DISCLOSURE SUPPLEMENT, dated October 21, 2016
(To Disclosure Statement, dated May 24, 2016)

Barclays Bank Delaware

$2,065,000

Certificates of Deposit due April 25, 2024 Linked to the Performance of the Barclays Trailblazer Sectors 5 Index

Issuer:	Barclays Bank Delaware (the "Bank")
CDs:	Certificates of Deposit due April 25, 2024 Linked to the Performance of the Barclays Trailblazer Sectors 5 Index
Reference Asset:	The Barclays Trailblazer Sectors 5 Index (the "Index") (Bloomberg ticker symbol "BXIITBZ5 <Index>")
Initial Valuation Date:	October 21, 2016
Issue Date:	October 28, 2016
Final Valuation Date:(1)	April 22, 2024
Maturity Date: (2)	April 25, 2024

[The Terms of the CDs are continued on the next page]

	Initial Issue Price*	Price to Public*	Agent's Commission**	Proceeds to Barclays Bank Delaware**
Per CD	$1,000	$1,000	3.75%	96.25%
Total	$2,065,000	$2,065,000	$73,100	$1,991,900

*** Our estimated value of the CDs on the Initial Valuation Date, based on our internal pricing models, is $935.80 per CD. The estimated value is less than the initial issue price of the CDs. See "Additional Information Regarding Our Estimated Value of the CDs" on page S-5 of this Disclosure Supplement.**

**** Barclays Capital Inc. will receive commissions from the Bank of up to 3.75% of the principal amount of the CDs, or up to $37.50 per $1,000 principal amount. Barclays Capital Inc. will use these commissions to pay variable selling concessions or fees (including custodial or clearing fees) to other Brokers. The per CD Agent's Commission and proceeds to the Bank shown above is the minimum amount of proceeds that the Bank receives per CD, assuming the maximum per CD Agent's Commission of 3.75%. The total Agent's Commission and total proceeds to the Bank shown above give effect to the actual amount of the variable Agent's Commission described above but do not take into account the payment by Barclays Capital Inc. of Marketing Fees (as described in the following paragraph).**

In addition to the selling concessions and fees described above, Barclays Capital Inc. will pay additional marketing, structuring, educational or other fees (collectively, "Marketing Fees") of up to 0.50% of the principal amount per CD in connection with the distribution of the CDs by certain participating Brokers. With respect to each Broker participating in the distribution of the CDs, in no case will the sum of (a) the selling commissions and fees and (b) the amount of Marketing Fees, if any, paid in connection with the distribution of CDs by that Broker exceed 4.00% of the principal amount per CD.

Payment at Maturity:	If you hold your CDs to maturity, you will receive a cash payment determined as follows: If the Index Return is greater than 0%, you will receive a cash payment per $1,000 principal amount CD that you hold as follows: $1,000 + [$1,000 × Index Return x Upside Leverage Factor] If the Index Return is less than or equal to 0%, you will receive $1,000 per $1,000 principal amount CD that you hold. ***You will receive at least the principal amount of your CDs only if you hold your CDs to maturity. The CDs are deposit obligations of the Bank and not, either directly or indirectly, an obligation of any third party. Any amounts payable that exceed the applicable FDIC insurance limit, as well as any amounts payable under the CDs that are not insured by FDIC insurance, are subject to the creditworthiness of the Bank. Any payment at maturity above your principal amount will not accrue to a holder of a CD until the Final Valuation Date and, therefore, will not be eligible for FDIC insurance until the Final Valuation Date.***
Initial Level:	177.1078, the Index Level on the Initial Valuation Date
Final Level:	The Index Level on the Final Valuation Date
Upside Leverage Factor:	1.60
Index Return:	The performance of the Index from the Initial Level to the Final level, calculated as follows: $\frac{\text{Final Level} - \text{Initial Level}}{\text{Initial Level}}$
Index Level:	On any date, the official closing level of the Index on that date calculated and published by the Index Sponsor and displayed on Bloomberg Professional® service page "BXIITBZ5 <Index>" or any successor page on Bloomberg Professional® service or any successor service, as applicable
Index Fee and Costs:	The index includes an index fee of 0.85% per annum. In addition, the Index is an "excess return" index, meaning that it tracks the performance of its components *minus* a notional borrowing cost (represented by the ICE LIBOR USD 3 Month rate). The components of the Index must perform sufficiently well to offset the effect of such index fee and such borrowing cost in order for the Index to appreciate in value and, accordingly, for you to earn any positive return on your CDs. See "The Index—Overview" and "Selected Risk Considerations—Risks Relating to the Index—The deduction of notional financing costs and an index fee will adversely affect Index performance" in this disclosure supplement for additional information.
Index Sponsor:	The Index was created by Barclays Bank PLC, which is the owner of the intellectual property and licensing rights relating to the Index. The Index is operated by Barclays Index Administration, an independent index administrative function within Barclays Bank PLC (in such capacity, the "Index Sponsor" and as described under "The Index—Overview" in this disclosure supplement).
Denomination:	$1,000 and integral multiples at $1,000 in excess thereof

Limited Early Withdrawals; Survivor's Option:	Early withdrawals of the principal amount will be permitted only in the event of the death or adjudication of incompetence of the beneficial owner of a CD as described in this Disclosure Supplement and in the accompanying Disclosure Statement, subject to the following limitation: such beneficial owner (a) must have beneficially owned the CDs being submitted for early withdrawal at the time of his or her death or adjudication of incompetence and (b) must have been the initial depositor of the CDs (excluding any affiliate of the Issuer and any unaffiliated third party distributor). As such, a beneficial owner of the CDs who purchased the CDs in the secondary market will not be permitted to withdraw the CDs before maturity. If you choose to withdraw your CDs prior to maturity in such circumstances, you will receive only the principal amount of your CDs, subject to the Survivor Option Limit Amount. No additional return will be payable related to the performance of the Index. See "Disclosure Supplement Summary – Will I Be Permitted to Withdraw my CDs Prior to Maturity?" in this Disclosure Supplement for additional information and restrictions including a description of the Survivor Option Limit Amount.
Price:	100% of the principal amount of the CDs.
Deposit Insurance:	The principal amount of each CD and any accrued return thereon is insured by the Federal Deposit Insurance Corporation (the "FDIC") up to the limits and to the extent described in this Disclosure Supplement and the accompanying Disclosure Statement (generally $250,000 for all accounts held by a depositor in the same ownership capacity with the Bank).
Form of CDs:	Registered Global
Placement Agent:	Barclays Capital Inc.
Calculation Agent:	Barclays Bank PLC
Depositary:	The Depository Trust Company
CUSIP:	06740FFW3
ISIN:	06740FFW32
Series Number:	D-1059

(1) Subject to postponement in the event of a Market Disruption Event, as described under "Selected Purchase Considerations—Market Disruption Events" in this disclosure supplement

(2) Subject to postponement, as described under "Certain Terms of the CDs—Payment Dates" in the accompanying disclosure statement

Investing in the CDs involves risks. See "Selected Risk Considerations" beginning on page S-13 of this disclosure supplement and "Risk Factors" beginning on page 13 of the disclosure statement for risks related to an investment in the CDs.

The CDs are not registered under the Securities Act of 1933, as amended, or any state securities law, and are not required to be so registered. The CDs have not been approved or disapproved by any federal or state securities commission or banking authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this document. Any representation to the contrary is a criminal offense.

The CDs are made available through Barclays Capital Inc. and certain other broker-dealers (each, a "**Broker**"). The CDs are time deposit obligations of the Bank, a state-chartered commercial bank organized under the laws of the State of Delaware and are insured by the FDIC up to the limits and to the extent described in this Disclosure Supplement and in the accompanying Disclosure Statement under the section entitled "Deposit Insurance."

The CDs offered hereby are obligations of the Bank only and are not obligations of the Brokers, or any other company affiliated with the Bank, including Barclays Capital Inc. and Barclays Bank PLC.

In making an investment decision, investors must rely on their own examinations of the Bank and the terms of this offering, including the merits and risks involved. We and Barclays Capital Inc. have not authorized anyone to provide you with any other information. If you receive any other information, you should not rely on it. You should not assume that the information included in this Disclosure Supplement and the accompanying Disclosure Statement or in any document incorporated by reference in the accompanying Disclosure Statement is accurate as of any date other than the respective dates of those documents.

The date of this Disclosure Supplement is October 21, 2016

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Additional Information Regarding Our Estimated Value of the CDs

Our affiliates' internal pricing models take into account a number of variables and are based on a number of subjective assumptions, which may or may not materialize, typically including volatility, interest rates, and our internal funding rates. Our internal funding rates (which are our internally published borrowing rates based on variables such as market benchmarks, our appetite for borrowing, and our existing obligations coming to maturity) may vary from the levels at which our fixed rate CDs trade in the secondary market to the extent that there is a secondary market for such CDs. Our estimated value on the Initial Valuation Date is based on our internal funding rates. Our estimated value of the CDs might be lower if such valuation were based on the levels at which our fixed rate CDs trade in the secondary market to the extent that there is a secondary market for such CDs.

Our estimated value of the CDs on the Initial Valuation Date is less than the initial issue price of the CDs. The difference between the initial issue price of the CDs and our estimated value of the CDs results from several factors, including any sales commissions to be paid to Barclays Capital Inc. or another affiliate of ours, any selling concessions, discounts, commissions or fees to be allowed or paid to non-affiliated intermediaries, the estimated profit that we or any of our affiliates expect to earn in connection with structuring the CDs, the estimated cost which we or our affiliates may incur in hedging our obligations under the CDs, and estimated development and other costs which we or our affiliates may incur in connection with the CDs.

Our estimated value of the CDs on the Initial Valuation Date is not a prediction of the price at which the CDs may trade in the secondary market, nor will it be the price at which Barclays Capital Inc. may buy or sell the CDs in the secondary market. Subject to normal market and funding conditions, Barclays Capital Inc. or another affiliate of ours intends to offer to purchase the CDs in the secondary market but it is not obligated to do so.

Assuming that all relevant factors remain constant after the Initial Valuation Date, the price at which Barclays Capital Inc. may initially buy or sell the CDs in the secondary market, if any, and the value that we may initially use for customer account statements, if we provide any customer account statements at all, may exceed our estimated value on the Initial Valuation Date for a temporary period expected to be approximately twelve months after the Issue Date because, in our discretion, we may elect to effectively reimburse to investors a portion of the estimated cost of hedging our obligations under the CDs and other costs in connection with the CDs which we will no longer expect to incur over the term of the CDs. We made such discretionary election and determined this temporary reimbursement period on the basis of a number of factors, including the tenor of the CDs and any agreement we may have with the distributors of the CDs. The amount of our estimated costs which we effectively reimburse to investors in this way may not be allocated ratably throughout the reimbursement period, and we may discontinue such reimbursement at any time or revise the duration of the reimbursement period after the initial issue date of the CDs based on changes in market conditions and other factors that cannot be predicted.

We urge you to read the "Selected Risk Considerations" beginning on page S-11 of this Disclosure Supplement.

Disclosure Supplement Summary

The following is a summary of the terms of the CDs, as well as a discussion of risks and other considerations you should take into account when deciding whether to invest in the CDs. The information in this section is qualified in its entirety by the more detailed explanations set forth elsewhere in this Disclosure Supplement and in the accompanying Disclosure Statement. We encourage you to read this entire Disclosure Supplement and the accompanying Disclosure Statement, including the documents incorporated by reference therein, prior to making your investment decision. To the extent there are any inconsistencies between this Disclosure Supplement and the accompanying Disclosure Statement, this Disclosure Supplement shall supersede the Disclosure Statement.

You should pay special attention to the "Selected Risk Considerations" section beginning on page S-11 of this Disclosure Supplement and the "Risk Factors" section beginning on page 13 of the Disclosure Statement to determine whether an investment in the CDs is appropriate for you.

In this Disclosure Supplement, unless the context otherwise requires, the "Bank," "we," "us" and "our" mean Barclays Bank Delaware. Barclays PLC is the ultimate parent company of the Bank and Barclays Capital Inc.

This section summarizes, among other things, the following aspects of the CDs:

- What are the CDs and how do they work?
- Is this the right investment for you?
- Are the CDs FDIC insured?

What Are the CDs and How Do They Work?

The CDs are deposit obligations of the Bank.

The Maturity Date of the CDs is indicated on the first page of this disclosure supplement. It is subject to the following business day convention and to postponement in the event the Final Valuation Date is postponed, as described under "Certain Terms of the CDs—Payment Dates" in the accompanying disclosure statement.

No interest or coupons will be payable on the CDs. The only payment that you will receive on your CDs is the payment at maturity, as described on the cover page of this disclosure supplement and below under "—How Will the Payment at Maturity be Calculated?" We will make the payment at maturity to the persons who, at the close of business one business day prior to the Maturity Date, are registered as owners of the CDs. ***Your principal is protected only if you hold your CDs to maturity*. The CDs are deposit obligations of the Bank and not, either directly or indirectly, an obligation of any third party. Any amounts payable that exceed the applicable FDIC insurance limit, as well as any amounts payable under the CDs that are not insured by FDIC insurance, are subject to the creditworthiness of the Bank.**

In the event that the Maturity Date is postponed for any reason, payment will be made on the postponed Maturity Date and no interest will accrue as a result of such postponed payment. If the Maturity Date of the CDs falls on a day that is not a business day, then payment to be made on the Maturity Date shall be made on the next succeeding business day with the same force and effect as if made on the originally scheduled Maturity Date.

A business day will be a day that is a Monday, Tuesday, Wednesday, Thursday or Friday that is neither a legal holiday nor a day on which banking institutions in New York City, London or Delaware generally are authorized or obligated by law, regulation or executive order to close.

How Will the Payment at Maturity be Calculated?

If you hold your CDs to maturity, you will receive a payment at maturity determined as follows:

- If the Index Return is greater than 0%, you will receive a cash payment per $1,000 principal amount CD that you hold calculated as follows:

  $1,000 + [$1,000 × Index Return x Upside Leverage Factor]

- If the Index Return is less than or equal to 0%, you will receive a cash payment of $1,000 per $1,000 principal amount CD that you hold

As noted above, the CDs do not pay any periodic interest or coupons prior to maturity. Accordingly, you will earn a positive return on your CDs only if the Final Level is greater than the Initial Level. If the Final Level is greater than the Initial Level, you will earn a positive return equal to the Upside Leverage Factor times the Index Return. If, however, the Final Level is equal to or less than the Initial Level, your payment at maturity will be limited to the principal amount of your CDs and you will not earn any positive return on your CDs.

Is This the Right Investment for You?

The CDs are not suitable for all investors. The CDs may be a suitable investment for you if all of the following statements are true:

- You are willing and able to hold the CDs to maturity
- You believe that the investment view implicit in the Index will be successful, you seek an investment that will give you exposure to the Index and you are willing to bear the risks related to such an investment
- You understand and accept that the performance of the Index will be affected by an index fee of 0.85% per annum and by the reduction of a notional financing cost equal to the ICE LIBOR USD 3 Month rate
- You are willing to accept the restrictions applicable to early withdrawal of the CDs as described in this Disclosure Supplement and in the Disclosure Statement
- You do not seek an investment that produces periodic interest or coupon payments or other sources of current income
- You do not seek an investment for which there will be an active secondary market
- You are comfortable with the creditworthiness of Barclays Bank Delaware, as issuer of the CDs

The CDs may not be a suitable investment for you if any of the following statements are true:

- You expect the level of the Index to decrease generally during the term of the CDs
- You do not believe that the investment view implicit in the Index will be successful or you are unwilling or unable to bear the risks associated with an investment that provides exposure to the Index
- You seek exposure to an index or group of assets that does not subtract an index fee or notional financing costs
- You seek an investment that provides for periodic interest or coupon payments or other sources of current income.
- You are unable or unwilling to hold the CDs to maturity
- You seek an investment for which there will be an active secondary market
- You are not willing or are unable to assume the credit risk associated with Barclays Bank Delaware, as issuer of the CDs

You must rely on your own evaluation of the merits of an investment in the CDs. **In connection with your purchase of the CDs, we urge you to consult your own financial, tax and legal advisors as to the risks involved in an investment in the CDs and not rely on our views in any respect. You should make a complete investigation as to the merits of an investment in the CDs.**

Will I Be Permitted to Withdraw My CDs Prior to Maturity?

By purchasing a CD, you will be deemed to agree with the Bank to keep your funds on deposit for the term of the CD. CDs will be eligible for early withdrawal prior to the Maturity Date only in the event of the death of the beneficial owner of a CD or the adjudication of incompetence of any such beneficial owner by a court or other administrative body of competent jurisdiction, subject to the Survivor Option Limit Amount described below and the following limitation: such beneficial owner must (a) have beneficially owned the CDs being submitted for early withdrawal at the time of his or her death or adjudication of incompetence and (b) must have been the initial depositor of the CDs (excluding any affiliate of the Issuer and any unaffiliated third party distributor). As such, a beneficial owner of the CDs who purchased the CDs in the secondary market will not be permitted to withdraw the CDs before maturity (the "Survivor's Option").

In the event that your CDs are eligible for early withdrawal, provided that prior written notice of such proposed withdrawal has been given to your Broker or any other registered holder of the Master Certificate, and the Bank, together with appropriate documentation to support such request, the Bank will permit withdrawals of all CDs held by such beneficial owner, subject to the Survivor Option Limit Amount. No partial withdrawals will be permitted except only as provided below. The amount payable by the Bank on any CDs upon such withdrawal will equal only the principal amount of the withdrawn CDs, and no return will be payable. For the avoidance of doubt, the Bank will have no further obligation with respect to any withdrawn CD once the CD is repaid.

For purposes of this section, an "Affected Person" is a person who has the right, immediately prior to such person's death or adjudication of incompetence, to receive the proceeds from the disposition of a CD, as well as the right to receive payment of the principal amount of such CD. For the avoidance of doubt, an "Affected Person" will not include a person who has relinquished or encumbered for compensation some or all of his or her rights, or the rights of his or her estate, in respect of the proceeds from or payments on such CD.

