together with other financial institutions are defendants in interest rate swap and credit default swap antitrust civil actions in the SDNY.

Background information

Barclays PLC, Barclays Bank PLC, and BCI, together with other financial institutions that act as market makers for interest rate swaps (IRS), Trade Web, and ICAP, are named as defendants in several antitrust class actions which were consolidated in the SDNY in 2016. The complaints allege defendants conspired to prevent the development of exchanges for IRS and demand unspecified money damages, treble damages and legal fees. Plaintiffs include certain swap execution facilities, as well as buy-side investors. The buy-side investors claim to represent a class that transacted in fixed-for-floating IRS with defendants in the US from 2008 to the present, including, for example, US retirement and pension funds, municipalities, university endowments, corporations, insurance companies and investment funds. The case is in discovery.

In June 2017, a separate suit was filed in the US District Court in the SDNY against the same financial institution defendants in the IRS cases, including Barclays PLC, Barclays Bank PLC, and BCI, claiming that certain conduct alleged in the IRS cases also caused plaintiff to suffer harm with respect to the Credit Default Swaps market. Defendants have moved to dismiss this action. Separately, in June 2018, trueEX LLC filed an antitrust class action in the SDNY against eleven financial institutions that act as dealers in the IRS market, including Barclays Bank PLC and BCI, alleging that the defendants unlawfully conspired to block trueEX from

successfully entering the market with its IRS trading platform. trueEX LLC also alleges that the defendants more generally boycotted other anonymous, all-to-all IRS trading platforms.

Claimed amounts/Financial impact

It is not currently practicable to provide an estimate of the financial impact of the actions described on Barclays or what effect they might have upon Barclays' operating results, cash flows or financial position in any particular period.

Portuguese Competition Authority investigation

The Portuguese Competition Authority is investigating whether competition law was infringed by the exchange of information about retail credit products amongst 15 banks in Portugal, including Barclays, over a period of 11 years with particular reference to mortgages, consumer lending and lending to small and medium enterprises. Barclays is cooperating with the investigation.

Claimed amounts/Financial impact

It is not currently practicable to provide an estimate of the financial impact of the action described on Barclays or what effect they might have upon Barclays' operating results, cash flows or financial position in any particular period.

Investigation into suspected money laundering related to foreign exchange transactions in South African operation

Absa Bank Limited, which was a subsidiary within the Barclays Group at the relevant time, identified potentially fraudulent activity by certain of its customers using advance payments for imports in 2014 and 2015 to effect foreign exchange transfers from South Africa to beneficiary accounts located in East Asia, the UK, Europe and the US. As a result, Barclays conducted a review of relevant activity, processes, systems and controls. Barclays is continuing to provide information to relevant authorities as part of Barclays' ongoing cooperation.

Claimed amounts/Financial impact

It is not currently practicable to provide an estimate of the financial impact of the actions described on Barclays or what effect they might have upon Barclays' operating results, cash flows or financial position in any particular period.

Investigations relating to retail structured deposits and capital protected structured notes

In 2015, the FCA commenced an enforcement investigation relating to the design, manufacture and sale of structured deposits by Barclays from November 2009. The investigation is at an advanced stage. In January 2018, the FCA also commenced an enforcement investigation relating to the design, manufacture and sale of capital protected structured notes by Barclays from June 2008 to July 2014.

Claimed amounts/Financial impact

It is not currently practicable to provide an estimate of the financial impact of the investigations on Barclays or what effect they might have upon Barclays' operating results, cash flows or financial position in any particular period.

Investigation into collections and recoveries relating to unsecured lending

In February 2018, the FCA commenced an enforcement investigation in relation to whether or not Barclays, from July 2015, implemented effective systems and controls with respect to collections and recoveries and whether or not it paid due consideration to the interests of customers in default and arrears.

Claimed amounts/Financial impact

It is not currently practicable to provide an estimate of the financial impact of the investigation on Barclays or what effect that it might have upon Barclays' operating results, cash flows or financial position in any particular period.

