

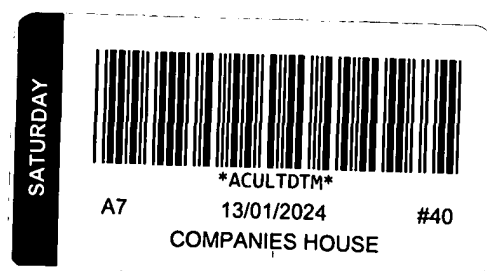
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Registered number: FC015201

BARCLAYS CAPITAL (CAYMAN) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022



BARCLAYS CAPITAL (CAYMAN) LIMITED

COMPANY INFORMATION

Directors	Ashish Prabhudesai Arnaud Jean Robert Heckenroth Rupak Chandra (resigned 4 January 2024)
Registered number	FC015201
Registered office	Ugland House South Church Street George Town Grand Cayman

BARCLAYS CAPITAL (CAYMAN) LIMITED

COMPANY INFORMATION

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BARCLAYS CAPITAL (CAYMAN) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors present their annual report together with the audited financial statements of BARCLAYS CAPITAL (CAYMAN) LIMITED for the year ended 31 December 2022.

Profit and dividends

During the year the Company made a profit after tax of nil (2021: nil). The Directors do not recommend the payment of dividend (2021: nil).

Post Balance Sheet Events

There were no material events after the reporting date to the date of the financial statements which would require disclosure or adjustment to the financial statements for the year ended 31 December 2022.

Directors

The Directors of the company, who served during the year, and up to the date of signing the financial statements, are as shown below:

Ashish Prabhudesai
Arnaud Jean Robert Heckenroth
Rupak Chandra (resigned 4 January 2024)

Going concern

After reviewing the Company's business activities, financial position, performance projections and available banking facilities, the Directors are satisfied that the Company has adequate access to resources to enable it to meet its obligations as they fall due and to continue in operational existence for at least the next 12 months from the date of signing these financial statements. For this reason, the Directors have adopted the going concern basis in preparing these financial statements.

Statement of Directors' responsibilities in respect of the Strategic report, the Directors' report and the financial statement

The Directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements, in accordance with applicable law.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006 and applicable law.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

BARCLAYS CAPITAL (CAYMAN) LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Statement of Directors' responsibilities in respect of the Strategic report, the Directors' report and the financial statement (continued)

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the and to prevent and detect fraud and other irregularities.

Financial risk management

The Company's activities are exposed to a variety of financial risks. The Company is required to follow the requirements of the Group risk management policies, which include specific guidelines on the management of foreign exchange, interest rate and credit risks, and advice on the use of financial instruments to manage them. The main financial risks that the Company is exposed to are outlined in Note 14.

Directors' third party indemnity provisions

Qualifying third party indemnity provisions were in force (as defined by section 234 of the Companies Act 2006) during the course of the financial year ended 31 December 2022 for the benefit of the then Directors and, at the date of this report, are in force for the benefit of the Directors in relation to certain losses and liabilities in relation to certain losses and liabilities, including qualifying third party indemnity provisions and qualifying indemnity provisions which may occur (or have occurred) in connection with their duties, powers or office.

Independent auditor

Pursuant to Section 487 of the Companies Act 2006 the auditor will be deemed to be appointed and KPMG LLP will therefore continue in office.

Statement of disclosure of information to auditor

So far as the Directors are aware, there is no relevant audit information of which the Company's auditor is unaware. The Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Environment

The Barclays Group focuses on addressing environmental issues where it is felt that there is the greatest potential to make a difference. As the global effort to tackle climate change grows, the Barclays Group is moving rapidly to take a leading role in contributing to the transition to a low-carbon economy. In March 2020, Barclays Group set out its ambition to be a net zero bank by 2050.

To successfully fulfil against our Purpose, we must ensure that we address the needs of all our stakeholders. This includes our customers and clients, colleagues, investors and the societies in which we operate.

The longevity of our business can only be ensured if we help tackle the challenges of our time, such as social inequality and climate change, whilst minimising any unintended and adverse impacts of our operations and our business as a financial institution. To this end we seek to identify and understand the environmental, social and governance factors which impact our organisation and how we shape and impact the environment and society around us. We do this in the context of the financial services we provide, the geographies in which we operate and the needs of our customers and clients.

We will continue to identify new opportunities and strive to integrate our broader social and environmental impact into the way we run and govern our business and the work we do every day to help customers and clients, colleagues and society.

BARCLAYS CAPITAL (CAYMAN) LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

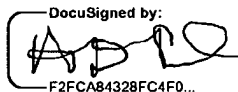
Environment (continued)

While we have managed ESG issues for several years, our approach continues to evolve in response to a dynamic external environment, increasing investor and other stakeholder attention and continued innovation in our business and product offerings. We recognise that the focus on the societal impact of businesses and performance against wider ESG factors has increased in recent years, with growing interest from a range of stakeholders including investors, clients, policy makers and regulators.