The death or adjudication of incompetence of an Affected Person holding a beneficial ownership interest in a CD: (1) with any person in a joint tenancy with right of survivorship; or (2) with his or her spouse in tenancy by the entirety, tenancy in common, as community property or in any other joint ownership arrangement, will be deemed the death or adjudication of incompetence of the beneficial owner of such CD, as the case may be, and the entire principal amount of the Affected Person's CDs held in this manner will be eligible for early withdrawal, subject to the Survivor Option Limit Amount. However, the death or adjudication of incompetence of an Affected Person holding a beneficial ownership interest in a CD as tenant in common with a person other than his or her spouse will be deemed the death or adjudication of incompetence of the beneficial owner, as the case may be, only with respect to such Affected Person's interest in such CD, and only the Affected Person's percentage interest in the principal amount of the CDs held in this manner will be eligible for early withdrawal, subject to the Survivor Option Limit Amount.

With respect to any Affected Person, we have the right to limit to $1,000,000 the combined aggregate principal amount of Limited Survivor Option CDs (as defined below) in respect of which we will accept an exercise of the Survivor's Option.

"Limited Survivor Option CDs" mean CDs that contain a limitation on the combined aggregate principal amount of CDs that may be withdrawn early upon the death or adjudication of incompetence of an Affected Person. The amount of such limitation on the combined aggregate principal amount of CDs that may be withdrawn (as applicable to this issuance, $1,000,000) is referred to herein as the "Survivor Option Limit Amount."

In the event an Affected Person has purchased CDs with different Survivor Option Limit Amounts, the Survivor Option Limit Amount applicable to the combined aggregate principal amount of such CDs being submitted for withdrawal for an Affected Person will be the highest Survivor Option Limit Amount applicable to any of such CDs.

If early withdrawal is requested for more than one issuance of Limited Survivor Option CDs or by more than one beneficiary of Limited Survivor Option CDs, the Survivor Option Limit Amount will be applied to the aggregate of all such multiple early withdrawal requests in respect of an Affected Person as described above and will be applied to such early withdrawal requests in the order received by the Issuer.

In addition, all questions regarding the eligibility or validity of any exercise of the Survivor's Option feature will be determined by us in our sole discretion, which determination will be final and binding on all parties. Furthermore, we may waive any applicable limitations or restrictions with respect to any deceased or incompetent beneficial owner but will be under no obligation to make the same or similar waivers with respect to other deceased or incompetent beneficial owners.

Where Can I Find Examples of Hypothetical Maturity Payments?

For information setting forth hypothetical maturity payments, see "Hypothetical Examples of Amounts Payable at Maturity" in this disclosure supplement.

How Has the Index Performed Historically?

We have provided information regarding forth the historical and hypothetical historical performance of the Index under "Historical and Hypothetical Historical Performance of the Index" in this disclosure supplement. Actual or hypothetical past performance of the Index should not be taken as an indication of future performance.

May My CDs Be Held in an Individual Retirement Account?

Yes. The CDs may, under certain circumstances, be held in an individual retirement account. See "ERISA Matters" in this Disclosure Supplement, as well as "ERISA Matters" and "Deposit Insurance" in the accompanying Disclosure Statement for more detailed information.

Are the CDs Insured by the Federal Deposit Insurance Corporation?

The CDs are covered by federal deposit insurance provided by the Deposit Insurance Fund, which is administered by the FDIC and backed by the full faith and credit of the U.S. Government, generally up to a maximum of $250,000 for all deposits held in the same ownership capacity per depository institution. In addition, federal deposit insurance is available up to a maximum amount of $250,000 for self-directed retirement accounts (as described in the accompanying disclosure statement). Any accounts or deposits a holder maintains directly with the Bank in the same rights and ownership capacity (by or for the benefit of a particular depositor or depositors) as such holder maintains its CDs would be aggregated with such CDs for purposes of the applicable limit. If it is important to you that the entire principal amount of CDs owned by you be insured by the FDIC, you should ensure that purchasing a CD will not bring your aggregate deposits with the Bank over the applicable insurance limit.

In addition, any secondary market premium you pay for the CDs will not be insured by the FDIC. A more detailed summary of FDIC deposit insurance regulations, as supplemented by this disclosure supplement, is contained in the accompanying disclosure statement, but neither the accompanying disclosure statement nor this disclosure supplement is intended to be a full restatement of applicable FDIC regulations and interpretations, which may change from time to time. None of the Bank, Barclays Capital Inc. or your Broker is responsible for determining the extent of deposit insurance coverage applicable to your CDs.

See "Deposit Insurance" in the accompanying disclosure statement for more detailed information.

What Is the Role of the Bank's Affiliate, Barclays Capital Inc.?

Our affiliate, Barclays Capital Inc., is an agent for the Bank, through which the Bank will place the CDs. After the initial placement, Barclays Capital Inc. or other affiliates and/or other Brokers may buy and sell the CDs to create a secondary market for holders of the CDs, even though they are not required to do so.

One or more affiliates of the Bank, including Barclays Capital Inc., may provide various administrative, operational and other services to the Bank and receive compensation for such services.

What Is the Role of the Bank's Affiliate, Barclays Bank PLC?

Our affiliate, Barclays Bank PLC, will act as the Calculation Agent for the CDs (the "Calculation Agent"). As Calculation Agent, Barclays Bank PLC will make determinations and judgments in connection with valuing the Index and calculating adjustments to the Index if the Index is changed or modified as well as determine whether a Market Disruption Event has occurred. See "Selected Risk Considerations" starting on page S-12 for additional information.

Can You Tell Me More about the Effect of the Bank's Hedging Activity?

We have hedged or expect to hedge our obligations under the CDs through or with one or more of our affiliates, including Barclays Bank PLC. This hedging activity has involved or will likely involve entering into derivatives and/or trading in one or more instruments, such as options, swaps or futures. This hedging activity could affect the market value of the CDs. The costs of maintaining or adjusting this hedging activity could also affect the price at which Barclays Capital Inc. or the Brokers may be willing to purchase your CDs in the secondary market. Moreover, this hedging activity may result in our or our affiliates' receiving a profit, even if the market value of the CDs declines. You should refer to "Risk Factors—Trading and other transactions by us or our affiliates could affect the level(s), value(s) or price(s) of the reference asset(s) and their components, the market value of the CDs and any amounts payable on your CDs in excess of the principal amount" in the accompanying disclosure statement.

What Are the U.S. Federal Income Tax Consequences of Investing in the CDs?

A CD will be treated for U.S. federal income tax purposes as a debt instrument issued by the Bank that is subject to the special U.S. Treasury regulations governing contingent payment debt instruments. A U.S. Depositor (as defined below in "Certain U.S. Federal Income Tax Considerations") therefore will be required to include interest into income on an annual basis, even though the U.S. Depositor will receive no payments with respect to the CDs before maturity. In addition, any gain at maturity or on disposition of a CD prior to maturity generally will be treated as ordinary interest income, rather than as capital gain. See "Certain U.S. Federal Income Tax Considerations" in this Disclosure Supplement for more information on the U.S. federal income tax consequences of an investment in the CDs.

Selected Purchase Considerations

This section describes certain considerations relating to an investment in the CDs. We urge you to read the following information about these considerations together with the other information in this disclosure supplement and the accompanying disclosure statement before investing in the CDs.

Market Disruption Events

If the Calculation Agent determines that, on the Final Valuation Date, a Market Disruption Event occurs or is continuing with respect to the Index, the Final Valuation Date will be postponed to the immediately succeeding Index Business Day on which no Market Disruption Event occurs or is continuing. In no event, however, will the Final Valuation Date be postponed by more than five scheduled Index Business Days. If the Calculation Agent determines that a Market Disruption Event occurs or is continuing with respect to the Index on such fifth day, the Calculation Agent will determine the Index Level for such fifth day in good faith and in a commercially reasonable manner.

If Final Valuation Date is postponed, the Maturity Date will be postponed such that the number of business days from the Final Valuation Date to the Maturity Date remains the same.

With respect to the CDs, a "Market Disruption Event," means:

- The occurrence of an Index Market Disruption Event (as defined below under "Description of the Index"); or
- The failure of the Index Sponsor to calculate and publish the official Index Level on an Index Business Day

in each case as determined by the Calculation Agent in its sole discretion.

Discontinuation of the Index; Alteration of Methodology or Calculation of the Index

If the Index Sponsor discontinues publication of the Index and the Index Sponsor or another entity publishers a successor or substitute index that the Calculation Agent determines, in its sole discretion, to be comparable to the discontinued Index (such index being referred to herein as a "Successor Index"), then the Index Level on the Final Valuation Date, or any other relevant date on which the Index Level is to be determined, will be determined by reference to the level of such Successor Index at the time of daily final publication, or close of trading on the relevant exchange or market for such Successor Index, as applicable, on such date. If a Successor Index is selected by the Calculation Agent, the Successor Index will be used as a substitute for the Index for all purposes under the CDs.

If an Index Cancellation occurs on or prior to the Final Valuation Date or any other relevant date on which the Index Level is to be determined and is continuing on any such date, then the Index Level will be computed by the Calculation Agent in accordance with the formula for and method of calculating the Index or Successor Index, as applicable, last in effect prior to such Index Cancellation.

An "Index Cancellation" will occur if (a) the Index Sponsor discontinues publication of the Index Level on or prior to the Final Valuation Date (or any other relevant date on which the Index Level is to be determined) and such discontinuation is continuing on the Final Valuation Date (or other relevant date) and the Calculation Agent determines that no Successor Index is available at such time or (b) the Calculation Agent has previously selected a Successor Index and publication of such Successor Index is discontinued prior to, and such discontinuation is continuing on, such Final Valuation Date or other relevant date.

If at any time the method of calculating the Index or a Successor Index, or the level thereof, is changed in a material respect, or if the Index or a Successor Index is in any other way modified so that the Index or such Successor Index does not, in the opinion of the Calculation Agent, fairly represent the level of the Index or such Successor Index had such changes or modifications not been made, then the Calculation Agent will make those calculations and adjustments as the Calculation Agent determines may be necessary in order to arrive at a level for the Index or Successor Index comparable to the Index or Successor Index, as the case may be, as if those changes or modifications had not been made, and calculate the payment at maturity or any other payment to be made on the CDs with reference to the Index (or Successor Index), ad adjusted.

Selected Risk Considerations

This section describes certain risks relating to an investment in the CDs. We urge you to read the following information about these risks, together with the other information in this Disclosure Supplement and the accompanying Disclosure Statement before investing in the CDs. These risks are explained in more detail in the "Risk Factors" sections of the Disclosure Statement, including the risk factors discussed under the following headings:

- "Risk Factors—Risks Relating to All CDs";
- "Risk Factors—Additional Risks Relating to CDs with Reference Assets That Are Equity Securities or Shares or Other Interests in Exchange-Traded Funds, That Contain Equity Securities or Shares or Other Interests in Exchange-Traded Funds or That Are Based in Part on Equity Securities or Shares or Other Interests in Exchange-Traded Funds"; and
- "Risk Factors—Additional Risks Relating to CDs Which Pay No Interest or Pay Interest at a Low Rate".

In addition to the risks described above, you should consider the following:

Risks Relating to the CDs Generally

The CDs Differ from Conventional Bank Deposits.

The CDs combine features of equity and traditional certificates of deposit. The terms of the CDs differ from those of conventional bank deposits in that we will not pay any interest our coupon payments prior to maturity. The return on your investment in the CDs may be less than the amount that would be paid on an ordinary bank deposit of similar length. The return at maturity of the principal amount of your CDs plus any payment in excess thereof may not compensate you for any loss in value due to inflation and other factors relating to the value of money over time or for the opportunity cost of not having invested in and received the corresponding return on an ordinary bank deposit of similar length.

The CDs Are Intended to Be Held to Maturity.

You may receive less, and possibly significantly less, than the amount you originally invested if you are able to sell your CDs prior to maturity in any secondary market transaction. Subject to the early withdrawal rules that are applicable in the event of the death or adjudication of incompetence of a beneficial owner of a CD, holders of CDs will be entitled to receive a return of the entire principal amount of their CDs only if the CDs are held until maturity. Accordingly, you should be willing and able to hold your CDs to maturity.

The CDs Are Subject to the Creditworthiness of the Bank.

The CDs are deposit obligations of the Bank and not, either directly or indirectly, an obligation of any third party. Any amounts payable on the CDs that exceed the applicable FDIC insurance limit, as well as any amounts payable under the CDs that are not insured by FDIC insurance, depend on the ability of the Bank to satisfy its obligations as they come due.

As a result, the actual and perceived creditworthiness of the Bank may affect the market value of the CDs and, in the event the Bank were to default on its obligations, you might not receive the principal amount of your CDs or any other amounts owed to you under the terms of the CDs in excess of the amounts covered by the applicable FDIC insurance.

The Total Payment at Maturity Is Not Covered by FDIC Deposit Insurance Until the Final Valuation Date with Respect to the CDs; FDIC Deposit Insurance Might Not Cover the Entire Amount of Your Investment in the CDs.

The payment at maturity above your principal amount will not accrue to a holder of a CD until the Final Valuation Date. Accordingly, any potential payment at maturity linked to the performance of the Index will not be eligible for federal deposit insurance prior to the Final Valuation Date to the extent it exceeds the amount of your original investment. The portion of the payment at maturity linked to the performance of the Index that is greater than your principal amount will be eligible for deposit insurance coverage only from the Final Valuation Date until the time the Bank makes payment.

In addition, the coverage limits applicable to FDIC deposit insurance (which are subject to change over time) may not cover the entire amount of your investment in the CDs. Please see "Disclosure Supplement Summary—Are the CDs Insured by the Federal Deposit Insurance Corporation?" above for more information.

You will not have any Dividend Payment or Voting Rights.

Investing in the CDs will not make you a holder of any of the Index Components or any of the securities or other assets underlying the Index Components. You will have no right to receive delivery of any Index Component or any security or asset underlying any Index Component. Neither you nor any other holder or owner of the CDs will have any voting rights, any right to receive dividends or other distributions or any other rights with respect to any Index Component or any property, securities or asset underlying any Index Component.

We Are Not Providing Investment Advice or Other Advice in Connection with the Issuance of the CDs.

None of Barclays Bank Delaware, Barclays Bank PLC, Barclays PLC, Barclays Capital Inc. or their respective affiliates is acting as investment advisor or other advisor to the holders of the CDs. The issuance of the CDs is not a recommendation by us of the Index or any Index Component. You should reach a decision to invest in the CDs after carefully considering, with your advisors, the information set out in this disclosure supplement and the accompanying disclosure statement.

There May Not Be a Trading Market in the CDs and Sales in the Secondary Market May Result in Significant Losses.

There may be no secondary market for the CDs. The CDs will not be listed or quoted on any securities exchange or any electronic communications network, nor will they otherwise be quoted on any quotation system sponsored or administered by a U.S. self-regulatory organization. Barclays Capital Inc. or other affiliates and Brokers may engage in limited purchase and resale transactions in the CDs, although they are not required to do so. If they decide to engage in such transactions, they may stop at any time.

Secondary market transactions, if any, are expected to be effected at prices that reflect then-current interest rates, the level of the Index, supply and demand, time remaining until maturity, and general market conditions. The foregoing means that secondary market transactions may be effected at prices greater or less than $1,000 per $1,000 CD, and the yield to maturity on a CD purchased in the secondary market may differ from the yield at the time of original issuance. The prices at which CDs may trade in secondary markets may fluctuate more than ordinary, interest-bearing certificates of deposit.

If you are able to sell your CDs before maturity, you may have to do so at a substantial discount from the principal amount of your CDs and, as a result, you may suffer substantial losses. You should be willing to hold your CDs to maturity.

There Are Potential Conflicts of Interest Between You and the Calculation Agent.

The Calculation Agent will make determinations and judgments in connection with valuing the Index and making the other judgments and determinations set forth herein. Because our affiliate Barclays Bank PLC will serve as the Calculation Agent, conflicts of interest may arise in connection with the Calculation Agent performing its role as Calculation Agent. In making any discretionary judgments, the fact that the Calculation Agent is our affiliate may cause it to have economic interests that are adverse to yours as an investor in the CDs. The Calculation Agent will have no obligation to consider your interests as an investor in the CDs in making any such determinations.

You Will Be Bound by the Determinations Made by the Calculation Agent.

The Calculation Agent will, in its sole discretion, make certain determinations in respect of your CDs that may include determinations regarding relevant dates and amounts payable in respect of your CDs in excess of the principal amount. Absent manifest error, all determinations of the Calculation Agent will be final and binding on you and us, without any liability on the part of the Calculation Agent. You will not be entitled to any compensation from us for any loss suffered as a result of any of the above determinations by the Calculation Agent.

We and Our Affiliates May Engage in Various Activities That Could Materially Affect Your CDs in Various Ways and Create Conflicts of Interest.

Our affiliates make markets in and trade various financial instruments or products for their own accounts and for the account of their clients and otherwise provide investment banking and other financial services with respect to these financial instruments and products. These financial instruments and products may include securities, derivative instruments or assets that may relate to the Index or its components. Such market making, trading and hedging activity, other investment banking and financial services may negatively impact the value of the CDs. In any such market making, trading and hedging activity, and other services, our affiliates may take positions or take actions that are inconsistent with, or adverse to, the investment objectives of the holders of the CDs. In addition, we or any of our affiliates may purchase or otherwise acquire a long or short position in the CDs. We or any of our affiliates may hold or resell any such position in the CDs. We and our affiliates have no obligation to take the needs of any buyer, seller or holder of the CDs into account in conducting these activities.

Further, the role played by Barclays Capital Inc., as the agent for the CDs, could present significant conflicts of interest with the role of Barclays Bank Delaware, as issuer of the CDs. For example, Barclays Capital Inc. or its representatives may derive compensation or financial benefit from the distribution of the CDs. Further, we and our affiliates establish the offering price of the CDs for initial sale to the public, and the offering price is not based upon any independent verification or valuation.