HM Revenue & Customs (HMRC) assessments concerning UK Value Added Tax

In March 2018 HMRC issued notices that have the effect of removing certain overseas subsidiaries that have operations in the UK from Barclays' UK VAT group, in which group supplies between members are generally free from VAT. The notices have retrospective effect and unless withdrawn by HMRC would correspond to assessments of approximately £184m, inclusive of interest, of which Barclays would expect to attribute an amount of approximately £130m to Barclays Bank UK PLC and £54m to Barclays Bank PLC. At Barclays' request, HMRC is conducting a further review, and if the assessments are not withdrawn Barclays is able to challenge the assessments by initiating proceedings with the First Tier Tribunal (Tax Chamber).

Claimed amounts/Financial impact

The total amount of the HMRC assessments is approximately £184m, inclusive of interest.

General

Barclays Bank PLC and its subsidiaries are engaged in various other legal, competition and regulatory matters in the UK and US and a number of other overseas jurisdictions. The Barclays Bank Group is subject to legal proceedings brought by and against Barclays which arise in the ordinary course of business from time to time, including (but not limited to) disputes in relation to contracts, securities, debt collection, consumer credit, fraud, trusts, client assets, competition, data protection, money laundering, financial crime, employment, environmental and other statutory and common law issues.

The Barclays Bank Group is also subject to enquiries and examinations, requests for information, audits, investigations and legal and other proceedings by regulators, governmental and other public bodies in connection with (but not limited to) consumer protection measures, compliance with legislation and regulation, wholesale trading activity and other areas of banking and business activities in which Barclays is or has been engaged. Barclays is cooperating with the relevant authorities and keeping all relevant agencies briefed as appropriate in relation to these matters and others described in this note on an ongoing basis.

At the present time, Barclays Bank PLC does not expect the ultimate resolution of any of these other matters to have a material adverse effect on its financial position. However, in light of the uncertainties involved in such matters and the matters specifically described in this note, there

can be no assurance that the outcome of a particular matter or matters will not be material to Barclays Bank PLC's results, operations or cash flow for a particular period, depending on, amongst other things, the amount of the loss resulting from the matter(s) and the amount of profit otherwise reported for the reporting period.

Other Regulatory Actions

In October 2016, BCI was fined \$6,000 for violating CME Rule 576 by utilizing Tag 50 IDs across multiple shifts, and failing to maintain accurate and current information in the Exchange Fee System for the period of April through June 30, 2016.

In August 2016, the CFTC Ordered BCI to pay \$800,000 civil monetary penalty for failing to diligently supervising its officers', employees', and agents' processing of exchange and clearing fees it charged customers for trading and clearing CME products from January 2011 to April 2015, pursuant to Regulation 166.3.

In December 2015, BCI was fined \$60,000 by the Chicago Board Option Futures Exchange ("CFE"). Without admitting or denying the findings, the firm consented to the sanctions and to the entry of findings that on several occasions in October and November 2014, Barclays executed block trades in order to shift risk between two affiliated accounts, unaware that CFE had issued a directive to Barclays on January 26, 2011 prohibiting such transactions and that the directive was never incorporated into Barclays written supervisory procedures.

General

The Barclays Group is engaged in various other legal, competition and regulatory matters both in the UK and a number of overseas jurisdictions. It is subject to legal proceedings by and against the Group which arise in the ordinary course of business from time to time, including (but not limited to) disputes in relation to contracts, securities, debt collection, consumer credit, fraud, trusts, client assets, competition, data protection, money laundering, financial crime, employment, environmental and other statutory and common law issues. Additional information regarding legal proceedings against the Barclays Group can be found in Barclays PLC's results announcements at <http://www.home.barclays/barclays-investor-relations/results-and-reports/results.html>

* * *

VI. Segregation of Client Funds

Customer Accounts

FCMs may maintain up to three different types of accounts for customers, depending on the

products a customer trades:

- (i) a Customer Segregated Account for customers that trade futures and options on futures listed on US futures exchanges;
- (ii) a 30.7 Account for customers that trade futures and options on futures listed on foreign boards of trade; and
- (iii) a Cleared Swaps Customer Account for customers trading swaps that are cleared on a DCO registered with the Commission.