Disclosure of global greenhouse gas emissions is done at a Barclays Group level with information available in the Barclays PLC Annual Report 2022 with fuller disclosure available on our website at home.barclays.com/citizenship.

In response to The Companies (Miscellaneous Reporting) Regulations 2018, further information on stakeholder engagement can be found in the Strategic Report.

For and on behalf of the board

DocuSigned by:


F2FCAB4328FC4F0...
Ashish Prabhudesai
Director

Date: 8 January 2024

Company number in England and Wales FC015201

Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands, PO Box 309

BARCLAYS CAPITAL (CAYMAN) LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Business review and principal activities

The principal activity of the Company is issuing of warrants, structured notes and preference shares to Barclays Bank PLC. These are hedged with equal and offsetting over-the-counter contracts with Barclays Bank PLC. Such instruments are issued in connection with certain Barclays structured securities programmes which enable investors to invest in Barclays securities with structured returns linked to the performance of various asset classes. No significant changes in this activity is envisaged in the foreseeable future.

Business performance

The Company results show a profit after tax of nil (2021: Nil). There was no dividend paid during the year (2021: nil). The Company has net assets of £60,000 (2021: £60,000).

Future outlook

The Company was set up for the purpose of issuing notes, warrants, preference shares and other instruments to a number of Barclays Bank PLC issuance programmes. This is expected to remain unchanged in the foreseeable future.

Section 172(1) statement

The Directors have acted in a way that they considered, in good faith, to be most likely to promote the success of Barclays Capital (Cayman) Limited (the 'Company') for the benefit of its sole member, and in doing so had regard, amongst other matters, to:

- the likely consequences of any decision in the long term;
- the need to foster the Company's business relationships with suppliers, customers and others;;
- the impact of the Company's operations on the community and the environment;
- determined that the basis of preparation is acceptable in the circumstances;
- the desirability of the Company's maintaining a reputation for high standards of business conduct; and the need to act fairly as between members of the Company

Directors also took into account the views and interests of a wider set of stakeholders, including our regulator, the Government, and non-government organisations.

Considering this broad range of interests is an important part of the way the Board makes decisions, although in balancing those different perspectives it will not always be possible to deliver everyone's desired outcome.

How does the Board engage with the stakeholders

The Board will sometimes engage directly with certain stakeholders on certain issues, but the size and distribution of our stakeholders and of Barclays means that stakeholder engagement often takes place at an operational level.

In addition, to ensure a more efficient and effective approach, certain stakeholder engagement is led at Barclays group level, in particular where matters are of group-wide significance or have the potential to impact the reputation of the Barclays group.

The Board considers and discusses information from across the organisation to help it understand the impact of Barclays' operations, and the interests and views of our key stakeholders. It also reviews strategy, financial and operational performance, as well as information covering areas such as key risks, and legal and regulatory compliance. This information is provided to the board through reports sent in advance of each board meeting, and through in-person presentations.

BARCLAYS CAPITAL (CAYMAN) LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

How does the Board engage with the stakeholders (continued)

As a result of these activities, the board has an overview of engagement with stakeholders, and other relevant factors, which enables the directors to comply with their legal duty under section 172 of the Companies Act 2006.

The purpose of Barclays Capital Cayman Limited is issuing of warrants, structured notes and preference shares to Barclays Bank PLC which are hedged with equal and offsetting over-the-counter contracts with Barclays Bank PLC. Such instruments are issued in connection with certain Barclays structured securities programmes.

Due to the nature of the Company, no decisions were made by the Directors during the reporting period which required them to have regard to the matters set out in section 172 of the Companies Act 2006.

Engagement in Action

Geopolitical tensions

The Company and the Board have established a strong risk management culture. Risks are identified and overseen through the Enterprise Risk Management Framework which specifies the principal risks of the Company and the approach to managing them. Current geopolitical tensions have also heightened awareness of certain principal risks such as conduct and reputational risk. These risks are managed within the established risk framework and key performance indicators remain within the risk appetite defined by the Company.

This report was approved by the Board and signed on its behalf:

DocuSigned by:


F2FCA84328FC4F0...
Ashish Prabhudesai
Director

Date: 8 January 2024

Company number in England and Wales FC015201

Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands, PO Box 309

BARCLAYS CAPITAL (CAYMAN) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BARCLAYS CAPITAL (CAYMAN) LIMITED

Opinion

We have audited the non-statutory financial statements of Barclays Capital (cayman) Limited ("the Company") for the year ended 31 December, 2022 which comprise the Income Statement, Statement of Financial position and related notes, including the accounting policies in note 5.