The CDs Will Be Treated for U.S. Federal Income Tax Purposes as Debt Instruments Subject to Special U.S. Treasury Regulations Governing Contingent Payment Debt Instruments.

A CD will be treated for U.S. federal income tax purposes as a debt instrument issued by the Bank that is subject to the special U.S. Treasury regulations governing contingent payment debt instruments. A U.S. Depositor (as defined below in "Certain U.S. Federal Income Tax Considerations") therefore will be required to include interest into income on an annual basis, even though the U.S. Depositor will receive no payments with respect to the CDs before maturity. In addition, any gain at maturity or on disposition of a CD prior to maturity generally will be treated as ordinary interest income, rather than as capital gain. See "Certain U.S. Federal Income Tax Considerations" in this Disclosure Supplement for more information on the U.S. federal income tax consequences of an investment in the CDs.

The Estimated Value of Your CDs is Lower Than the Initial Issue Price of Your CDs.

The estimated value of your CDs on the Initial Valuation Date is lower than the initial issue price of your CDs. The difference between the initial issue price of your CDs and the estimated value of the CDs is a result of certain factors, such as any sales commissions to be paid to Barclays Capital Inc. or another affiliate of ours, any selling concessions, discounts, commissions or fees to be allowed or paid to non-affiliated intermediaries, the estimated profit that we or any of our affiliates expect to earn in connection with structuring the CDs, the estimated cost which we or our affiliates may incur in hedging our obligations under the CDs, and estimated development and other costs that we or our affiliates may incur in connection with the CDs.

The Estimated Value of Your CDs Might be Lower if Such Estimated Value Were Based on the Levels at Which Our Fixed Rate CDs Trade in the Secondary Market.

The estimated value of your CDs on the Initial Valuation Date is based on a number of variables, including our internal funding rates. Our internal funding rates may vary from the levels at which our fixed rate CDs trade in the secondary market to the extent that there is a secondary market those fixed rate CDs. As a result of this difference, the estimated value referenced above might be lower if such estimated value was based on the levels at which our fixed rate CDs trade in the secondary market to the extent that there is a secondary market for such CDs.

The Estimated Value of the CDs is Based on Our Affiliates' Internal Pricing Models, Which May Prove to be Inaccurate and May be Different from the Pricing Models of Other Financial Institutions.

The estimated value of your CDs on the Initial Valuation Date is based on our affiliates' internal pricing models, which take into account a number of variables and are based on a number of subjective assumptions, which may or may not materialize. These variables and assumptions are not evaluated or verified on an independent basis. Further, our affiliates' pricing models may be different from other financial institutions' pricing models and the methodologies used by us to estimate the value of the CDs may not be consistent with those of other financial institutions which may be purchasers or sellers of CDs in the secondary market. As a result, the secondary market price of your CDs may be materially different

from the estimated value of the CDs determined by reference to our affiliates' internal pricing models.

The Estimated Value of Your CDs Is Not a Prediction of the Prices at Which You May Sell Your CDs in the Secondary Market, if any, and Such Secondary Market Prices, If Any, Will Likely be Lower Than the Initial Issue Price of Your CDs and May be Lower Than the Estimated Value of Your CDs.

The estimated value of the CDs will not be a prediction of the prices at which Barclays Capital Inc., other affiliates of ours or third parties may be willing to purchase the CDs from you in secondary market transactions (if they are willing to purchase, which they are not obligated to do). The price at which you may be able to sell your CDs in the secondary market at any time will be influenced by many factors that cannot be predicted, such as market conditions, and any bid and ask spread for similar sized trades, and may be substantially less than our estimated value of the CDs. Further, as secondary market prices of your CDs take into account the levels at which our CDs trade in the secondary market, and do not take into account our various costs related to the CDs such as fees, commissions, discounts, and the costs of hedging our obligations under the CDs, secondary market prices of your CDs will likely be lower than the initial issue price of your CDs. As a result, the price, at which Barclays Capital Inc., other affiliates of ours or third parties may be willing to purchase the CDs from you in secondary market transactions, if any, will likely be lower than the price you paid for your CDs, and any sale prior to the Maturity Date could result in a substantial loss to you.

The Temporary Price at Which We May Initially Buy The CDs in the Secondary Market And the Value We May Initially Use for Customer Account Statements, If We Provide Any Customer Account Statements At All, May Not Be Indicative of Future Prices of Your CDs.

Assuming that all relevant factors remain constant after the Initial Valuation Date, the price at which Barclays Capital Inc. may initially buy or sell the CDs in the secondary market (if Barclays Capital Inc. makes a market in the CDs, which it is not obligated to do) and the value that we may initially use for customer account statements, if we provide any customer account statements at all, may exceed our estimated value of the CDs on the Initial Valuation Date, as well as the secondary market value of the CDs, for a temporary period after the initial issue date of the CDs. The price at which Barclays Capital Inc. may initially buy or sell the CDs in the secondary market and the value that we may initially use for customer account statements may not be indicative of future prices of your CDs.

The Market Value of the CDs May Be Influenced by Many Unpredictable Factors.

The market value of your CDs may fluctuate between the date you purchase them and the Maturity Date. Therefore, if you sell your CDs in the secondary market prior to maturity, you may have to sell them at a substantial loss. Several factors, many of which are beyond our control, will influence the market value of the CDs. Factors that may influence the market value of the CDs include:

- the performance of the Index, the Index Components and the assets underlying the Index Components;
- the volatility of the Index or any of the Index Components;
- the time remaining to the maturity of the CDs;
- supply and demand for the CDs;
- the general interest rate environment;
- the dividend rate on the Index Components and any equity securities held in the portfolios of such Index Components;
- economic, financial, political, regulatory or judicial events that affect the financial markets generally, including volatility of the markets;
- our financial condition;
- our hedging activity; or
- the absence of liquid secondary markets for the CDs.

These factors interrelate in complex ways, and the effect of one factor on the market value of your CDs may offset or enhance the effect of another factor.

The risk considerations described above are risks that are generally applicable to the CDs. Because the return on the CDs is dependent upon the performance of the Index, and because an investment based on the performance of the Index

involves significant risk, you are urged to also read carefully the information set forth below under "Risks Relating to the Index" prior to investing in the CDs.

Risks Relating to the Index

The following discussion of risks relating to the Index (as defined under "The Index—Overview" below) should be read together with the "The Index" below, which describes in full the methodology of the Index.

Risks Relating to the Index Generally

The Index may not be successful and may underperform alternative investment strategies.

There can be no assurance that the Index will achieve positive returns. The Index tracks a dynamic notional portfolio selected from a universe of 13 Index Components (as defined under "The Index—Overview" below), while targeting a portfolio volatility equal to the Target Volatility (as defined under "The Index—Overview" below) of 5%. The Index seeks to track a portfolio constructed from the Index Components that is determined by the Index methodology to have the highest expected return, subject to certain weighting constraints and other conditions described under "The Index—Overview" below, without the portfolio exceeding the Target Volatility of 5%. There can be no assurance, however, that a notional investment in the Index Portfolio (as defined under "The Index—Overview" below) tracked by the Index will perform better than an investment in the Index Components selected based on different criteria or using any other methodology. It is also possible that the Index Components selected at any time for inclusion in the Index will decrease and cause the Index Level (as defined under "The Index—Overview" below) to fall, or to increase at a lesser rate, than if different Index Components had been chosen for inclusion in the Index.

The Index is subject to market risk.

The Index Level will depend, in large part, on the performance of the Index Components included in the portfolio tracked by the Index over the term of your CDs. Even if the Index allocates exposure to the Index Components with the highest returns, the Index Level may decline if there is a general deterioration in financial markets and economic conditions that causes a decline in the value of the Index Components that compose the Index at that time.

Historical volatility may be a poor indicator of future Index Component performance.

A fundamental assumption of the Index is that the historical volatility of the Index Components, as measured by the Index, may be an accurate predictor of their future performance. Accordingly, the Index seeks to track the portfolio whose Index Components have the highest weighted-average volatility (because volatility is used as a proxy for expected return), without portfolio volatility exceeding the Target Volatility of 5%. No assurance can be given that the historical volatility of the Index Components will accurately predict their future performance. If the historical volatility of the Index Components proves not to be an accurate indicator of actual performance, then the Index Portfolio tracked by the Index may not be optimal and may perform poorly.

Historical volatility may be a poor indicator of future volatility.

The Index seeks to take on a defined and limited degree of expected risk by tracking a portfolio with an expected risk that does not exceed a pre-defined level. The Index measures the expected risk of portfolio based on its historical volatility. However, there can be no assurance that the historical volatility of the portfolio tracked by the Index will be indicative of its future volatility. The volatility of a portfolio may change significantly and sharply as markets change. In addition, other potential measures of volatility, such as implied volatility derived from the prices of listed options on the Index Components, might be more predictive of future volatility than historical volatility. As a result, the measure of expected risk used by the Index may be less accurate than other measures that could have been used.

The deduction of notional financing costs and an index fee will adversely affect Index performance.

While a total return index tracks a notional funded investment in its components, with dividends notionally reinvested, an excess return index tracks a notional investment in its components, with dividends notionally reinvested, made through the use of borrowed funds for which a financing cost is notionally paid. The CDs are linked to an excess return index and not a total return index. In the particular case of the Index, the level of each Index Component is based on a notional investment in that Index Component minus a borrowing cost represented by the ICE LIBOR USD 3 Month rate. Accordingly, each Index Component will underperform the total return performance of the corresponding exchange-traded fund.

The ICE LIBOR USD 3 Month rate reflects the rate at which banks lend U.S. dollars to each other for a term of 3 months in the London interbank market. The ICE LIBOR USD 3 Month rate will be affected by many factors, including, among others, the monetary policy of the Federal Reserve. The ICE LIBOR USD 3 Month rate has fluctuated significantly over time. For example, on December 30, 2005, the ICE LIBOR USD 3 Month rate was 4.53625% and on June 30, 2016, the ICE LIBOR USD 3 Month rate was 0.65410%. Any increase in the ICE LIBOR USD 3 Month rate, due to the Federal Reserve raising interest rates (specifically, its federal funds target rate) or otherwise, will increase the adverse effect of the borrowing cost on the excess return performance of each Index Component (and, therefore, the performance of the Index).

In addition, the performance of the Index will be reduced by the daily deduction of a fee of 0.85% per annum. As such, the Index performance will trail that of a hypothetical, identically constituted index from which no such cost is deducted.

The deduction of the notional financing cost and the index fee will place a significant drag on the performance of the Index, offsetting any positive total return of the Index Components included in the Index Portfolio, exacerbating any negative total return of the Index Components included in the Index Portfolio and causing the Index Level to decline steadily if the total return of the Index Components included in the Index Portfolio is relatively flat. The Index will not appreciate unless the total return performance of the Index Components included in the Index Portfolio is sufficient to offset the negative effects of the notional financing cost and the index fee, and then only to the extent that the total return performance of the Index Components included in the Index Portfolio is greater than the deducted amounts. As a result of these deductions, the Index Level may decline even if the total return of the Index Components included in the Index Portfolio is positive.

The Index may not be fully invested in the Index Components.

If the aggregate weight of the Index Components in the portfolio selected by the Index is not 100%, the Index Portfolio will allocate exposure to a cash position that will earn no return. In addition, the Index adjusts its notional exposure to the Index Portfolio as frequently as each Index Business Day in an attempt to maintain a historical volatility for the Index equal to approximately the Target Volatility of 5%, subject to a maximum notional exposure to the Index Portfolio of 150% and a minimum exposure of 0%. If the Index's notional exposure to the Index Portfolio is less than 100%, the difference will be notionally uninvested and will earn no return. As a result, the Index may underperform a similar index that provides 100% exposure to the Index Components.

The CDs may be subject to increased volatility due to the use of leverage.

When the volatility of the Index Portfolio is less than the Target Volatility of 5%, the Index will employ leverage to increase the exposure of the Index to the Index Portfolio, up to a maximum exposure of 150%. When the Index Portfolio is leveraged, any movements in values of the Index Component may result in greater changes in the value of the Index Portfolio than if leverage were not used. In particular, the use of leverage will magnify any negative performance of the Index Portfolio.

The Index may not achieve its Target Volatility of 5%.

The Index seeks to maintain a target volatility level of 5% by employing a volatility targeting mechanism based on the historical volatility of the Index Portfolio to dynamically adjust its exposure to the Index Portfolio at any given time, as described under "The Index— Capped Participation" below. There can, however, be no assurance that historical trends in volatility will continue in the future. Accordingly, there is no assurance that this volatility targeting mechanism will be the most effective way to (i) accurately assess volatility of the market at a given time or (ii) predict patterns of volatility. As a result, the Index may not achieve its Target Volatility of 5% at any time, which may adversely impact the Index Level, and, consequently, the market value of your CDs.

The Index's Target Volatility may reduce the appreciation potential of the Index; the volatility targeting mechanism of the Index may cause the Index to underperform the Index Portfolio.

Under normal circumstances, equity markets exhibit significantly higher volatility than the Target Volatility of 5%. Accordingly, the Target Volatility of 5% may have the effect of skewing the allocations among the Index Components in the Index Portfolio toward Index Components that provide exposure to fixed-income assets, which typically have lower volatility than Index Components that provide exposure to equities, or to the cash position, which provides no return and therefore has a volatility of 0%. These typically lower-volatility Index Components may have lower return potential than the typically higher-volatility Index Components, and any cash position has zero return potential. If the Index has a relatively low allocation to the typically higher-volatility Index Components, it will not fully participate in any appreciation among those Index Components.

Moreover, if the Index has a relatively high allocation to Index Components that provide exposure to fixed-income assets, it will be particularly sensitive to factors that adversely affect the value of fixed-income instruments, such as increases in interest rates or declining perceptions of credit quality. A low Target Volatility does not mean that the Index is less likely to decline than it would be if it had a higher Target Volatility. In fact, a low-volatility portfolio may decline in value even while a high-volatility portfolio appreciates. For example, in an equity bull market that is accompanied by rising interest rates, a portfolio heavily weighted toward Index Components that provide exposure to fixed-income assets might decline in value as a result of the rising interest rates, while a portfolio heavily weighted toward Index Components that provide exposure to equities would appreciate.

The volatility targeting feature of the Index may cause the Index to reduce its exposure to the Index Portfolio in periods of high volatility, even if the Index Portfolio is generally performing positively. The performance of the Index may be negative or less positive than the performance of the Index Portfolio during such periods. Accordingly, the return on the CDs may be less, and may be significantly less, than an investment based on the performance of one or more indices that do not include a "volatility targeting" (sometimes referred to as a "risk control") feature.

The Index Sponsor will have the authority to make determinations that could materially affect the Index Level and the amount payable on the CDs and their market value and create conflicts of interest.

The Index Sponsor, a distinct function within the Investment Bank of Barclays Bank PLC, is responsible for the composition, calculation and maintenance of the Index, and the policies of the Index Sponsor concerning the calculation of the Index Level could affect the Index Level and, therefore, the amount payable on the CDs at maturity and the market value of the CDs prior to maturity.

The Index Sponsor may modify the methodology for calculating the Index Level. In addition, as described in "The Index—Modifications to the Index" below, the Index Sponsor may make certain changes to the way in which the Index is calculated. For example, the Index Sponsor may discontinue or suspend calculation or publication of the Index upon the occurrence of certain market disruptions or other events, in which case it may become difficult to determine the Index Level and the value of the CDs. In addition, the Index Sponsor may replace an Index Component if that Index Component ceases to exist or changes in a way that makes the calculation of the Index impossible or infeasible. The replacement Index Component may perform significantly worse than the replaced Index Component. Any such changes could adversely affect the value of the CDs. The circumstances in which the Index Sponsor might make any such a determination are described more fully under "The Index—Modifications to the Index."

The role played by the Index Sponsor, and the exercise of the kinds of discretion described above and in the section entitled "The Index—Modifications to the Index" below, could present it with significant conflicts of interest in light of the fact that Barclays Bank PLC is an affiliate of the issuer of the CDs. The Index Sponsor has no obligation to take the needs of any buyer, seller or holder of the CDs into consideration at any time.

At any time, the Index may not be invested in most or all Index Components, resulting in a concentrated investment that may not perform as well over time as an investment in a more diversified portfolio.

Diversification is generally considered to reduce the amount of risk associated with generating returns. There can be no assurance, however, that the Index will be invested in most or all of the Index Components or that the Index will be sufficiently diversified at any time to reduce or minimize such risks to any extent. In particular, at any time, the Index may be notionally invested in a single Index Component or in a small number of Index Components, and that may produce lower returns than would an investment in a more diversified portfolio of assets.

The values of the Index Components that comprise the Index may offset each other.

Price movements between the Index Components may not correlate with each other. At a time when the value of certain Index Components increases, the value of the other Index Components may not increase as much or may decline. Therefore, in calculating the Index Level, increases in the value of one of the Index Components included in the portfolio tracked by the Index may be moderated, or more than offset, by lesser increases or decreases in the value of the other Index Components included in the portfolio tracked by the Index. In addition, high correlation during periods of negative returns among Index Components could have an adverse effect on the Index Level.

The Index has a limited performance history.

The Index was launched on July 5, 2016, and the Index Sponsor has published limited information about how the Index might have performed had it been calculated in the past. Because the Index is new and limited historical performance data exists, your investment in the CDs may involve a greater risk than investing in an alternate product linked to one or more indices with an established record of performance. A longer history of actual performance would be helpful in providing more reliable information on which to assess the validity of the methodology that the Index uses as the basis for an investment decision.

The Index relies on third-party data sources that may not be accurate.

The Index relies on data supplied by third parties. This data is used in calculating the Index Level, including to generate the table and graphs set forth in "The Index—Historical and Hypothetical Historical Performance of the Index." The data supplied by third parties may not be accurate and could distort the calculation of the Index Level.

The Index relies on financial modelling techniques that are subject to inherent limitations.