The requirement to maintain these separate accounts reflects the different risks posed by the different products. Cash, securities and other collateral (collectively, Customer Funds) required to be held in one type of account, *e.g.*, the Customer Segregated Account, may not be commingled with funds required to be held in another type of account, *e.g.*, the 30.7 Account, except as the Commission may permit by order. For example, the Commission has issued orders authorizing ICE Clear Europe Limited, which is registered with the Commission as a DCO, and its FCM clearing members: (i) to hold in Cleared Swaps Customer Accounts Customer Funds used to margin both (a) Cleared Swaps and (b) foreign futures and foreign options traded on ICE Futures Europe, and to provide for portfolio margining of such Cleared Swaps and foreign futures and foreign options; and (ii) to hold in Customer Segregated Accounts Customer Funds used to margin both (c) futures and options on futures traded on ICE Futures US and (d) foreign futures and foreign options traded on ICE Futures Europe, and to provide for portfolio margining of such transactions.

Customer Segregated Account

Funds that customers deposit with an FCM, or that are otherwise required to be held for the benefit of customers, to margin futures and options on futures contracts traded on futures exchanges located in the US, *i.e.*, designated contract markets, are held in a Customer Segregated Account in accordance with section 4d(a)(2) of the Commodity Exchange Act and Commission Rule 1.20. Customer Segregated Funds held in the Customer Segregated Account may not be used to meet the obligations of the FCM or any other person, including another customer.

All Customer Segregated Funds may be commingled in a single account, *i.e.*, a customer omnibus account, and held with: (i) a bank or trust company located in the US; (ii) a bank or trust company located outside of the US that has in excess of \$1 billion of regulatory capital; (iii) an FCM; or (iv) a DCO. Such commingled account must be properly titled to make clear that the funds belong to, and are being held for the benefit of, the FCM's customers. Unless a customer provides instructions to the contrary, an FCM may hold Customer Segregated Funds only: (i) in the US; (ii) in a money center country;² or (iii) in the country of origin of the currency.

² Money center countries means Canada, France, Italy, Germany, Japan, and the United Kingdom.

An FCM must hold sufficient US dollars in the US to meet all US dollar obligations and sufficient funds in each other currency to meet obligations in such currency. Notwithstanding the foregoing, assets denominated in a currency may be held to meet obligations denominated in another currency (other than the US dollar) as follows: (i) US dollars may be held in the US or in money center countries to meet obligations denominated in any other currency; and (ii) funds in money center currencies³ may be held in the US or in money center countries to meet obligations denominated in currencies other than the US dollar.

30.7 Account

Funds that 30.7 Customers deposit with an FCM, or that are otherwise required to be held for the benefit of customers, to margin futures and options on futures contracts traded on foreign boards of trade, *i.e.*, 30.7 Customer Funds, and sometimes referred to as the foreign futures and foreign options secured amount, are held in a 30.7 Account in accordance with Commission Rule 30.7.

Funds required to be held in the 30.7 Account for or on behalf of 30.7 Customers may be commingled in an omnibus account and held with: (i) a bank or trust company located in the US; (ii) a bank or trust company located outside the US that has in excess of \$1 billion in regulatory capital; (iii) an FCM; (iv) a DCO; (v) the clearing organization of any foreign board of trade; (vi) a foreign broker; or (vii) such clearing organization's or foreign broker's designated depositories. Such commingled account must be properly titled to make clear that the funds belong to, and are being held for the benefit of, the FCM's 30.7 Customers. As explained below, Commission Rule 30.7 restricts the amount of such funds that may be held outside of the US.

