

Barclays Bank PLC

Statement of Anti-Money Laundering (AML) and Counter-Terrorist Financing (CTF) Policies and Principles

Money laundering and terrorist financing have been identified as major threats to the Barclays Group and, indeed, the international financial services community. The United Kingdom, in common with many other countries, has passed legislation designed to prevent money laundering and to combat terrorism. This legislation, together with regulations, rules and industry guidance, forms the cornerstone of AML/CTF obligations for UK firms and outline the offences and penalties for failing to comply.

The requirements of EU/UK legislation apply to the Barclays Group globally. Group Companies may have additional local policies and procedures designed to comply with their local legislation, regulations and any government approved guidance in the jurisdiction(s) in which they operate.

Barclays Bank PLC is authorised and regulated by the UK Financial Conduct Authority (FCA). Its registered number is 122702. Barclays Bank PLC and its branches and subsidiaries trade as Barclays Capital, Barclaycard and Barclays Wealth amongst others. Barclays Bank PLC is listed on the London Stock Exchange and New York Stock Exchange. Further, some branches and subsidiaries are listed and/or regulated in their own right.

Barclays Bank PLC is a member of the Wolfsberg Group (www.wolfsberg-principles.com), an association of eleven global banks that aims to develop financial services industry standards for Know Your Customer (KYC), AML and CTF.

Legal and Regulatory Framework:

The principal requirements, obligations and penalties, on which Barclays Financial Crime Systems and Controls are based, are contained in:

- The Proceeds of Crime Act 2002 (POCA), as amended by the:
 - i. Serious Organised Crime and Police Act 2005 (SOCPA); and the
 - ii. Proceeds of Crime Act (Amendment) Regulations 2007;
- The Terrorism Act 2000, as amended by the:
 - i. The Anti Terrorism, Crime & Security Act 2001; and the
 - ii. Terrorism Act (Amendment) Regulations 2007;
- The Terrorism Act 2006;
- The Bribery Act 2010;
- The Money Laundering Regulations 2007, transposing the requirements of the EU's Third Money Laundering Directive;
- The FCA Handbook of Rules and Guidance, and in particular, the Senior Management Arrangements, Systems and Controls (SYSC) Sourcebook, which relates to the management and control of money laundering risk; and
- The Joint Money Laundering Steering Group (JMLSG) Guidance for the UK Financial Sector on the prevention of money laundering/combating terrorist financing.

Barclays Group Policies & Principles:

Barclays Financial Crime Team owns and is responsible for the following Group Policies covering:

1. Anti-Money Laundering/Counter-Terrorist Financing / Counter-Proliferation Financing;
2. Sanctions;
3. Anti-Bribery & Anti-Corruption; and
4. Introducers.

These policies and principles are designed to ensure that all Group Companies comply with the legal and regulatory requirements applicable in the UK as well as with their local obligations.

Anti-Money Laundering (AML) Policy:

The Barclays Group AML Policy is designed to ensure that all Group Companies comply with the requirements and obligations set out in UK legislation, regulations, rules and Industry Guidance for the financial services sector, including the need to have adequate systems and controls in place to mitigate the risk of the firm being used to facilitate financial crime. The AML Policy sets out the minimum standards which must be complied with by all Barclays Group Companies and includes:

- The appointment of a Group Money Laundering Reporting Officer (GMLRO) and Business Unit Money Laundering Reporting Officers (MLROs) of sufficient seniority, who have responsibility for oversight of Group and Business Unit compliance with relevant legislation, regulations, rules and industry guidance;
- Establishing and maintaining a Risk Based Approach (RBA) towards assessing and managing the money laundering and terrorist financing risks to the Group;
- Establishing and maintaining risk-based customer due diligence, identification, verification and know your customer (KYC) procedures, including enhanced due diligence for those customers presenting higher risk, such as Politically Exposed Persons (PEPs) and Correspondent Banking relationships;
- Establishing and maintaining risk based systems and procedures to monitor ongoing customer activity;
- Procedures for reporting suspicious activity internally and to the relevant law enforcement authorities as appropriate;
- The maintenance of appropriate records for the minimum prescribed periods;
- Training and awareness for all relevant employees; and
- The provision of appropriate management information and reporting to senior management of the Group's compliance with the requirements;

2. Sanctions Policy:

The Barclays Group Sanctions Policy is designed to ensure that the Group complies with applicable sanctions laws in every jurisdiction in which it operates.

All Barclays Group Companies are required to screen against United Nations, European Union, UK Treasury and US Office of Foreign Assets Control (OFAC) sanctions lists at a minimum in all jurisdictions in which we operate, unless to do so would conflict with local legislation.

All employees receive training on the Sanctions Policy at least once a year, with more detailed and advanced training for those whose roles involve heightened sanctions risks. Failure to comply with the policy may give rise to disciplinary action, up to and including dismissal.

3. Anti-Bribery & Anti-Corruption Policy:

Barclays has a zero tolerance policy towards bribery and corruption. Barclays recognises that bribery and corruption have an adverse effect on communities wherever they occur. If endemic, they can threaten laws, democratic processes and basic human freedoms, impoverishing states and distorting free trade and competition. Corruption is often associated with organised crime, money laundering and on occasions the financing of terrorism. In addition, the level and efficacy of investment and financing can be reduced, particularly within economically disadvantaged societies.

Barclays is committed to applying high standards of honesty and integrity consistently across our global operations and in all our business dealings. We are subject to the provisions of the UK Bribery Act 2010 and the US Foreign Corrupt Practices Act, which have extra-territorial effect globally, as well as applicable local anti-bribery laws in relevant jurisdictions.

4. Introducer Policy

In addition to the Anti-Bribery and Anti-Corruption Policy, Barclays has an Introducer Policy. The Policy covers the activities of all third parties that generate or retain business, or secure a business benefit, for Barclays. These third parties are termed “introducers” by Barclays. Potential examples would include senior advisors, lead generators and financial advisers. The Barclays Introducer Policy is designed to protect Barclays against the bribery and corruption risks, reputational risk, and wider operational and conduct risks associated with introducers. Barclays employees must apply the specific controls and procedures set out in the policy.

Group Governance & Conformance:

Regular reviews of the effectiveness of these Group Policies are carried out in addition to audits periodically undertaken by the Barclays Internal Audit function. This provides senior executive management oversight committees and the Board Audit Committee with the necessary assurance regarding the operating effectiveness of the Group’s controls relating to these policies.