The Index seeks to track a portfolio constructed from the Index Components that is determined by the Index methodology to have the highest expected return, subject to certain weighting constraints and other conditions described under "The Index—Overview" below, without portfolio volatility exceeding the Target Volatility of 5%. The Index Sponsor uses market-standard financial modelling techniques to seek to identify each optimized portfolio. In limited circumstances, the portfolio composition used as the starting point for the model could theoretically cause the model to produce a less optimal portfolio. While the Index Sponsor runs the model using multiple starting points to reduce the likelihood of such an occurrence, this risk cannot be eliminated entirely.

Hypothetical back-tested data relating to the Index does not represent actual historical data and is subject to inherent limitations.

All data relating to the period prior to the launch date of the Index, including the table and graphs set forth under "The Index—Historical and Hypothetical Historical Performance of the Index" below, is purely theoretical and does not represent the actual historical performance of the Index and has not been verified by an independent third party. The information is based on a hypothetical estimate by the Index Sponsor using available historical data as to how the Index may have performed in the pre-launch date period. In addition, for periods prior to the Index Component Base Date (as defined under "The Index—Index Components" below) of an Index Component, the hypothetical historical information was calculated using alternative performance information derived from a related index, after deducting hypothetical fund fees, rather than the performance information for that Index Component.

Alternative modeling techniques or assumptions may produce different hypothetical historical information that might prove to be more appropriate and that might differ significantly from the hypothetical historical information set forth under "The Index—Historical and Hypothetical Historical Performance of the Index." In addition, back-tested, hypothetical historical results have inherent limitations. These back-tested results are achieved by means of a retroactive application of a back-tested model designed with the benefit of hindsight. Hypothetical back-tested data should not be taken as an indication of future performance.

Historical or hypothetical historical levels of the Index should not be taken as an indication of the future performance of the Index during the term of the CDs.

The actual performance of the Index over the term of the CDs, as well as the amount payable at maturity, may bear little relation to the historical or hypothetical historical levels of the Index. Past fluctuations and trends in the Index are not necessarily indicative of fluctuations or trends that may occur in the future.

The Index is not actively managed.

The Index operates by pre-determined rules, as described under "The Index" below. There will be no active management of the Index to enhance returns or limit losses. An actively managed investment may potentially respond more directly and appropriately to immediate market, political, economic, financial or other factors than the non-actively managed Index, which may adversely affect the Index Level and the value of the CDs.

The Index is comprised of notional assets and liabilities.

The exposure to the Index Components that comprise the Index at any given time are purely notional and will exist solely in the records maintained by or on behalf of the Index Sponsor. There is no actual portfolio of assets to which any person or entity is entitled or in which any person or entity has any ownership interest. Consequently, no person or entity will have any claim against any of the Index Components that comprise the Index at any time.

Risk factors related to the Index Components

Certain features of the Index Components will impact the Index Level.

Each Index Component is an exchange-traded fund. Accordingly, the performance of the Index is subject to risks associated with investments in exchange-traded funds, including:

- *Management Risk*. This is the risk that the respective investment strategies for an Index Component, the implementation of which is subject to a number of constraints, may not produce the intended results. An investment in an exchange-traded fund involves risks similar to those of investing in any fund of equity securities traded on an exchange, such as market fluctuations caused by such factors as economic and political developments, changes in interest rates and perceived trends in security prices. However, because the Index Components are not "actively" managed, they generally do not take defensive positions in declining markets or would not sell a security because the security's issuer was experiencing financial trouble or other difficulties. Therefore, the performance of the Index Components could be lower than other types of funds that may actively shift their portfolio assets to take advantage of market opportunities and lessen the impact of a market decline or to allocate exposure away from securities that may experience difficulties for other reasons.
- *Derivatives Risk*. The Index Components may invest in futures contracts, options on futures contracts, other types of options and swaps and other derivatives. A derivative is a financial contract, the value of which depends on, or is derived from, the value of an underlying asset. Compared to conventional securities, derivatives can be more sensitive to changes in interest rates or to sudden fluctuations in market prices, and thus the Index Components' losses, and, as a consequence, the return on your CDs, may be greater if the Index Components invested only in conventional securities.
- *Tracking and Underperformance Risk (particularly in periods of market volatility)*. The performance of an Index Component may not replicate the performance of, and may underperform, its Underlying Index (as defined in the table under "The Index—Index Components" below). The Index Components will reflect transaction costs and fees that will reduce their relative performances. Moreover, it is also possible that an Index Component may not fully replicate or may, in certain circumstances, diverge significantly from the performance of its Underlying Index due to differences in trading hours between that Index Component and the Underlying Index it is meant to track or due to other circumstances. During periods of market volatility, securities underlying an Index Component may be unavailable in the secondary market, market participants may be unable to calculate accurately the intraday net asset value per share of an Index Component and the liquidity of an Index Component may be adversely affected. This kind of market volatility may also disrupt the ability of market participants to create and redeem shares in an Index Component. Further, market volatility may adversely affect, sometimes materially, the prices at which market participants are willing to buy and sell shares of an Index Component. As a result, under these circumstances, the market value of an Index Component may vary substantially from the net asset value per share of that Index Component. This variation in performance is called "tracking error" and, at times, the tracking error

may be significant. Because the performance of the Index is dependent upon the performance of the Index Components and not their Underlying Indices, the return on your CDs may be less than that of an alternative investment linked directly to the securities or other investments comprising the Underlying Indices.

The Select Sector Funds involve sector concentration risk.

Each Index Component in the equity sectors asset class (other than the iShares® U.S. Real Estate ETF) is a Select Sector SPDR® Fund (each, a "**Select Sector Fund**" and collectively, the "**Select Sector Funds**"). The Select Sector Indices upon which the Select Sector Funds are based together comprise all of the companies in the S&P 500® Index.

The investment objective of each Select Sector Fund is to provide investment results that, before expenses, correspond generally to the price and yield performance of publicly traded equity securities of companies in one particular sector or group of industries, as represented by a specified Select Sector Index. Accordingly, the performance of each Select Sector Fund will not benefit from the diversification that could result if such funds held securities issued by companies that operate in multiple sectors.

The performance of companies that operate in any particular sector is subject to a number of complex and unpredictable factors such as industry competition, government action and regulation, geopolitical events and supply and demand for the products and services offered by such company. Any adverse development in the relevant sector tracked by any Select Sector Fund may have a material adverse effect on the securities held in the portfolio of such Select Sector Fund and, as a result, may have a material adverse effect on the price of such Select Sector Fund, the Index Level and the value of your CDs.

Risks associated with the real estate industry will affect the value of the iShares® U.S. Real Estate ETF.

The iShares® U.S. Real Estate ETF invests in companies that invest in real estate, such as real estate investment trusts (or "REITs") or real estate holding companies. The value of real estate and, consequently, companies that invest in real estate may be affected by many factors that interrelate with each other in complex and unpredictable ways. Such factors may include, but are not limited to, general economic and political conditions, liquidity in the real estate market, rising or falling interest rates, governmental actions and the ability of borrowers to obtain financing for real estate development or to repay their loans. Any negative developments in any such factor may negatively affect the value of companies that invest in real estate and, consequently, may adversely affect the iShares® U.S. Real Estate ETF, the Index Level and the value of your CDs.

The Index Components included in the fixed-income asset class are subject to interest rate-related risks.

All of the Index Components included in the fixed-income asset class (which we collectively refer to as the "**Fixed-Income ETFs**") are exchange-traded funds that attempt to track the performance of indices composed of fixed-income securities. Investing in the CDs linked to the performance of the Index (and, accordingly indirectly to the Fixed-Income ETFs) differs significantly from investing directly in bonds to be held to maturity because the values of the Fixed-Income ETFs change, at times significantly, during each trading day based upon the current market prices of their underlying bonds. The market prices of these bonds are volatile and significantly influenced by a number of factors, particularly the yields on these bonds as compared to current market interest rates and the actual or perceived credit quality of the issuer of these bonds.

In general, fixed-income securities are significantly affected by changes in current market interest rates. As interest rates rise, the price of fixed-income securities, including those underlying the Fixed-Income ETFs, is likely to decrease. Securities with longer durations tend to be more sensitive to interest rate changes, usually making them more volatile than securities with shorter durations. The eligibility criteria for the securities included in the indices that underlie the Fixed-Income ETFs, each of which mandate that each security must have a minimum term remaining to maturity (ranging from one year to 20 years) for continued eligibility, means that, at any time, only longer-term securities underlie the Fixed-Income ETFs, which thereby increases the risk of price volatility in the underlying securities and, consequently, the volatility in the Index Level. As a result, rising interest rates may cause the value of the bonds underlying the Fixed-Income ETFs, the Fixed-Income ETFs and the Index to decline, possibly significantly.

Interest rates are subject to volatility due to a variety of factors that interrelate in complex and unpredictable ways, including, among others:

- sentiment regarding underlying strength in the U.S. economy and global economies;

- expectations regarding the level of price inflation;
- sentiment regarding credit quality in the U.S. and global credit markets;
- central bank policies regarding interest rates; and
- the performance of U.S. and foreign capital markets.

Recently, U.S. treasury notes have traded near their historic high trading prices for an extended period of time. If the price of U.S. treasury notes reverts to its historic mean or otherwise falls, as a result of a general increase in interest rates or actions, or perceptions of reduced credit quality of the U.S. government or otherwise, the value of the bonds underlying the iShares 20+ Year Treasury Bond ETF will decline, which could have a negative impact on the performance of the Index and the return on your CDs.

The Index Components included in the fixed-income asset class are subject to credit risk.

The prices of the bonds underlying the Fixed-Income ETFs are significantly influenced by the creditworthiness of the issuers of the bonds. The issuers of the bonds underlying the Fixed-Income ETFs may have their credit ratings downgraded, a downgrade from investment grade to non-investment grade status, or have their credit spreads widen significantly. Following a ratings downgrade or the widening of credit spreads, some or all of the underlying bonds may suffer significant and rapid price declines. Such events may have material adverse effects on the value of the Fixed-Income ETFs, the Index and the CDs.

Further, the iShares® iBoxx $ High Yield Corporate Bond ETF is designed to provide a representation of the U.S. dollar high-yield corporate market and is therefore subject to high-yield securities risk. Securities that are rated below investment grade (commonly known as "junk bonds") may be more volatile than higher-rated securities of similar maturity. High-yield securities may also be subject to greater levels of credit or default risk than higher-rated securities. The value of high-yield securities can be adversely affected by overall economic conditions, such as an economic downturn or a period of rising interest rates, and high-yield securities may be less liquid and more difficult to sell at an advantageous time or price or to value than higher-rated securities. In particular, high-yield securities are often issued by smaller, less creditworthy companies or by highly leveraged (indebted) firms, which are generally less able than more financially stable firms to make scheduled payments of interest and principal.

The iShares® iBoxx $ High Yield Corporate Bond ETF is subject to risks associated with non-U.S. securities markets.

The iShares® iBoxx $ High Yield Corporate Bond ETF may include U.S. dollar-denominated bonds issued by non-U.S. companies. As such, the iShares® iBoxx $ High Yield Corporate Bond ETF is subject to risks associated with the securities markets in those countries, including risks of volatility in those markets, governmental intervention in those markets and cross-shareholdings in companies in certain countries. Also, there is generally less publicly available information about non-U.S. companies than about U.S. companies that are subject to the reporting requirements of the SEC, and non-U.S. companies are subject to accounting, auditing and financial reporting standards and requirements different from those applicable to U.S. reporting companies. The prices of securities issued in non-U.S. markets may be affected by political, economic, financial and social factors in those countries, or global regions, including changes in government, economic and fiscal policies and currency exchange laws. Some or all of these factors may adversely affect the value of the iShares® iBoxx $ High Yield Corporate Bond ETF, which may adversely affect the Index Level.

The iShares® MBS ETF is subject to risks associated with mortgage-backed securities.

The iShares® MBS ETF invests in mortgage-backed securities. Mortgage-backed securities are subject to prepayment risk, which is the risk that during periods of falling interest rates, an issuer of mortgages and other securities may be able to repay principal prior to the security's maturity causing the iShares® MBS ETF to have to reinvest in securities with a lower yield. Mortgage-backed securities are also subject to extension risk, which is the risk that when interest rates rise, certain mortgage-backed securities will be paid off substantially more slowly than originally anticipated and the value of those securities may fall sharply. Because of prepayment and extension risk, mortgage-backed securities react differently to changes in interest rates than other bonds. Small movements in interest rates (both increases and decreases) may quickly and significantly reduce the value of certain mortgage-backed securities. In recent years, the market for mortgage-backed securities experienced substantially lower valuations and reduced liquidity. Ongoing economic and market uncertainty suggests that mortgage-backed securities may continue to be difficult to value and sell. Some or all of these factors may adversely affect the value of the iShares® MBS ETF, which may adversely affect the Index Level and, consequently, the value of the CDs.

Hypothetical Examples of Amounts Payable at Maturity

The following table illustrates a hypothetical range of payments at maturity on your CDs under various circumstances. The hypothetical examples set forth below are for illustrative purposes only. The numbers appearing in the following table and examples have been rounded for ease of analysis. The following examples do not take into account any tax consequences from investing in the CDs. These examples also make the following assumptions:

- Hypothetical Initial Level: 100.000*
- Upside Leverage Factor: 1.60

* The **hypothetical** Initial Level of 100.0000 has been chosen for illustrative purposes only. The actual Initial Level is as set forth on the cover of this disclosure supplement.

Final Level	Index Return	Payment at Maturity (per $1,000 principal amount CD)
150.0000	50.00%	$1,800.00
140.0000	40.00%	$1,640.00
130.0000	30.00%	$1,480.00
120.0000	20.00%	$1,320.00
110.0000	10.00%	$1,160.00
105.0000	5.00%	$1,080.00
100.0000	0.00%	$1,000.00
90.0000	-10.00%	$1,000.00
80.0000	-20.00%	$1,000.00
70.0000	-30.00%	$1,000.00
60.0000	-40.00%	$1,000.00
50.0000	-50.00%	$1,000.00
40.0000	-60.00%	$1,000.00
30.0000	-70.00%	$1,000.00
20.0000	-80.00%	$1,000.00
10.0000	-90.00%	$1,000.00
0.0000	-100.00%	$1,000.00

The following examples illustrate how the payments at maturity set forth in the table above are calculated:

Example 1: The level of the Index increases from an Initial Level of 100.0000 to a Final Level of 110.0000.

Because the Index Return is positive, you will receive a payment at maturity of $1,160.00 per $1,000 principal amount CD that you hold, calculated as follows:

$1,000 + [$1,000 × Index Return x Upside Leverage Factor]

$1,000 + [$1,000 x 10.00% x 1.60] = $1,160.00

Example 2: The level of the Index decreases from an Initial Level of 100.0000 to a Final Level of 80.0000.

Because the Index Return is negative, you will receive a payment at maturity of $1,000 per $1,000 principal amount CD that you hold. You will not earn any positive return on your CDs.

The Index

Overview

The Barclays Trailblazer Sectors 5 Index (the "**Index**") is a rules-based proprietary index created and owned by Barclays Bank PLC. The Index is operated by Barclays Index Administration, an independent index administration function within Barclays Bank PLC (in such capacity, the "**Index Sponsor**").

The Index tracks a dynamic notional portfolio selected from a universe of 13 exchange-traded funds that provide exposure to U.S. equity sectors or fixed-income assets (each, an "**Index Component**" and collectively, the "**Index Components**"), while targeting a portfolio volatility of 5% (the "**Target Volatility**"). On a daily basis, the notional financing cost described below is deducted from each Index Component and an index fee of 0.85% per annum is deducted from the Index.

The portfolio tracked by the Index is determined by in part drawing upon certain concepts from the "modern portfolio theory" approach to asset allocation. Generally, modern portfolio theory holds that an optimal investment portfolio is one that maximizes expected return for any given level of risk, where "risk" is measured by the expected volatility of the portfolio. The Index draws upon these ideas, in some cases with modifications, by seeking to track a portfolio constructed from the Index Components that is determined by the Index methodology to have the highest expected return, subject to certain weighting constraints and other conditions described below, without the portfolio exceeding the Target Volatility of 5%.

The "**Index Portfolio**" on any Index Business Day (as defined below) is the hypothetical investment portfolio of Index Components and cash used to calculate the return of the Index on that Index Business Day. The Index Portfolio on each Index Business Day will be the Index Portfolio from the immediately preceding Index Business Day, except on an Index Business Day on which the Index is rebalanced. On an Index Business Day on which the Index is rebalanced, the Index Portfolio will consist of the Rebalance Portfolio (as defined below) as of the immediately preceding Index Business Day and, if the aggregate weight of the Rebalance Portfolio does not equal 100%, a cash position that will earn no return.

The Index is not rebalanced according to a predetermined schedule. Instead, the Index is monitored daily and rebalanced only when a rebalancing has been triggered. As described in more detail under "Index Portfolio Rebalancing" below, the Index will be rebalanced on any Index Business Day if the composition of the Index Portfolio on the immediately preceding Index Business Day is not within specified tolerances of the composition of the Optimized Portfolio (as defined below) on the immediately preceding Index Business Day or if the volatility of the Index Portfolio or any Index Component as of the immediately preceding Index Business Day falls outside specified parameters.

The Optimized Portfolio and the Rebalance Portfolio are determined on the same basis, except that the Rebalance Portfolio includes an additional constraint to prevent an increase or decrease of more than 25 percentage points in the weight of any Index Component in connection with a rebalancing.

- The Optimized Portfolio on any Index Business Day is the portfolio constructed from the Index Components that is determined by the Index methodology to have the highest expected return, without the Portfolio Volatility (as defined under "Portfolio Volatility" below) of that portfolio exceeding the Target Volatility of 5%, where the weight of each Index Component and the aggregate weight of that portfolio are each greater than or equal to 0% and less than or equal to 100%. The Optimized Portfolio is never used to calculate the level of the Index but instead is used to determine whether a rebalancing of the Index has been triggered.