Customers trading on foreign markets assume additional risks. Laws or regulations will vary depending on the foreign jurisdiction in which the transaction occurs, and funds held in a 30.7 Account outside of the US may not receive the same level of protection as Customer Segregated Funds. If the foreign broker carrying 30.7 Customer positions fails, the broker will be liquidated in accordance with the laws of the jurisdiction in which it is organized, which laws may differ significantly from the US Bankruptcy Code. Return of 30.7 Customer Funds to the US may be delayed and likely will be subject to the costs of administration of the failed foreign broker in accordance with the law of the applicable jurisdiction, as well as possible other intervening foreign brokers, if multiple foreign brokers were used to process the US customers' transactions on foreign markets.

If the foreign broker does not fail but the 30.7 Customers' US FCM fails, the foreign broker may want to ensure that appropriate authorization has been obtained before returning the 30.7 Customer Funds to the FCM's trustee, which may delay their return. If both the foreign broker and the US FCM were to fail, potential differences between the trustee for the US FCM and the administrator for the foreign broker, each with independent fiduciary obligations under applicable law, may result in significant delays and additional administrative expenses. Use of

³ Money center currencies mean the currency of any money center country and the Euro.

other intervening foreign brokers by the US FCM to process the trades of 30.7 Customers on foreign markets may cause additional delays and administrative expenses.

To reduce the potential risk to 30.7 Customer Funds held outside of the US, Commission Rule 30.7 generally provides that an FCM may not deposit or hold 30.7 Customer Funds in permitted accounts outside of the US except as necessary to meet margin requirements, including prefunding margin requirements, established by rule, regulation, or order of the relevant foreign boards of trade or foreign clearing organizations, or to meet margin calls issued by foreign brokers carrying the 30.7 Customers' positions. The rule further provides, however, that, in order to avoid the daily transfer of funds from accounts in the US, an FCM may maintain in accounts located outside of the US an additional amount of up to 20 percent of the total amount of funds necessary to meet margin and prefunding margin requirements to avoid daily transfers of funds.

i. Cleared Swaps Customer Account

Funds deposited with an FCM, or otherwise required to be held for the benefit of customers, to margin swaps cleared through a registered DCO, i.e., Cleared Swaps Customer Collateral, are held in a Cleared Swaps Customer Account in accordance with the provisions of section 4d(f) of the Act and Part 22 of the Commission's rules. Cleared Swaps Customer Accounts are sometimes referred to as LSOC Accounts. LSOC is an acronym for "legally separated, operationally commingled." Funds required to be held in a Cleared Swaps Customer Account may be commingled in an omnibus account and held with: (i) a bank or trust company located in the US; (ii) a bank or trust company located outside of the US that has in excess of \$1 billion of regulatory capital; (iii) a DCO; or (iv) another FCM. Such commingled account must be properly titled to make clear that the funds belong to, and are being held for the benefit of, the FCM's Cleared Swaps Customers.

ii. Investment of Customer Funds

Section 4d(a)(2) of the Act authorizes FCMs to invest Customer Segregated Funds in obligations of the United States, in general obligations of any State or of any political subdivision thereof, and in obligations fully guaranteed as to principal and interest by the United States. Section 4d(f) authorizes FCMs to invest Cleared Swaps Customer Collateral in similar instruments.

Commission Rule 1.25 authorizes FCMs to invest Customer Segregated Funds, Cleared Swaps Customer Collateral and 30.7 Customer Funds in instruments of a similar nature. Commission rules further provide that the FCM may retain all gains earned and is responsible for investment losses incurred in connection with the investment of Customer Funds. However, the FCM and customer may agree that the FCM will pay the customer interest on the funds deposited.