- The Rebalance Portfolio on any Index Business Day is, like the Optimized Portfolio, the portfolio constructed from the Index Components that is determined by the Index methodology to have the highest expected return, without the Portfolio Volatility of that portfolio exceeding the Target Volatility of 5%, where the weight of each Index Component and the aggregate weight of that portfolio are each greater than or equal to 0% and less than or equal to 100%, but with the further constraint that the weight of each Index Component in the Rebalance Portfolio must be within 25 percentage points of the weight of that Index Component in the existing Index Portfolio on that Index Business Day. The Rebalance Portfolio reflects the portfolio of Index Components that will be included in the Index Portfolio upon a rebalancing.

To determine the compositions of the Optimized Portfolio and the Rebalance Portfolio, the Index must determine which hypothetical investment portfolio constructed from the Index Components with an expected risk represented by the

Target Volatility of 5% has the highest expected return on the relevant Index Business Day, subject to the relevant constraints set forth above. Modern portfolio theory prescribes a method for constructing an optimal investment portfolio assuming that the expected returns and risk of the available assets, and the expected degree of correlation among their returns, are known, but modern portfolio theory does not prescribe how to determine expected returns, risk or correlation. Therefore, any investment methodology that seeks to implement concepts drawn from modern portfolio theory must employ its own method of determining expected returns, risk and correlation.

The expected risk (i.e., volatility) of a portfolio depends on the expected volatility of each of the assets included in that portfolio and on the expected degree of correlation among the returns of those assets. Therefore, to determine the expected volatility of any portfolio, the Index requires measures of both the expected volatility of each Index Component and the expected degrees of correlation among their returns. The Index approximates the expected volatility of the Index Components, and the expected degree of correlation among their returns, by referencing historical volatility and correlation. These historical measures are based on the daily returns of the Index Components and are determined using calculations that give greater weight to more recent returns, as described under "Index Component Volatility and Correlation" below.

The expected return of any portfolio reflects the expected returns of the assets that make up that portfolio and can be calculated as the weighted average of the expected returns of those assets. Therefore, the Index also requires a measurement of the expected returns of the Index Components in order to determine the expected return of any portfolio constructed from the Index Components.

For this purpose, the Index operates under the assumption that taking on greater risk (i.e., volatility) provides for potentially greater returns than taking on less risk. Specifically, the Index assumes that there is a relationship between expected volatility and expected returns and that this relationship is constant over time and is the same for each of the Index Components. In other words, the Index assumes that the risk-adjusted returns of the Index Components are the same. By assuming a direct relationship between expected volatility and expected return, the Index is able to use expected volatility as a proxy for expected return. For this purpose, the Index approximates the expected volatility of the Index Components by referencing historical volatility.

Accordingly, for purposes of the Index, and given the assumptions described above, the portfolio with the highest expected return that satisfies the relevant constraints will be the portfolio with the highest weighted-average Index Component volatility (because volatility is used as a proxy for expected return), without the Portfolio Volatility of that portfolio exceeding the Target Volatility of 5%.

The Index is an excess return index. Accordingly, each Index Component is calculated on an excess-return basis, which means that the value of each Index Component for purposes of the Index reflects the reinvestment of distributions and the deduction of a notional financing cost equal to the Cash Rate. The "**Cash Rate**" accrues at the rate equal to the ICE LIBOR USD 3 Month rate (Bloomberg Code: US0003M Index). LIBOR (the London Interbank Offered Rate) reflects the rate at which banks lend the specified currency to each other for the relevant period in the London interbank market.

The Index is calculated based on the value of the Index Components and cash included in the Index Portfolio, after taking into account the notional exposure of the Index to the Index Portfolio, as described below, minus the index fee of 0.85% per annum. The amount deducted as a result of the index fee is not affected by the composition of the Index Portfolio or the notional exposure of the Index to the Index Portfolio. Accordingly, the Index Fee is not reduced when a portion of the Index Portfolio is allocated to the cash position or when the Index is partially uninvested.

In addition to targeting the Target Volatility in the rebalancing process described above, the Index also adjusts its notional exposure to the Index Portfolio in an attempt to maintain a volatility for the Index approximately equal to the Target Volatility of 5%, subject to a maximum exposure of 150% and a minimum exposure of 0%. We refer to the notional exposure that the Index has to the performance of the Index Portfolio on any Index Business Day as the "**Capped Participation**" on that Index Business Day. If the Capped Participation is less than 100% on any Index Business Day, the difference will be notionally uninvested and will earn no return. For more details, see "Capped Participation" below.

The Index Sponsor has appointed a third-party Index Calculation Agent (as defined below) to calculate and maintain the Index. While the Index Sponsor is responsible for the operation of the Index, certain aspects have thus been outsourced to the Index Calculation Agent.

"**Index Calculation Agent**" means Bloomberg Index Services Limited (formerly known as Barclays Risk Analytics and Index Solutions Limited), or any successor thereto.

The Index Sponsor publishes the level of the Index (the "**Index Level**") on each Index Business Day as soon as reasonably practical following its calculation, subject to Index Market Disruption Events and Index Adjustment Events, both as described below. The Index is also reported by Bloomberg under the ticker symbol "BXIITBZ5 <Index>".

An "**Index Business Day**" is any day on which the New York Stock Exchange is open for trading during its regular trading session, notwithstanding the New York Stock Exchange closing prior to its scheduled weekday closing time.

The Index is a "notional" or "synthetic" portfolio of assets because there is no actual portfolio of assets to which any person is entitled or in which any person has any ownership interest. The Index merely references certain assets, the performance of which will be used in determining the composition of the Index and calculating the Index in accordance with the Index methodology.

Index Components

The table below sets forth the Index Components and, for each Index Component, the asset class, the ticker symbol, the index currently tracked by that Index Component (each an "**Underlying Index**" and collectively, the "**Underlying Indices**"), the Excess Return Index Component Base Date and the Index Component Base Date. For additional information about each Index Component, see "Background on the Index Components" below.

Asset Class	Index Component	Ticker	Underlying Index	Excess Return Index Component Base Date	Index Component Base Date
Equity Sectors	Materials Select Sector SPDR® Fund	XLB UP	Materials Select Sector Index	12/22/1998	12/22/1998
	Energy Select Sector SPDR® Fund	XLE UP	Energy Select Sector Index	12/22/1998	12/22/1998
	Financial Select Sector SPDR® Fund	XLF UP	Financial Select Sector Index	12/22/1998	12/22/1998
	Industrial Select Sector SPDR® Fund	XLI UP	Industrial Select Sector Index	12/22/1998	12/22/1998
	Technology Select Sector SPDR® Fund	XLK UP	Technology Select Sector Index	12/22/1998	12/22/1998
	Consumer Staples Select Sector SPDR® Fund	XLP UP	Consumer Staples Select Sector Index	12/22/1998	12/22/1998
	Utilities Select Sector SPDR® Fund	XLU UP	Utilities Select Sector Index	12/22/1998	12/22/1998
	Health Care Select Sector SPDR® Fund	XLV UP	Health Care Select Sector Index	12/22/1998	12/22/1998
	Consumer Discretionary Select Sector SPDR® Fund	XLY UP	Consumer Discretionary Select Sector Index	12/22/1998	12/22/1998
	iShares® U.S. Real Estate ETF	IYR UP	Dow Jones U.S. Real Estate Index	6/19/2000	6/19/2000

Fixed Income	iShares® 20+ Year Treasury Bond ETF	TLT UP	ICE U.S. Treasury 20+ Year Bond Index	2/28/1994	7/26/2002
	iShares® MBS ETF	MBB UP	Barclays U.S. MBS Index	12/30/1988	3/16/2007
	iShares® iBoxx $ High Yield Corporate Bond ETF	HYG UP	Markit iBoxx USD Liquid High Yield Index	12/19/2001	4/11/2007

Excess Return Index Component Levels

The Index is an excess return index. Accordingly, the value of each Index Component for purposes of the Index reflects the price of that Index Component, plus the reinvestment of that Index Component's distributions, minus a notional financing cost equal to the Cash Rate, which is the ICE LIBOR USD 3 Month rate. We refer to this value, with respect to each Index Component, as the "**Excess Return Index Component Level**" of that Index Component.

The Excess Return Index Component Level of each Index Component was set equal to 100.0000 on the Excess Return Index Component Base Date for that Index Component. In order to calculate the Excess Return Index Component Level on any subsequent Index Business Day, the Index Sponsor must first calculate the Total Return Index Component Level (i.e., the value of the Index Component with distributions reinvested, as defined below) on that Index Business Day. The Index Sponsor then calculates the Excess Return Index Component Level on that Index Business Day by adjusting the Excess Return Index Component Level on the immediately preceding Index Business Day to reflect (a) the return of the Total Return Index Component Level from the immediately preceding Index Business Day to the current Index Business Day and (b) the deduction of the notional financing cost equal to the Cash Rate that has accrued since the immediately preceding Index Business Day, calculated based on the number of calendar days from but excluding the immediately preceding Index Business Day to and including the current Index Business Day divided by 360. If the Cash Rate is not available on any Index Business Day, the latest available Cash Rate will be used.

The "**Total Return Index Component Level**" of each Index Component was set equal to 100.0000 on the Index Component Base Date for that Index Component. On any subsequent Scheduled Trading Day, the Index Sponsor calculates the Total Return Index Component Level of an Index Component by adjusting the Total Return Index Component Level of that Index Component on the immediately preceding Scheduled Trading Day to reflect the return of the Valuation Price of that Index Component from the immediately preceding Scheduled Trading Day to the current Scheduled Trading Day, where any distribution receivable from that Index Component is hypothetically reinvested in additional units of that Index Component on the Index Business Day immediately preceding the relevant ex-distribution date. If the Valuation Price of an Index Component is not available on any ex-distribution date, the relevant distribution will be hypothetically reinvested on the immediately following Scheduled Trading Day on which the Valuation Price of that Index Component is available. If the Total Return Index Component Level is not available on the immediately preceding Scheduled Trading Day, the most recent available Total Return Index Component Level will be used for purposes of calculating the Total Return Index Component Level. In the event of a share split, the Valuation Price of the relevant Index Component will be adjusted to account for the impact of that share split for purposes of calculating the Total Return Index Component Level.

The "**Valuation Price**" means, with respect to an Index Component on any Scheduled Trading Day, the official closing price or value of that Index Component on the primary exchange or quotation system on which that Index Component is traded on that Scheduled Trading Day, as determined by the Index Sponsor. If an Index Component does not have an official closing price or value available on the primary exchange or quotation system on any Scheduled Trading Day, the most recent available Valuation Price will be used on that Scheduled Trading Day. If there is a change in the primary exchange or quotation system, the new primary exchange or quotation system will be used from the first Scheduled Trading Day when there is one previous Valuation Price available from that primary exchange or quotation system.

The Valuation Price for each Index Component will be determined by the Index Sponsor by reference to the Data Source. The "**Data Source**" is Bloomberg, *provided* that, if the Index Sponsor is not able to find the relevant information from Bloomberg, the Data Source will be FactSet; *provided further* that, if the Index Sponsor is not able to find the relevant

information from FactSet, the Index Sponsor will look for alternative information sources, including company websites, exchange notices or any other alternative generally available information sources, and any such information source will constitute the Data Source for the purposes of the Index.

"**Scheduled Trading Day**" means, with respect to an Index Component, any day on which the relevant Exchange and, if applicable, each Related Exchange for that Index Component is scheduled to be open for trading for its regular trading sessions.

"**Exchange**" with respect to an Index Component, the principal exchange on which that Index Component is listed for trading.

"**Related Exchange**" means, in respect of an Index Component, each exchange or quotation system where trading has a material effect (as determined by the Index Sponsor) on the overall market for futures or options contracts relating to that Index Component or any Underlying Asset of that Index Component.

"**Underlying Asset**" means, with respect to an Index Component, each share, bond, commodity, futures or options contract or other asset and/or component securities composing that Index Component.

Cash Level

If the Index Portfolio's exposure to the Index Components is not 100%, the Index Portfolio will allocate exposure to a cash position so that the total exposure to the Index Components and the cash position will be 100%. The value of the cash position is represented by the "**Cash Level**," which is equal to 100.0000 on each Index Business Day. Accordingly, the cash position will earn no return.

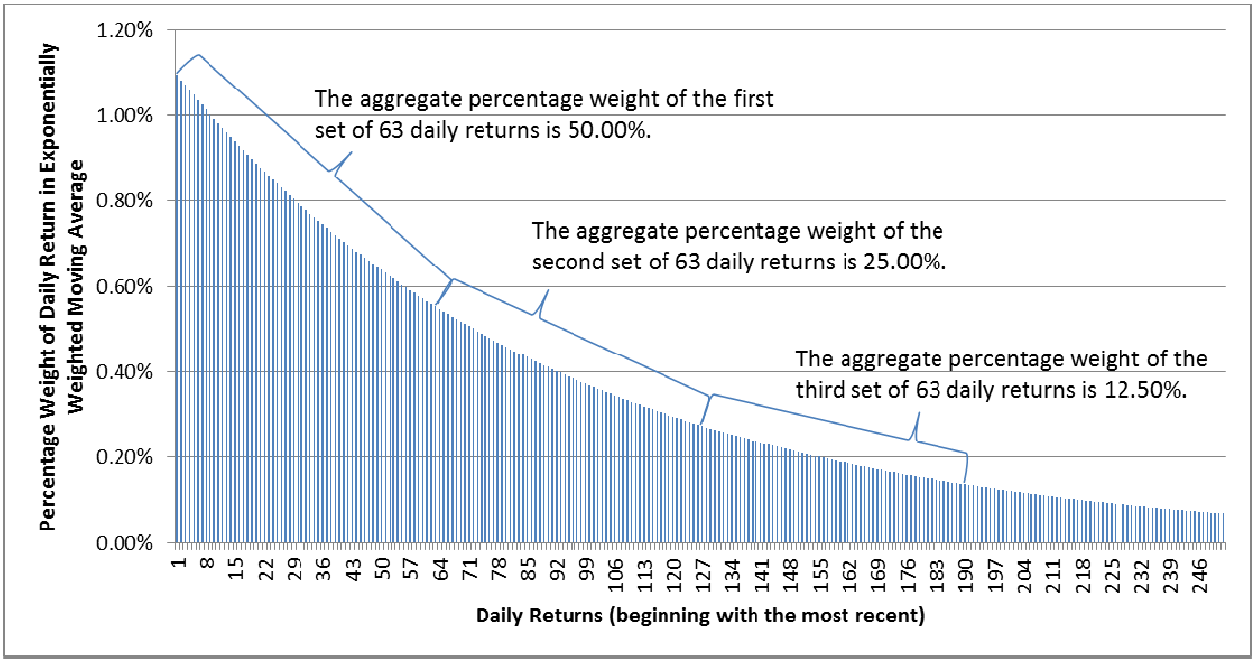
Index Component Volatility and Correlation

The historical volatility of an Index Component as of an Index Business Day is calculated based on an exponentially weighted average of the daily returns of the Excess Return Index Component Level of that Index Component over the historical period from the Excess Return Index Component Base Date of that Index Component to the current Index Business Day, which we refer to as the "**Look-Back Period**." Similarly, the historical correlation of any two Index Components as of an Index Business Day is calculated based on an exponentially weighted average of the products of the daily returns of the Excess Return Index Component Levels of those Index Components, adjusted for the volatility of each Index Component, over the shorter of the Look-Back Periods for the two Index Components. For this purpose, the historical volatility of each Index Component is a statistical measurement of the degree of variability of the exponentially weighted daily returns of the Excess Return Index Component Level of that Index Component over the Look-Back Period, and the historical correlation among the Index Components is a statistical measurement of the degree to which the exponentially weighted daily returns of the Index Components moved together during the Look-Back Period and whether they moved in the same or opposite direction. Limited by the available price history of each Index Component, the daily return of an Index Component on any day prior to and including the Excess Return Index Component Base Date for such Index Component set forth in the table above is assumed to be zero for purposes of any calculation derived from such daily return.

An exponentially weighted average is a type of weighted average that gives exponentially greater weight to more recent daily returns, as illustrated in the chart below. As a result, more recent daily returns will have a greater effect on the measured historical volatility and correlation than less recent daily returns. The degree to which more recent daily returns have a greater effect than less recent daily returns is dictated by the "half-life" used in the calculation of historical volatility or correlation. For example, if the half-life is 63, in calculating the historical volatility or correlation, the aggregate weight assigned to the most recent 63 daily returns will be 50%, and the aggregate weight assigned to all prior daily returns will be 50%. In addition, the aggregate weight assigned to each subsequent group of 63 daily returns, including daily returns on days prior to and including the Excess Return Index Component Base Date, will be half of the aggregate weight assigned to the preceding group of 63 daily returns, as illustrated in the chart below.

The chart below illustrates the effect of the exponential weighting described above for a half-life of 63 over the most recent 252 daily returns, which represents the final year of the Look-Back Period. For each daily return shown, the chart indicates the percentage weight that will be given to that daily return in calculating the exponentially weighted average of the relevant Index Component's daily returns over the Look-Back Period. For example, the most recent daily return has a weight of approximately 1.094% in calculating the exponentially weighted average. The next most recent daily return has a slightly smaller percentage weight than the percentage weight given to the most recent daily return, and each

subsequent earlier daily return has a progressively smaller percentage weight. As the chart illustrates, the most recent daily returns have a significantly greater weight than less recent daily returns in determining the exponentially weighted average.



On each Index Business Day, the Index Sponsor calculates the volatility of each Index Component with half-lives of 21 and 63 and the correlation for each pair of Index Components with half-lives of 63, 126 and 252. We refer to the volatility of an Index Component calculated with respect to each half-life as an "**Index Component Volatility Measure**," and we refer to the correlation of two Index Components calculated with respect to each half-life as an "**Index Component Correlation Measure**."

Portfolio Volatility

The historical volatility of a portfolio on any Index Business Day is determined based on the weight and historical volatility of each of the Index Components that make up that portfolio on that Index Business Day, as well as the degree of historical correlation among those Index Components. A portfolio with a lower degree of correlation among its assets will have a lower volatility than a portfolio with a higher degree of correlation among its assets if the volatilities and weights of the individual assets are the same. This is because the daily returns of assets with a lower degree of correlation will offset each other to a greater extent than the daily returns of assets with a higher degree of correlation, resulting in less variability in portfolio returns for a portfolio composed of assets with a lower degree of correlation and more variability in portfolio returns for a portfolio composed of assets with a higher degree of correlation.

On each Index Business Day, the Index Sponsor calculates the volatility of each relevant portfolio (e.g., the Index Portfolio and the portfolios referenced in determining whether and how the Index will be rebalanced) using each combination of Index Component Volatility Measures and Index Component Correlation Measures, resulting in six different measures of the volatility of that portfolio (each, a "**Portfolio Volatility Measure**"). For example, the volatility of a portfolio calculated using Index Component Volatility Measures with a half-life of 21 and Index Component Correlation Measures with a half-life of 63 represents one of the six Portfolio Volatility Measures for that portfolio. Referencing the highest of six measures of portfolio volatility allows the Index to better capture any recent increases in the volatility or correlation of the Index Components and lessen the impact of any recent decreases in the volatility or correlation of the Index Components. We refer to the highest of the Portfolio Volatility Measures of a portfolio as the "**Portfolio Volatility**" of that portfolio.

Valuation and Composition of the Index Portfolio

The value of the Index Portfolio (the "**Index Portfolio Level**") reflects the value of the Index Components and cash notionally included in the Index Portfolio on that Index Business Day. The Index Portfolio Level was set equal to 100.0000 on December 20, 2002 (the "**Index Portfolio Base Date**"). On any subsequent Index Business Day, the Index Portfolio Level is equal to:

- the sum of the products, for each Index Component, of the number of units of that Index Component notionally included in the Index Portfolio on that Index Business Day (the "**Index Component Units**" of that Index Component) and the Excess Return Index Component Level of that Index Component on that Index Business Day; plus

- the product of the number of units of cash notionally included in the Index Portfolio on that Index Business Day (the "**Cash Units**") and the Cash Level.

The Index Component Units of each Index Component and the Cash Units notionally included in the Index Portfolio on each Index Business Day will be the Index Component Units of that Index Component and the Cash Units, respectively, notionally included in Index Portfolio on the immediately preceding Index Business Day, except on an Index Business Day on which the Index is rebalanced (each, an "**Index Rebalancing Date**"). On an Index Rebalancing Date, the Index Component Units of each Index Component will be set to reflect the composition of the Rebalance Portfolio on the immediately preceding Index Business Day (the "**Index Selection Date**") and, if the aggregate weight of the Rebalance Portfolio does not equal 100%, the Index Portfolio will allocate exposure to Cash Units so that the aggregate weight of the Index Components and the cash position will be 100%:

- the Index Component Units of each Index Component notionally included in the Index Portfolio on an Index Rebalancing Date will be equal to the product of (a) the weight of that Index Component in the Rebalance Portfolio on the corresponding Index Selection Date and (b) the quotient of the Index Portfolio Level on that Index Selection Date divided by the Excess Return Index Component Level of that Index Component on that Index Selection Date; and

- the Cash Units notionally included in the Index Portfolio on an Index Rebalancing Date will be equal to (a) the Cash Units on the immediately preceding Index Business Day, plus (b) the number of units of cash corresponding to the value of the units of any Index Component removed from the Index Portfolio on that Index Rebalancing Date, minus (c) the number of units of cash corresponding to the value of the units of any Index Component added to the Index Portfolio on that Index Rebalancing Date.

  For this purpose, the number of units of cash corresponding to the value of the units of any Index Component added to or removed from the Index Portfolio will equal, for each such Index Component, the quotient of (a) the product of the number of units of that Index Component being added to or removed from the Index Portfolio and the Excess Return Index Component Level of that Index Component as of that Index Rebalancing Date, divided by (b) the Cash Level that Index Rebalancing Date.

The weight of any Index Component notionally included in the Index Portfolio on any Index Business Day (the "**Effective Weight**" of that Index Component) is equal to the quotient of (a) the product of the Index Component Units of that Index Component as of that Index Business Day and the Excess Return Index Component Level of that Index Component on that Index Business Day, divided by (b) the Index Portfolio Level on that Index Business Day.

Index Portfolio Rebalancing

The Index is not rebalanced according to a predetermined schedule. Instead, the Index is rebalanced only when a rebalancing has been triggered. A rebalancing will be triggered and the Index will be rebalanced on any Index Business Day if the composition of the Index Portfolio on the immediately preceding Index Business Day is not within specified tolerances of the composition of the Optimized Portfolio on the immediately preceding Index Business Day or if the volatility of the Index Portfolio or any Index Component as of the immediately preceding Index Business Day falls outside specified parameters.

More specifically, the Index will be rebalanced on any Index Business Day if any of the following occurs:

- the sum of the Effective Weights of the Index Components representing U.S. equity sectors in the Index Portfolio on the immediately preceding Index Business Day is above or below the sum of the weights of those Index Components in the Optimized Portfolio on the immediately preceding Index Business Day by 10% or more;

- the sum of the Effective Weights of the Index Components representing fixed-income assets in the Index Portfolio on the immediately preceding Index Business Day is above or below the sum of the weights of those Index Components in the Optimized Portfolio on the immediately preceding Index Business Day by 10% or more;

- the Portfolio Volatility of the Index Portfolio on the immediately preceding Index Business Day is above the Target Volatility of 5% by more than 1%; or

- either of the Index Component Volatility Measures of any Index Component on the immediately preceding Index Business Day is more than 5% above or below the corresponding Index Component Volatility of that Index Component on the Index Business Day immediately preceding the Index Business day on which the Index was last rebalanced.

Optimized Portfolio and Rebalance Portfolio

The Optimized Portfolio and the Rebalance Portfolio are determined on the same basis, except that the Rebalance Portfolio includes an additional constraint to prevent an increase or decrease of more than 25 percentage points in the weight of any Index Component in connection with a rebalancing:

- the "**Optimized Portfolio**" on any Index Business Day is the portfolio constructed from the Index Components that is determined by the Index methodology to have the highest expected return, without the Portfolio Volatility of that portfolio exceeding the Target Volatility of 5%, where the weight of each Index Component and the aggregate weight of that portfolio are each greater than or equal to 0% and less than or equal to 100%; and

- the "**Rebalance Portfolio**" on any Index Business Day is, like the Optimized Portfolio, the portfolio constructed from the Index Components that is determined by the Index methodology to have the highest expected return, without the Portfolio Volatility of that portfolio exceeding the Target Volatility of 5%, where the weight of each Index Component and the aggregate weight of that portfolio are each greater than or equal to 0% and less than or equal to 100%, but with the further constraint that the weight of each Index Component in the Rebalance Portfolio must be within 25 percentage points of the Effective Weight of that Index Component on that Index Business Day.

The expected return of any portfolio reflects the expected returns of the assets that make up that portfolio and can be calculated as the weighted average of the expected returns of those assets. As described above, the Index uses expected volatility as a proxy for expected return, and the Index approximates the expected volatility of the Index Components by referencing historical volatility.

Accordingly, for purposes of the Index, and given the assumptions described above, the portfolio with the highest expected return that satisfies the relevant constraints will be the portfolio with the highest weighted-average Index Component volatility (because volatility is used as a proxy for expected return), without the Portfolio Volatility of that portfolio exceeding the Target Volatility of 5%. The Index Sponsor calculates the weighted-average volatility of the Index Components in any given portfolio on any Index Business Day as the sum of the products, for each Index Component, of (a) the weight of that Index Component in that portfolio and (b) the greater of the Index Component Volatility Measures of that Index Component on that Index Business Day.

Capped Participation

The Index adjusts its notional exposure to the Index Portfolio (also referred to as the Capped Participation of the Index to the Index Portfolio) in an attempt to maintain a volatility for the Index approximately equal to the Target Volatility of 5%, subject to a maximum exposure of 150% and a minimum exposure of 0%. If the Capped Participation is less than 100% on any Index Business Day, the difference will be notionally uninvested and will earn no return. For this purpose, the volatility of the Index Portfolio is calculated based on an exponentially weighted average of the daily returns of the Index Portfolio over the historical period from the Index Portfolio Base Date to the current Index Business Day, calculated with a half-life of 21 (the "**Index Portfolio Volatility**").

The Index will adjust its Capped Participation on any given Index Business Day only if the change in the exposure from the immediately preceding Index Business Day would exceed a "volatility buffer" of 10%. Accordingly, the Index Sponsor calculates the Indicated Participation on each Index Business Day and compares it to the Capped Participation on the immediately preceding Index Business Day. If the Indicated Participation on the current Index Business Day is more than 10% above or below the Capped Participation on the immediately preceding Index Business Day, the Capped Participation on the current Index Business Day will equal that Indicated Participation (subject to a maximum of 150% and a minimum of 0%, as described in the previous paragraph); otherwise, the Capped Participation on the current Index Business Day will equal the Capped Participation on the immediately preceding Index Business Day. For example, if the Capped Participation is 50% on any given Index Business Day, the Index will not adjust the Capped Participation on any subsequent Index Business Day until the Indicated Participation is greater than 60% or be less than 40%.

The "**Indicated Participation**" on each Index Business Day will equal the Target Volatility of 5% divided by the Index Portfolio Volatility measured as of the immediately preceding Index Business Day. The Indicated Participation will be less than 100% when the Index Portfolio Volatility on the immediately preceding Index Business Day is greater than 5% and greater than 100% when Index Portfolio Volatility on the immediately preceding Index Business Day is less than 5%.

For example, in respect of any Index Business Day, if the Index Portfolio Volatility determined with respect to the immediately preceding Index Business Day is 10%, the Indicated Participation on the current Index Business Day will be 50% (5% divided by 10%). If the Indicated Participation is used as the Capped Participation on the current Index Business Day, this would mean that if the Index Portfolio appreciates by 2% on the immediately following Index Business Day, the Index would appreciate only by 1%, and if the Index Portfolio depreciates by 2% on the immediately following Index Business Day, the Index would depreciate only by 1% (in each case, less the index fee). In addition, in respect of any Index Business Day, if the Index Portfolio Volatility determined with respect to the immediately preceding Index Business Day is 3%, the Indicated Participation on the current Index Business Day will be 166.7% (5% divided by 3%). Since any Capped Participation is subject to a maximum of 150%, an Indicated Participation of 166.7% will differ from the Capped Participation as of the immediately preceding Index Business day by more than 10%. As a result, the Capped Participation on the current Index Business Day will be equal to the Indicated Participation, subject to a maximum of 150% and a minimum of 0%. Therefore the Capped Participation will be 150%. This would mean that if the Index Portfolio appreciates by 2% on the immediately following Index Business Day, the Index would appreciate by 3%, and if the Index Portfolio depreciates by 2% on the immediately following Index Business Day, the Index would depreciate by 3% (in each case, less the index fee).

Calculation of the Index

The Index Level was set equal to 100.0000 on December 31, 2003 (the "**Index Base Date**"). Subject to Index Market Disruption Events and Index Adjustment Events, on any subsequent Index Business Day, the Index Sponsor calculates the Index Level by adjusting the Index Level on the immediately preceding Index Business Day to reflect (a) the return of the Index Portfolio from the immediately preceding Index Business Day, scaled by the Capped Participation as of the immediately preceding Index Business Day and (b) the deduction of the index fee that has accrued since the immediately preceding Index Business Day, as set forth in the following formula:

$$\text{Index}_t = \text{Index}_{t-1} \times \left[\left(\frac{\text{Index Portfolio}_t}{\text{Index Portfolio}_{t-1}} - 1\right) \times \text{CP}_{t-1} - \text{Index Fee} \times \left(\frac{\text{D}_t - \text{D}_{t-1}}{365}\right) + 1\right]$$

where:

- Index_t is the Index Level on the current Index Business Day;
- Index_{t-1} is the Index Level on the immediately preceding Index Business Day;
- Index Portfolio_t is the Index Portfolio Level on the current Index Business Day;
- $\text{Index Portfolio}_{t-1}$ is the Index Portfolio Level on the immediately preceding Index Business Day;
- CP_{t-1} is the Capped Participation as of the immediately preceding Index Business Day;
- Index Fee is 0.85%; and
- $\text{D}_t - \text{D}_{t-1}$ is the number of calendar days from but excluding the immediately preceding Index Business Day to and including the current Index Business Day.

Background on the Index Components

Included below is a brief description of each of the Index Components. This information has been obtained from publicly available sources, without independent verification. The sponsor of each Index Component is required to file information specified by the SEC periodically. Information with respect to each Index Component provided to or filed with the SEC under the Securities Act of 1933, as amended, and the Investment Company Act of 1940, as amended, can be located by reference to SEC file numbers set forth below with respect to that Index Component through the SEC's website at http://www.sec.gov. We have not independently verified the accuracy or completeness of such information.

- The Materials Select Sector SPDR® Fund is an exchange-traded fund that seeks to provide investment results that, before expenses, correspond generally to the price and yield performance of publicly traded equity securities of companies in the materials sector, as represented by the S&P 500® Materials Select Sector Index. The S&P 500® Materials Select Sector Index includes companies from the following industries: chemicals; metals and mining; paper and forest products; containers and packaging; and construction materials. The SEC file numbers with respect to the Materials Select Sector SPDR® Fund are 333-57791 and 811-08837.

- The Energy Select Sector SPDR® Fund is an exchange-traded fund that seeks to provide investment results that, before expenses, correspond generally to the price and yield performance of publicly traded equity securities of companies in the energy sector, as represented by the S&P 500® Energy Select Sector Index. The S&P 500® Energy Select Sector Index includes companies from the following industries: oil, gas and consumable fuels; and energy equipment and services. The SEC file numbers with respect to the Energy Select Sector SPDR® Fund are 333-57791 and 811-08837.

- The Financial Select Sector SPDR® Fund is an exchange-traded fund that seeks to provide investment results that, before expenses, correspond generally to the price and yield performance of publicly traded equity securities of companies in the financial services sector, as represented by the S&P 500® Financial Select Sector Index. The S&P 500® Financial Select Sector Index includes companies from the following industries: diversified financial services; insurance; commercial banks; capital markets; real estate investment trusts; consumer finance; thrifts and mortgage finance; and real estate management and development. The SEC file numbers with respect to the Financial Select Sector SPDR® Fund are 333-57791 and 811-08837.

- The Industrial Select Sector SPDR® Fund is an exchange-traded fund that seeks to provide investment results that, before expenses, correspond generally to the price and yield performance of publicly traded equity securities of companies in the industrial sector, as represented by the S&P 500® Industrial Select Sector Index. The S&P 500® Industrial Select Sector Index includes companies from the following industries: aerospace and defense; industrial conglomerates; machinery; road and rail; air freight and logistics; commercial services and supplies; professional services; electrical equipment; construction and engineering; trading companies and distributors; airlines and building products. The SEC file numbers with respect to the Industrial Select Sector SPDR® Fund are 333-57791 and 811-08837.

- The Technology Select Sector SPDR® Fund is an exchange-traded fund that seeks to provide investment results that, before expenses, correspond generally to the price and yield performance of publicly traded equity securities of companies in the technology sector, as represented by the S&P 500® Technology Select Sector Index. The S&P 500® Technology Select Sector Index includes companies from the following industries: computers and peripherals; software; diversified telecommunication services; communications equipment; semiconductors and semiconductor equipment; internet software and services; information technology services; electronic equipment, instruments and components; wireless telecommunication services and office electronics. The SEC file numbers with respect to the Technology Select Sector SPDR® Fund are 333-57791 and 811-08837.

- The Consumer Staples Select Sector SPDR® Fund is an exchange-traded fund that seeks to provide investment results that, before expenses, correspond generally to the price and yield performance of publicly traded equity securities of companies in the consumer staples sector, as represented by the S&P 500® Consumer Staples Select Sector Index. The S&P 500® Consumer Staples Select Sector Index includes companies from the following industries: food and staples retailing; household products; food products; beverages; tobacco; and personal

products. The SEC file numbers with respect to the Consumer Staples Select Sector SPDR® Fund are 333-57791 and 811-08837.

- The Utilities Select Sector SPDR® Fund is an exchange-traded fund that seeks to provide investment results that, before expenses, correspond generally to the price and yield performance of publicly traded equity securities of companies in the utilities sector, as represented by the S&P 500® Utilities Select Sector Index. The S&P 500® Utilities Select Sector Index includes companies from the following industries: electric utilities; multi-utilities; independent power producers and energy traders; and gas utilities. The SEC file numbers with respect to the Utilities Select Sector SPDR® Fund are 333-57791 and 811-08837.

- The Health Care Select Sector SPDR® Fund is an exchange-traded fund that seeks to provide investment results that, before expenses, correspond generally to the price and yield performance of publicly traded equity securities of companies in the health care sector, as represented by the S&P 500® Health Care Select Sector Index. The S&P 500® Health Care Select Sector Index includes companies from the following industries: pharmaceuticals; health care equipment and supplies; health care providers and services; biotechnology; life sciences tools and services; and health care technology. The SEC file numbers with respect to the Health Care Select Sector SPDR® Fund are 333-57791 and 811-08837.

- The Consumer Discretionary Select Sector SPDR® Fund is an exchange-traded fund that seeks to provide investment results that, before expenses, correspond generally to the price and yield performance of publicly traded equity securities of companies in the consumer discretionary sector, as represented by the S&P 500® Consumer Discretionary Select Sector Index. The S&P 500® Consumer Discretionary Select Sector Index includes companies from the following industries: media; retail (specialty, multiline, internet and catalog); hotels, restaurants and leisure; textiles, apparel and luxury goods; household durables; automobiles; auto components; distributors; leisure equipment and products; and diversified consumer services. The SEC file numbers with respect to the Consumer Discretionary Select Sector SPDR® Fund are 333-57791 and 811-08837.

- The iShares® U.S. Real Estate ETF is an exchange-traded fund that seeks to track the investment results, before fees and expenses, of an index composed of U.S. equities in the real estate sector, which is currently the Dow Jones U.S. Real Estate Index. The Dow Jones U.S. Real Estate Index measures the performance of the real estate industry of the U.S. equity market, including real estate holding and developing and real estate investment trusts subsectors. The SEC file numbers with respect to the iShares® U.S. Real Estate ETF are 033-97598 and 811-09102.