Permitted investments include:

- (i) Obligations of the United States and obligations fully guaranteed as to principal and

interest by the United States (U.S. government securities);

(ii) General obligations of any State or of any political subdivision thereof (municipal securities);

(iii) Obligations of any United States government corporation or enterprise sponsored by the United States government (U.S. agency obligations);⁴

(iv) Certificates of deposit issued by a bank (certificates of deposit) as defined in section 3(a)(6) of the Securities Exchange Act of 1934, or a domestic branch of a foreign bank that carries deposits insured by the Federal Deposit Insurance Corporation;

(v) Commercial paper fully guaranteed as to principal and interest by the United States under the Temporary Liquidity Guarantee Program as administered by the Federal Deposit Insurance Corporation (commercial paper);

(vi) Corporate notes or bonds fully guaranteed as to principal and interest by the United States under the Temporary Liquidity Guarantee Program as administered by the Federal Deposit Insurance Corporation (corporate notes or bonds); and

(vii) Interests in money market mutual funds.

The duration of the securities in which an FCM invests Customer Funds cannot exceed, on average, two years.

An FCM may also engage in repurchase and reverse repurchase transactions with non-affiliated registered broker-dealers, provided such transactions are made on a delivery versus payment basis and involve only permitted investments. All funds or securities received in repurchase and reverse repurchase transactions with Customer Funds must be held in the appropriate Customer Account, *i.e.*, Customer Segregated Account, 30.7 Account or Cleared Swaps Customer Account. Further, in accordance with the provisions of Commission Rule 1.25, all such funds or collateral must be received in the appropriate Customer Account on a delivery versus payment basis in immediately available funds.⁵

iii. No SIPC Protection.

Although BCI is a registered broker-dealer, it is important to understand that the funds you

⁴ Obligations issued by the Federal National Mortgage Association or the Federal Home Loan Mortgage Association are permitted only while these entities operate under the conservatorship or receivership of the Federal Housing Finance Authority with capital support from the United States.

⁵ As discussed below, NFA publishes twice-monthly a report, which shows for each FCM, *inter alia*, the percentage of Customer Funds that are held in cash and each of the permitted investments under Commission Rule 1.25. The report also indicates whether the FCM held any Customer Funds during that month at a depository that is an affiliate of the FCM.

deposit with BCI as an FCM for trading futures and options on futures contracts on either US or foreign markets or cleared swaps are not protected by the Securities Investor Protection Corporation.

Further, Commission rules require BCI to hold funds deposited to margin futures and options on futures contracts traded on US designated contract markets in Customer Segregated Accounts. Similarly, BCI must hold funds deposited to margin cleared swaps and futures and options on futures contracts traded on foreign boards of trade in a Cleared Swaps Customer Account or a 30.7 Account, respectively. In computing its Customer Funds requirements under relevant Commission rules, BCI may only consider those Customer Funds actually held in the applicable Customer Accounts and may not apply free funds in an account under identical ownership but of a different classification or account type (e.g., securities, Customer Segregated, 30.7) to an account's margin deficiency. In order to be used for margin purposes, the funds must actually transfer to the identically-owned undermargined account.

For additional information on the protection of customer funds, please see the Futures Industry Association's "Protection of Customer Funds Frequently Asked Questions" located at www.futuresindustry.org.

VII. Filing a Complaint

A client that wishes to file a complaint about BCI with the CFTC can contact the Division of Enforcement either electronically at <https://forms.cftc.gov/fp/complaintform.aspx> or by calling the Division of Enforcement toll-free at 866-FON-CFTC (866-366-2382).

A client that wishes to file a complaint about BCI with NYMEX, BCI's DSRO, may do so electronically at: <http://www.cmegroup.com/market-regulation/file-complaint.html> or by calling the CME at 312-341-3286.