- The iShares® 20+ Year Treasury Bond ETF is an exchange-traded fund that seeks to track the investment results, before fees and expenses, of an index composed of U.S. treasury bonds with remaining maturities greater than twenty years, which is currently the ICE U.S. Treasury 20+ Year Bond Index. The ICE U.S. Treasury 20+ Year Bond Index measures the performance of public obligations of the U.S. Treasury and includes publicly issued U.S. treasury securities that have a remaining maturity of greater than 20 years, have $300 million or more of outstanding face value (excluding amounts held by the Federal Reserve), are fixed rate and denominated in U.S. dollars. The SEC file numbers with respect to the iShares® 20+ Year Treasury Bond ETF are 333-92935 and 811-09729.

- The iShares® MBS ETF is an exchange-traded fund that seeks to track the investment results, before fees and expenses, of an index composed of investment-grade mortgage-backed pass-through securities issued and/or guaranteed by U.S. government agencies, which is currently the Barclays U.S. MBS Index. The Barclays U.S. MBS Index tracks agency mortgage backed pass-through securities (both fixed-rate and hybrid adjustable-rate mortgage) guaranteed by Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC). The SEC file numbers with respect to the iShares® MBS ETF are 333-92935 and 811-09729.

- The iShares® iBoxx $ High Yield Corporate Bond ETF is an exchange-traded fund that seeks to track the investment results, before fees and expenses, of an index consisting of liquid, U.S. dollar-denominated, high yield corporate bonds, which is currently the Markit iBoxx USD Liquid High Yield Index. The Markit iBoxx USD Liquid High Yield Index is designed to reflect the performance of U.S. dollar denominated high yield corporate debt

through a broad coverage of the U.S. dollar high yield liquid bond universe. The SEC file numbers with respect to the iShares® iBoxx $ High Yield Corporate Bond ETF are 333-92935 and 811-09729.

Modifications to the Index

Index Market Disruption Events

If an Index Market Disruption Event occurs or is continuing on any Index Business Day and that Index Market Disruption Event materially affects the Index, the Index Sponsor may:

- defer or suspend publication of the Index Level and any other information relating to the Index until it determines that no Index Market Disruption Event is continuing;
- if that Index Business Day is an Index Selection Date, postpone that Index Selection Date to the next Index Business Day on which it determines that such Index Market Disruption Event is not continuing. As a result, the related Index Rebalancing Date will also be postponed and will occur on the first Index Business Day following the postponed Index Selection Date;
- if that Index Business Day is an Index Rebalancing Date, postpone that Index Rebalancing Date to the next Index Business Day on which it determines that such Index Market Disruption Event is not continuing; or
- discontinue supporting the Index or terminate the calculation and publication of the Index Level, if the Index Sponsor determines that the measures provided in the three bullets above produce results that are not consistent with the objectives of the Index.

An "**Index Market Disruption Event**" means the occurrence of one or more of the following events if the Index Sponsor determines that such event is material with respect to any Index Component:

- a suspension, absence or limitation of trading in (1) that Index Component in its primary market, as determined by the Index Sponsor, or (2) futures or options contracts relating to that Index Component in the primary market for those contracts, as determined by the Index Sponsor, in either case for more than two hours of trading or at any time during the one-half hour period preceding the close of the regular trading session in that market or, if the relevant valuation time is not the close of the regular trading session in that market, the relevant valuation time;
- any event that disrupts or impairs, as determined by the Index Sponsor, the ability of market participants in general to (1) effect transactions in, or obtain market values for, that Index Component in its primary market, or (2) effect transactions in, or obtain market values for, futures or options contracts relating to that Index Component in the primary market for those contracts, in either case for more than two hours of trading or at any time during the one-half hour period preceding the close of the regular trading session in that market or, if the relevant valuation time is not the close of the regular trading session in that market, the relevant valuation time;
- the closure on any Scheduled Trading Day of the primary market for that Index Component prior to the scheduled weekday closing time of that market (without regard to after hours or any other trading outside of the regular trading session hours) unless the earlier closing time is announced by the primary market at least one hour prior to the earlier of (1) the actual closing time for the regular trading session on that primary market on that Scheduled Trading Day and (2) the submission deadline for orders to be entered into the relevant exchange system for execution at the close of trading on that Scheduled Trading Day for that primary market;
- any Scheduled Trading Day on which (1) the primary market for that Index Component or (2) the exchanges or quotation systems, if any, on which futures or options contracts relating to that Index Component are traded, fail to open for trading during their respective regular trading sessions;
- a General Banking Moratorium; or
- an event that makes it impossible or not reasonably practicable on any Index Business Day for the Index Sponsor to obtain the price of that Index Component, or any other price, level or rate required for the purposes of calculating the level of the Index in a manner acceptable to the Index Sponsor.

The following events will not be Index Market Disruption Events:

- a limitation on the hours or number of days of trading in the relevant market or relevant exchange only if the limitation results from an announced change in the regular business hours of the relevant market or relevant exchange (not on a temporary basis); or
- a decision to permanently discontinue trading in futures or options contracts relating to any Index Component.

For this purpose, an absence of trading on an exchange or market will not include any time when the relevant exchange or market is itself closed for trading under ordinary circumstances.

In contrast, a suspension or limitation of trading in an Index Component in its primary market, or in futures or options contracts relating to an Index Component, if available, in the primary market for those contracts, by reason of any of:

- a price change exceeding limits set by that market,
- an imbalance of orders relating to that Index Component or those contracts, as applicable, or
- a disparity in bid and ask quotes relating to that Index Component or those contracts, as applicable,

will constitute a suspension or material limitation of trading.

"**General Banking Moratorium**" means the declaration of a general moratorium in respect of banking activities in London or New York.

Index Adjustment Events

If an Index Adjustment Event occurs on any Index Business Day and that Index Adjustment Event materially affects the Index, the Index Sponsor may, acting in a manner consistent with the objectives of the Index:

- make such determinations and/or adjustments as the Index Sponsor considers necessary in order to maintain the objectives of the Index, in relation to (a) the methodology used to calculate the Index or (b) the Index Level;
- select a successor Index Component to replace the Index Component affected by the Index Adjustment Event that is substantially similar to the affected Index Component;
- defer or suspend publication of the Index Level and any other information relating to the Index until it determines that no Index Adjustment Event is continuing;
- if the Index Business Day on which the Index Adjustment Event occurs or is continuing is an Index Selection Date, postpone that Index Selection Date to the next Index Business Day on which it determines that such Index Adjustment Event is not continuing. As a result, the Index Rebalancing Date will also be postponed and will occur on the first Index Business Day following the new Index Selection Date;
- if the Index Business Day on which the Index Adjustment Event occurs or is continuing is an Index Rebalancing Date, postpone that Index Rebalancing Date to the next Index Business Day on which it determines that such Index Adjustment Event is not continuing; or
- discontinue supporting the Index or terminate the calculation and publication of the Index Level, if the Index Sponsor determines that the measures provided in the five bullets above are not feasible or would produce results that are not consistent with the objectives of the Index.

Any of the following will be an "**Index Adjustment Event**":

- the Index Sponsor determines, at any time, that an Index Force Majeure Event occurs or is continuing;
- the Index Sponsor determines, at any time, that there has been (or there is pending) a change in taxation (a) generally affecting commercial banks organized and subject to tax in the United Kingdom (including, but not limited to, any tax generally imposed on commercial banks organized and subject to tax in the United Kingdom), or (b) generally affecting market participants who hold positions in any of the Index Components or Underlying Assets, as the case may be; or
- a change (including termination or disappearance of an Index Component) will have been made to any of the Index Components or there will have occurred any other event that would make the calculation of the Index impossible or infeasible, technically or otherwise, or that makes the Index non-representative of market prices of the Index Components or undermines the objectives of the Index.

An "**Index Force Majeure Event**" means any event or circumstance (including, without limitation, a systems failure, natural or man-made disaster, act of God, armed conflict, act of terrorism, riot or labor disruption or any similar intervening circumstance) that is beyond the reasonable control of the Index Sponsor and that the Index Sponsor determines affects the Index, any Index Component or, if applicable, any Underlying Asset, the methodology on which the Index is based or the Index Sponsor's ability to calculate and publish the Index.

Modifications to the Index Methodology or the Index; Termination of the Index

While the Index Sponsor currently employs the methodology described above, no assurance can be given that market, regulatory, juridical, financial, fiscal or other circumstances will not arise that would, in its view, necessitate a modification or change of that methodology (including the information or inputs on which the Index is based) or termination of the Index. Consequently, the Index Sponsor reserves the right to modify or change that methodology, consistent with the objectives of the Index.

The Index Sponsor assumes no obligation to implement any modification or change to the methodology described above as a result of any market, regulatory, juridical, financial, fiscal or other circumstances (including, but not limited to, any changes to or any suspension or termination of, or any other events affecting, the Index or any Index Component).

Notwithstanding anything to the contrary under "Index Sponsor" below, the Index Sponsor may, at any time and in its sole discretion, terminate the calculation and/or publication of the Index Level without regard to any other factors.

If the Index is modified, changed or terminated, the Index Sponsor will publish any modifications or changes or an announcement of that termination, as applicable, on www.barclays.com/indices (or any successor website). Information contained on this website is not incorporated by reference herein and should not be considered a part hereof.

Index Sponsor

All determinations, modifications, changes or suspensions made by the Index Sponsor (a) will be made by it acting in its sole discretion, by reference to such factors as the Index Sponsor deems appropriate, and consistent with the objectives of the Index and (b) will be final, conclusive and binding in the absence of manifest error, and no person shall be entitled to make any claim against the Index Sponsor or its affiliates regarding any such determination, modification, change or suspension.

The Index Sponsor reserves the right to make adjustments to correct errors contained in previously published information and to publish the corrected information, including but not limited to, Index Levels, but is under no obligation to do so.

Barclays Bank PLC may terminate the appointment of, and replace, the Index Sponsor with a successor index sponsor. Following termination of the appointment of the Index Sponsor, Barclays Bank PLC will publish an announcement of that termination and the identity of the successor index sponsor on www.barclays.com/indices (or any successor website) as soon as reasonably practicable. Information contained on this website is not incorporated by reference herein and should not be considered a part hereof.

Disclaimer

Neither Barclays Bank PLC nor the Index Sponsor guarantees the accuracy and/or completeness of the Index, any data included therein, or any data on which it is based, and neither Barclays Bank PLC nor the Index Sponsor will have any liability for any errors, omissions, or interruptions therein.

Neither Barclays Bank PLC nor the Index Sponsor makes any warranty, express or implied, as to the results to be obtained from the use of the Index. Barclays Bank PLC and the Index Sponsor make no express or implied warranties, and expressly disclaim all warranties of merchantability or fitness for a particular purpose or use with respect to the Index or any data included therein. Without limiting any of the foregoing, in no event will Barclays Bank PLC or the Index Sponsor have any liability for any lost revenues or profits (whether direct or indirect) or for any special, punitive, indirect or consequential damages, even if notified of the possibility of such damages.

None of Barclays Bank PLC, the Index Sponsor, any of their respective affiliates or subsidiaries and any of the respective directors, officers, employees, representatives, delegates or agents of any of the foregoing entities will have any responsibility to any person (whether as a result of negligence or otherwise) for any determination made or anything done (or omitted to be determined or done) in respect of the Index or publication of the levels of the Index (or failure to publish such value) and any use to which any person may put the Index or the levels of the Index. In addition, although the Index Sponsor reserves the right to make adjustments to correct previously incorrectly published information, including

but not limited to the levels of the Index, the Index Sponsor is under no obligation to do so, and Barclays Bank PLC and the Index Sponsor will have no liability in respect of any errors or omissions.

Bloomberg Index Services Limited is the official index calculation and maintenance agent of the Index, an index owned and administered by Barclays Bank PLC. Bloomberg Index Services Limited does not guarantee the timeliness, accurateness, or completeness of the Index calculations or any data or information relating to the Index. Bloomberg Index Services Limited makes no warranty, express or implied, as to the Index or any data or values relating thereto or results to be obtained therefrom, and expressly disclaims all warranties of merchantability and fitness for a particular purpose with respect thereto. To the maximum extent allowed by law, Bloomberg Index Services Limited, its affiliates, and all of their respective partners, employees, subcontractors, agents, suppliers and vendors (collectively, the "protected parties") shall have no liability or responsibility, contingent or otherwise, for any injury or damages, whether caused by the negligence of a protected party or otherwise, arising in connection with the calculation of the Index or any data or values included therein or in connection therewith and shall not be liable for any lost profits, losses, punitive, incidental or consequential damages.

Nothing in the disclaimers above will exclude or limit liability to the extent such exclusion or limitation is not permitted by law.

Historical and Hypothetical Historical Performance of the Index

The Index was launched on July 5, 2016 and the Index Base Date is December 31, 2003. All data relating to the period prior to the launch date of the Index is a hypothetical historical estimate by the Index Sponsor using available data as to how the Index may have performed in the pre-launch date period. Accordingly, the following table and graph illustrate:

- on a hypothetical basis, how the Index would have performed from January 1, 2006 to July 4, 2016 based on the composition and calculation methodology described above; and
- on an actual basis, how the Index performed from July 5, 2016 onward.

Except as described below, the hypothetical historical information was determined using the methodology currently used to calculate the Index. For Index Components that launched after the inception of the Index, the hypothetical historical information for periods prior to the Index Component Base Date was calculated using alternative performance information derived from a related index, after deducting hypothetical fund fees, rather than from performance information for that Index Component, as set forth in the table below.

Index Component	Proxy Components (ticker)	Hypothetical Fee	Index Component Base Date
iShares® 20+ Year Treasury Bond ETF	Barclays U.S. 20+ Year Treasury Bond Index (LT11TRUU)*	0.15%	7/26/2002
iShares® MBS ETF	Barclays Capital U.S. MBS Index (LUMSTRUU)	0.27%	3/16/2007
iShares® iBoxx $ High Yield ETF	Barclays High Yield Very Liquid Index (LHVLTRUU)**	0.50%	4/11/2007

* The current Underlying Index for the iShares® 20+ Year Treasury Bond ETF is the ICE U.S. Treasury 20+ Year Bond Index. Prior to April 1, 2016, however, the Barclays U.S. 20+ Year Treasury Bond Index was the Underlying Index for the iShares® 20+ Year Treasury Bond ETF.

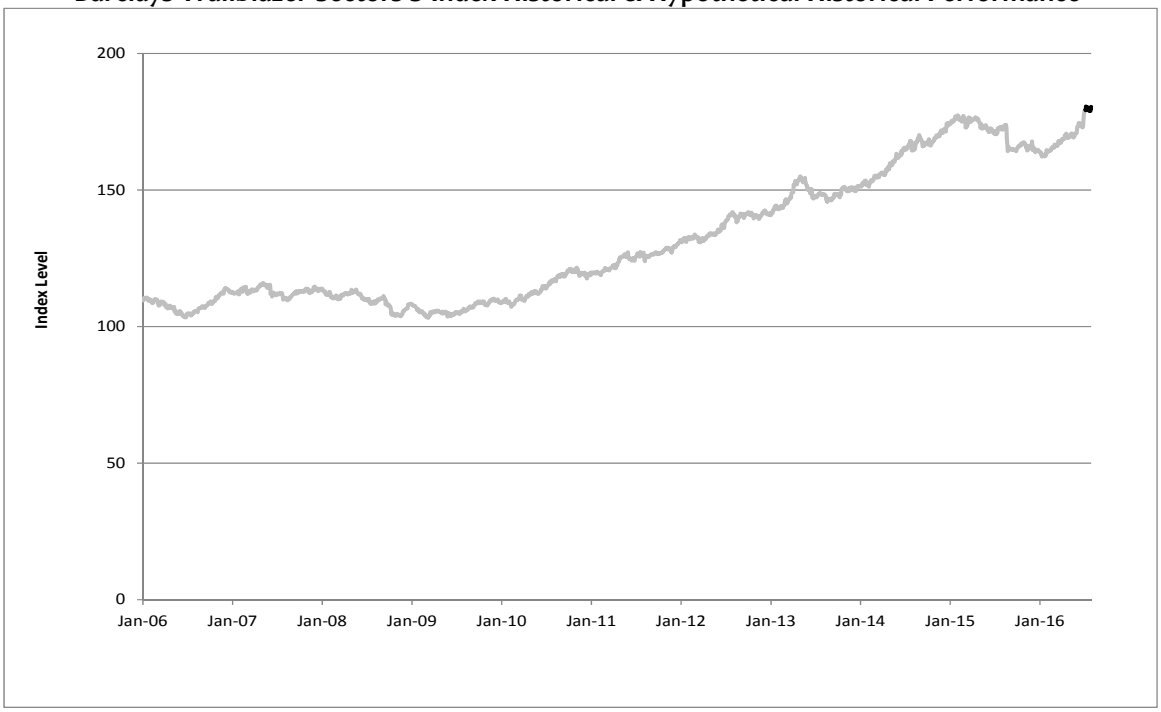
** The Underlying Index of the iShares® iBoxx $ High Yield ETF is the Markit Boxx USD Liquid High Yield Index, not the Barclays High Yield Very Liquid Index.

The hypothetical historical information does not reflect actual performance of the Index and has not been verified by an independent third party. Hypothetical historical information has inherent limitations and is achieved by means of a retroactive setting of the selection criteria designed with the benefit of hindsight. Alternative selection criteria or assumptions may produce different hypothetical historical information that might prove to be more appropriate and that might differ significantly from the hypothetical historical information provided below.

Quarter/Period Ending	Quarterly High	Quarterly Low	Quarterly Close		Quarter/Period Ending	Quarterly High	Quarterly Low	Quarterly Close
March 31, 2006	110.6446	107.6639	107.8640		September 30, 2011	127.3162	123.9111	126.7790
June 30, 2006	108.4192	103.3230	104.7096		December 31, 2011	131.7131	126.6517	131.7131
September 30, 2006	108.7550	103.9577	108.6395		March 31, 2012	133.7914	130.7919	131.8149
December 31, 2006	114.2760	108.2255	112.3362		June 30, 2012	137.8794	131.2442	137.8794
March 31, 2007	114.6268	111.7332	112.8774		September 30, 2012	141.9963	138.1759	141.3507
June 30, 2007	116.0495	110.9808	111.6505		December 31, 2012	142.6073	139.3409	140.7817
September 30, 2007	113.0837	109.5387	112.6687		March 31, 2013	148.8163	140.8607	148.8065
December 31, 2007	114.7076	112.2245	113.9773		June 30, 2013	155.1019	146.8679	147.7505
March 31, 2008	114.0021	109.9323	111.6288		September 30, 2013	149.0250	145.6633	148.1989
June 30, 2008	113.6142	109.7248	110.1213		December 31, 2013	151.5857	147.2728	151.5291
September 30, 2008	111.2729	107.4193	107.4305		March 31, 2014	156.4959	151.1667	156.4959
December 31, 2008	108.4879	103.7411	108.3326		June 30, 2014	165.5932	155.4834	165.5932
March 31, 2009	108.0861	103.1646	105.2989		September 30, 2014	170.2456	164.4112	166.9483
June 30, 2009	105.9101	103.6125	105.2092		December 31, 2014	174.6586	166.2849	174.0097
September 30, 2009	109.2938	104.7334	109.0364		March 31, 2015	177.4340	172.7852	175.4974
December 31, 2009	110.2603	107.6430	108.5471		June 30, 2015	176.7438	170.7806	170.7806
March 31, 2010	111.4766	107.2250	110.0200		September 30, 2015	173.9985	164.2245	164.7605
June 30, 2010	114.8773	109.3730	114.2584		December 31, 2015	167.9139	163.8536	164.0185
September 30, 2010	120.6218	113.9010	120.3690		March 31, 2016	168.2581	162.2035	168.2444
December 31, 2010	121.6514	117.6045	119.8122		June 30, 2016	177.7014	168.4612	177.7014
March 31, 2011	122.2975	118.8057	122.1630		September 30, 2016	181.2332	176.7145	178.5047
June 30, 2011	127.2976	121.3041	124.9526		October 21, 2016*	178.0668	176.0409	177.1078

* For the period beginning on October 1, 2016 and ending on October 21, 2016. As described above, the launch date for the Index was July 5, 2016. All data relating to the period prior to such date is hypothetical historical data and does not represent actual levels of the Index on any such date. On July 5, 2016, the launch date of the Index, the Index Level was 179.0167.

Barclays Trailblazer Sectors 5 Index Historical & Hypothetical Historical Performance



HISTORICAL AND HYPOTHETICAL HISTORICAL PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS

Fees; Hedging

Under the arrangements established by Barclays Capital Inc. and the Bank, Barclays Capital Inc. will act as agent of the Bank for placing the CDs directly or through Brokers. Barclays Capital Inc. will receive a placement agent fee from the Bank or an affiliate of the Bank and will use this placement agent fee to pay variable selling concessions or placement agent fees to other Brokers, as described on the cover page of this disclosure supplement. In addition, also as described on the cover page of this disclosure supplement, Barclays Capital Inc. will pay (and will be reimbursed by the Bank or an affiliate of the Bank for) additional fees or concessions to certain Brokers participating in the distribution of the CDs and additional marketing, structuring, educational or other in connection with the distribution of the CDs by certain Brokers. Barclays Capital Inc. and other Brokers may receive fees and broker spreads in any secondary market transaction. Affiliates of the Bank, including Barclays Capital Inc., may also receive fees from the Bank or an affiliate of the Bank in respect of hedging arrangements entered into with respect to the CDs, as well as administrative, operational and other services provided to the Bank pursuant to one or more service level agreements entered into by each such affiliate and the Bank.

There can be no assurance that an active trading market in the CDs will develop and continue after this offering or that the prices at which the CDs will sell in the secondary market after this offering, if any, will not be lower than the price at which they are placed through Barclays Capital Inc. or other brokers.

In anticipation of the sale of the CDs, our affiliates, including Barclays Bank PLC, expect to enter into hedging transactions, including entering into derivatives transaction or purchases of instruments, such as options, swaps or futures based upon the CDs or similar instruments that they deem appropriate in connection with such hedging. In addition, our affiliates, including Barclays Bank PLC, may buy or sell stocks comprising the Index, or derivative instruments relating to the Index of the stocks underlying the Index. From time to time, our affiliates, including Barclays Bank PLC, may enter into additional hedging transactions or unwind those that have been entered into.

Our affiliates may acquire a long or short position in instruments similar to the CDs from time to time and may, in their sole discretion, hold or resell those instruments.

Our affiliates may close out their hedge on or before the Maturity Date. That step may involve sales or purchases of instruments, such as options, swaps or futures.

ERISA Matters

Any purchaser or holder of the CDs, and any fiduciary investing on behalf of such purchaser or holder (in its representative and its corporate capacity), will be deemed to have represented by its purchase and holding of the CDs on each day from and including the date of its purchase or other acquisition of the CDs through and including the date of disposition of such CDs:

(1) either (A) it is not a plan or a plan asset entity and is not purchasing those CDs on behalf of or with “plan assets” of any plan or plan asset entity or (B) the purchase, holding and other transactions contemplated by the CDs will not constitute a non-exempt prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Internal Revenue Code, or similar law;

(2) if it is relying on Section 408(b)(17) of ERISA, in connection with the purchase of the CDs it will pay no more than “adequate consideration” (within the meaning of Section 408(b)(17) of ERISA) and in connection with any redemption of the CDs pursuant to its terms will receive at least adequate consideration, and, in making the foregoing representations and warranties, the fiduciary has (x) applied sound business principles in determining whether fair market value will be paid, and (y) made such determination acting in good faith;

(3) if it is or is using the assets of, directly or indirectly, an employee benefit plan not subject to ERISA or Section 4975 of the Internal Revenue Code, such as a government plan or a foreign plan, the purchase, holding and other transactions contemplated by the CDs do not constitute non-exempt violations of any applicable federal, state, local or foreign laws, rules, regulations or other restrictions, regardless of whether those restrictions are materially similar to Section 406 of ERISA and/or Section 4975 of the Internal Revenue Code; and

(4) neither the Bank nor any of its affiliates has provided or will provide any advice to it that has formed or may form a primary basis for its decision to purchase or hold the CDs, and if and to the extent the purchaser or holder's assets are subject to Title I of ERISA or Section 4975 of the Internal Revenue Code, neither the Bank nor its affiliates otherwise are "fiduciaries" with respect to the assets used in purchasing the CDs within the meaning of Section 3(21) of ERISA (including, without limitation, by virtue of the Bank's or its affiliate's reservation or exercise of any rights the Bank or its affiliate may have in connection with the CDs or any transactions contemplated thereby).

See "ERISA Matters" in the accompanying Disclosure Statement.

Certain U.S. Federal Income Tax Considerations

The following is a summary of certain U.S. federal income tax considerations that may be relevant to a beneficial owner of a CD. All references to "Depositors" (including references to any individual citizen or resident of the U.S. or a domestic corporation (including an entity treated as a domestic corporation for U.S. federal income tax purposes) or other person otherwise subject to U.S. federal income tax on a net income basis in respect of a CD (including any person whose income or gain in respect of a CD is effectively connected with a U.S. trade or business) (each, a "U.S. Depositor")) are to beneficial owners of the CDs. This summary is based on U.S. federal income tax laws, regulations, rulings and decisions in effect as of the date of this Disclosure Supplement, all of which are subject to change at any time (possibly with retroactive effect).

This summary addresses the U.S. federal income tax consequences to Depositors who will hold the CDs as capital assets. This summary does not address all aspects of U.S. federal income taxation that may be relevant to a particular Depositor in light of its individual investment circumstances or to certain types of Depositors subject to special treatment under the U.S. federal income tax laws, such as dealers in securities or foreign currencies, financial institutions, insurance companies, regulated investment companies, persons subject to the alternative minimum tax, persons that are classified as partnerships, pass-through entities, tax exempt organizations, taxpayers holding the CDs as part of a "straddle," "hedge," "conversion transaction," "synthetic security" or other integrated investment or persons whose functional currency is not the U.S. dollar. Except to the extent discussed below, it also does not deal with Depositors other than original purchasers of the CDs who acquired the CDs for an amount equal to their original principal amount. Moreover, the effect of any applicable state, local or foreign tax laws is not discussed.

Investors should consult their own tax advisors in determining the tax consequences to them of holding the CDs, including the application to their particular situation of the U.S. tax matters discussed herein, as well as the application of state, local, foreign, or other tax laws.

Tax Characterization of the CDs

In the opinion of Sidley Austin LLP, counsel to the Bank, the CDs will be treated for U.S. federal income tax purposes as contingent payment debt instruments issued by the Bank. Therefore, under the special U.S. Treasury regulations governing contingent payment debt instruments (the "Contingent Debt Regulations"), each CD will be treated as having been issued with original issue discount ("OID") that must be accrued over the term of the CD.

U.S. Depositors

Taxation of Interest. Under the Contingent Debt Regulations, the Bank is required to determine a "comparable yield" for the CDs. As described in more detail below, a U.S. Depositor will be required to accrue interest on a CD at the comparable yield for the CD on an annual basis, even though such U.S. Depositor generally will receive no payments with respect to the CD before maturity.

The comparable yield is the yield at which the Bank would issue, as of the initial date of deposit, a fixed-rate debt instrument that does not provide for any contingent payments but that otherwise has terms and conditions comparable to those of the CDs. In addition, solely for purposes of determining the amount of interest income that a U.S. Depositor will be required to accrue, the Bank is also required to construct a "projected payment schedule" consisting of an estimate of the payment at maturity (the "Projected Payment Amount"). The Projected Payment Amount is calculated as the amount required to produce the comparable yield, taking into account the CD's issue price. U.S. Depositors may obtain the comparable yield and the projected payment schedule for the CDs, as determined by the Bank, by requesting them from Barclays EFS Solutions Structuring Americas at (212) 528-7198.

The comparable yield and the Projected Payment Amount are used to determine accruals of interest FOR U.S. FEDERAL INCOME TAX PURPOSES ONLY and are not assurances or predictions by the Bank with respect to the actual yield of or payment to be made in respect of a CD. The comparable yield and the Projected Payment Amount do not represent the Bank's expectations regarding such yield or the amount of such payment.

Under the rules applicable to debt instruments issued with OID, a U.S. Depositor will be required to include as ordinary interest income the sum of the "daily portions" of OID with respect to the CD for each day during the taxable year that the U.S. Depositor owns the CD. The daily portions of OID with respect to a CD are determined by allocating to each day in any accrual period a ratable portion of the OID allocable to that accrual period. The amount of OID on a CD allocable to each accrual period is determined by multiplying the "adjusted issue price" (as defined below) of the CD at the beginning of the accrual period by the comparable yield of the CD (appropriately adjusted to reflect the length of the accrual period). The "adjusted issue price" of a CD at the beginning of any accrual period will generally be the sum of its issue price and the amount of OID allocable to all prior accrual periods.

The bond premium and market discount rules generally do not apply to debt instruments subject to the Contingent Debt Regulations. U.S. Depositors that purchase a CD after its original issuance for more or less than the CD's adjusted issue price (e.g., subsequent purchasers) must reasonably allocate any difference between their basis and the adjusted issue price to daily portions of interest or projected payments over the remaining term of the debt instrument.

Payment at Maturity or Other Dispositions. If the amount actually received with respect to a CD at maturity exceeds the Projected Payment Amount, the U.S. Depositor will be required to include the excess amount in income as ordinary interest income. Alternatively, if the amount actually received at maturity is less than the Projected Payment Amount, then the difference between the Projected Payment Amount and the amount actually received at maturity will be treated first as an offset to any interest otherwise includible in income by the U.S. Depositor with respect to the CD for the taxable year in which maturity occurs, but only to the extent of the amount of such includible interest. Any remaining portion of the excess of the Projected Payment Amount over the amount actually received at maturity may be recognized and deducted by the U.S. Depositor as an ordinary loss that is not subject to the limitations applicable to miscellaneous itemized deductions to the extent of the U.S. Depositor's previous OID inclusions with respect to the CD.

When a U.S. Depositor sells, exchanges or otherwise disposes of a CD prior to maturity (a "disposition"), the U.S. Depositor's gain (or loss) on such disposition will equal the difference between the amount actually received by the U.S. Depositor for the CD and the U.S. Depositor's adjusted tax basis in the CD. A U.S. Depositor's adjusted tax basis in a CD will be equal to the U.S. Depositor's original purchase price for such CD, plus any OID accrued by the U.S. Depositor.

On a disposition of a CD, any gain realized by a U.S. Depositor will be treated as ordinary interest income. Any loss realized by a U.S. Depositor on a disposition will be treated as an ordinary loss to the extent of the U.S. Depositor's OID inclusions with respect to the CD up to the date of disposition. Any loss realized in excess of that amount generally will be treated as a capital loss, which will be long-term or short-term capital loss, depending upon the U.S. Depositor's holding period for the CD. The deductibility of capital losses is subject to certain limitations.

Information Reporting and Backup Withholding. Information returns may be required to be filed with the Internal Revenue Service ("IRS") relating to payments made to a particular U.S. Depositor and OID associated with the CDs. In addition, U.S. Depositors that are not corporations, tax-exempt organizations or otherwise treated as "exempt recipients" may be subject to backup withholding tax on such payments if they do not provide their taxpayer identification numbers to the applicable withholding agent in the manner required.

Any amounts withheld under the backup withholding rules from a payment to a U.S. Depositor would be allowed as a refund or a credit against the U.S. Depositor's U.S. federal income tax provided the required information is timely furnished to the IRS.

Non-U.S. Depositors

The following is a summary of certain U.S. federal income tax consequences that will apply to a beneficial owner of a CD that is not a U.S. Depositor (a "Non-U.S. Depositor") and not a partner in a partnership or other entity treated as a partnership for U.S. federal income tax purposes owning a CD. Non-U.S. Depositors should consult their own tax advisors to determine the U.S. federal, state and local and any foreign tax consequences that may be relevant to them.

Payments of principal, premium (if any) or interest (including OID) on a CD to a Non-U.S. Depositor, and any gain realized

on a sale or exchange of a CD, will be exempt from U.S. federal income tax (including withholding tax) unless (i) such amounts are effectively connected with the Non-U.S. Depositor's conduct of a U.S. trade or business, or (ii) the Non-U.S. Depositor is an individual present in the United States for 183 days or more in the year of such sale or exchange and certain other conditions are met. However, as described below, backup withholding may apply unless certain certification requirements are met. Also, income allocable to Non-U.S. Depositors may be subject to annual tax reporting.

Sections 1471-1474 of the Internal Revenue Code and the Treasury Regulations thereunder ("FATCA") impose withholding taxes on certain types of payments made to "foreign financial institutions," as specially defined under FATCA, and certain other non-U.S. entities. FATCA imposes a 30% withholding tax on payments of interest on, and gross proceeds from the sale or other disposition of, the CDs paid to a foreign financial institution unless the foreign financial institution is deemed to be compliant with FATCA or enters into an agreement with the IRS to, among other things, undertake to identify accounts held by certain U.S. persons or U.S.-owned foreign entities, annually report certain information about such accounts, and withhold 30% on payments to account holders whose actions prevent it from complying with these reporting and other requirements. In addition, FATCA imposes a 30% withholding tax on the same types of payments to a non-financial foreign entity of a certain type unless the entity certifies that it does not have any substantial U.S. owners or furnishes identifying information to the IRS or to the withholding agent regarding each substantial U.S. owner. These rules currently apply to interest payments and are expected to apply to payments of gross proceeds from the sale or other disposition (including payment at maturity) of instruments such as the CDs after December 31, 2018. Prospective investors should consult their tax advisors regarding the application of FATCA to the acquisition, ownership or disposition of the CDs.

A Non-U.S. Depositor may be subject to backup withholding tax and information reporting on payments made with respect to the CDs. Compliance with the certification procedures described below will satisfy the certification requirements necessary to avoid the backup withholding tax. For a Non-U.S. Depositor to qualify for the exemption from backup withholding, the applicable withholding agent must have received a statement that, among other requirements, (a) is signed by the beneficial owner of the CD under penalties of perjury, (b) certifies that such owner is a Non-U.S. Depositor, and (c) provides the name and address of the beneficial owner. The statement may generally be made on IRS Form W-8BEN (or other applicable form) or a substantially similar form, and the beneficial owner must inform the applicable withholding agent of any change in the information on the statement within 30 days of that change by filing a new IRS Form W-8BEN (or other applicable form). Generally, an IRS Form W-8BEN provided without a U.S. taxpayer identification number will remain in effect for a period starting on the date the form is signed and ending on the last day of the third succeeding calendar year, unless a change in circumstances makes any information on the form incorrect. If a CD is held through a securities clearing organization or certain other financial institutions, the organization or institution may provide a signed statement to the applicable withholding agent. Under certain circumstances, the signed statement must be accompanied by a copy of the applicable IRS Form W-8BEN (or other applicable form) or the substitute form provided by the beneficial owner to the organization or institution. Any amounts withheld under the backup withholding rules from a payment to a Non-U.S. Depositor would be allowed as a refund or a credit against such Non-U.S. Depositor's U.S. federal income tax provided the required information is timely furnished to the IRS.

The Treasury Department has issued regulations under Section 871(m) of the Internal Revenue Code which impose U.S. federal withholding tax on "dividend equivalent" payments made on certain financial instruments linked to U.S. corporations (which the regulations refer to as "specified ELIs") that are owned by Non-U.S. Depositors. However, the regulations do not apply to "specified ELIs" issued prior to January 1, 2017; accordingly, Non-U.S. Depositors will not be subject to tax under Section 871(m) of the Internal Revenue Code.