VIII. Financial Data as of June 30, 2018

BCI's annual audited financial statements, as well as current financial information required to be made publicly available by CFTC Rule 1.55(o), may be found on BCI's website at www.barcap.com.⁶

NFA publishes on its website certain financial information with respect to each FCM. The FCM Capital Report provides each FCM's most recent month-end adjusted net capital, required net capital, and excess net capital. (Information for a twelve-month period is available.) In addition, NFA publishes twice-monthly a Customer Segregated Funds report, which shows for each FCM: (i) total funds held in Customer Segregated Accounts; (ii) total funds required to be

⁶ The FCM does not enter into non-hedged, principal over-the counter transactions; neither does it provide financing for customer transactions involving illiquid financial products for which it is difficult to obtain timely and accurate prices.

held in Customer Segregated Accounts; and (iii) excess segregated funds, *i.e.*, the FCM's Residual Interest. This report also shows the percentage of Customer Segregated Funds that are held in cash and each of the permitted investments under Commission Rule 1.25. Finally, the report indicates whether the FCM held any Customer Segregated Funds during that month at a depository that is an affiliate of the FCM. The report shows the most recent semi-monthly information, but the public will also have the ability to see information for the most recent twelve-month period. A 30.7 Customer Funds report and a Customer Cleared Swaps Collateral report provides the same information with respect to the 30.7 Account and the Cleared Swaps Customer Account.

The above financial information reports can be found in NFA's BASIC system (<http://www.nfa.futures.org/basicnet/>) by clicking on "View Financial Information" on BCI's BASIC Details page.

Additionally, financial information regarding all FCMs is available from the CFTC on its website at <http://www.cftc.gov/MarketReports/financialfcmdata/index.htm>.

Below is financial data regarding BCI as of June 30, 2018:

- Total Equity/Net Worth: \$6,843,140,770.
- Regulatory Capital: \$9,301,613,438.
- BCI's proprietary (house accounts) margin requirements as a percentage of the aggregate margin requirement for each regulatory client account origin are:
 - Segregated: 9.395%.
 - Cleared Swaps customers: 3.035%.
 - 30.7 Secured: 0.67%.

As defined in CFTC Rules, proprietary margin includes margin held for positions of BCI affiliates.

- The smallest number of futures customers that comprise 50 percent of the BCI's total funds held in segregated accounts is: 9.
- The smallest number of cleared swaps customers that comprise 50 percent of the BCI's total funds held for cleared swaps customers is: 17.
- The smallest number of 30.7 customers that comprise 50 percent of the BCI's total funds held for 30.7 customers are: 12.
- BCI has not obtained any committed unsecured lines of credit or similar short-term funding.
- Over the past 12 months, BCI write-off 0 futures customer, cleared swaps customer or 30.7 customer receivable balances.

IX. BCI's Current Risk Practices, Controls and Procedures

Barclays has in place a comprehensive approach to risk management that identifies, assesses and measures risks related to credit, market, operational, liquidity and capital and has in place controls and plans for taking on appropriate risk in each area in line with internal and external stakeholder expectations. As part of the Barclays wide risk management program, policies and procedures have been established to ensure that the FCM operates within the overall risk appetite set out by the firm and Barclays's senior management and to ensure that the FCM's exposure to risk is managed within an approved governance structure. Having a risk management framework is considered a key control in the day-to-day operation of the FCM. The Barclays risk management framework has been designed to ensure the identification, monitoring, limitation and escalation of key risk exposures and potential losses to senior management and, in some cases, regulatory bodies. BCI's risk is managed on a business line, entity and global enterprise level. Further, Barclays has in place an internal independent function that facilitates, identifies, measures and mitigates operational risk across all areas of Barclays within a risk and control framework. BCI's risk management controls and procedures include, among other things the setting and monitoring of credit, trading and clearing limits based upon counterparty and portfolio exposures and concentration. Additionally, BCI monitors customer and affiliate margin requirements as well as its liquidity pool and conducts regular stress tests to assure that it has the ability to cover expected margin requirements.

A complete description of the Barclays global risk management strategy may be found in Barclays' Annual Report at: <http://www.barclays.com/barclays-investor-relations/results-and-reports/annual-reports.html>

This Disclosure Document was first used on December 05, 2018.