In our opinion the financial statements of the company for the year ended 31 December, 2022 have been properly prepared, in all material respects, in accordance with the special purpose basis of preparation and accounting policies set out in note 3-5 to the non-statutory financial statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)"), including ISA (UK) 800, and the terms of our engagement letter dated 17th May 2023. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Emphasis of matter- special purpose basis of preparation

We draw attention to notes 2 to the non-statutory financial statements, which describes their basis of preparation. As explained in that note, the financial statements are prepared to assist the Company in complying with the financial reporting provisions of Overseas Companies Regulation 2009 (SI 2009/1801) made under Section 1049 of the Companies Act 2006 (the "Regulations"). As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Going concern

The Directors have prepared the non-statutory financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the non-statutory financial statements ("the going concern period").

In our evaluation of the Directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Directors' use of the going concern basis of accounting in the preparation of the non-statutory financial statements is appropriate
- we have not identified and concur with the Directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the (group or the) Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of the Directors as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
Reviewing valuation committee reporting related to investments held
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

BARCLAYS CAPITAL (CAYMAN) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BARCLAYS CAPITAL (CAYMAN) LIMITED

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the calculation of revenue is straightforward with no judgement involved in the calculation, and no pressure or incentives for management to manipulate revenue have been identified. We did not identify any additional fraud risks.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the non-statutory financial statements from our general commercial and sector experience, through discussion with the Directors and other management (as required by auditing standards), and discussed with the Directors and other management the policies and procedures regarding compliance with laws and regulations.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies' legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, whilst the Company is subjected to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the non-statutory financial statements. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The Directors are responsible for the other information, which comprises the Director's report. Our opinion on the non-statutory financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

Our responsibility is to read that other information and, in doing so, consider whether, based on our non-statutory financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work, we have not identified material misstatements in the other information.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or

BARCLAYS CAPITAL (CAYMAN) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BARCLAYS CAPITAL (CAYMAN) LIMITED

- we have not received all the information and explanations we require for our audit

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on pages 3-5, the Directors are responsible for the preparation of the non-statutory financial statements in accordance with the special purpose basis of preparation and accounting policies as set out in notes 3-5 to the non-statutory financial statements; determining that the basis of preparation is acceptable in the circumstances; such internal control as they determine is necessary to enable the preparation of non-statutory financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.


Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company in accordance with the terms of our engagement. Our report was designed to meet the agreed requirements of the Company determined by the Company's needs at the time. Our report should not therefore be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than the company for any purpose or in any context. Any party other than the Company who obtains access to our report or a copy and chooses to rely on our report (or any part of it) will do so at its own risk. To the fullest extent permitted by law, KPMG LLP will accept no responsibility or liability in respect of our report to any other party.



Alexander Snook (Senior Statutory Auditor)

for and on behalf of KPMG LLP

Chartered Accountants

15 Canada Square

London

E14 5GL

8 January 2024

BARCLAYS CAPITAL (CAYMAN) LIMITED

**STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2022**

During the current financial year and the preceding financial year, the company had no items of Income or Expense.

No accompanying notes that form part of these financial statements.

BARCLAYS CAPITAL (CAYMAN) LIMITED

**STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

During the current financial year and the preceding financial year, the Company had no items of Other Comprehensive Income.

No accompanying notes that form part of these financial statements.

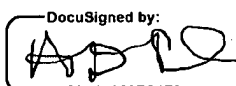
BARCLAYS CAPITAL (CAYMAN) LIMITED
REGISTERED NUMBER: FC015201

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 £000	2021 £000
Assets			
Non-current assets			
Financial assets designated at fair value	8	1,098,000	1,832,809
Current assets			
Trade and other receivables	7	31	31
Financial assets designated at fair value	8	690,171	2,451
Total current assets		690,202	2,482
Total assets		1,788,202	1,835,291
Liabilities			
Non-current liabilities			
Financial liabilities designated at fair value	9	1,097,967	1,832,776
Current liabilities			
Current tax liabilities	10	4	4
Financial liabilities designated at fair value	9	690,171	2,451
Total current liabilities		690,175	2,455
Total liabilities		1,788,142	1,835,231
Net assets		60	60
Issued capital and reserves			
Share capital	11	-	-
Retained earnings	12	60	60
Total equity		60	60

The notes on pages 16 to 26 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board of directors on 8 January 2024 and were signed on its behalf by:

DocuSigned by:

 F2FCA84328FC4F0...
Ashish Prabhudesai
 Director

Date: 8 January 2024

Company number in England and Wales FC015201

Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands, PO Box 309

BARCLAYS CAPITAL (CAYMAN) LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Retained earnings £000	Total equity £000
Balance as at 1 January 2022	60	60
Profit after tax	-	-
	<hr/>	<hr/>
Balance as at 31 December 2022	<hr/> 60 <hr/>	<hr/> 60 <hr/>

	Retained earnings £000	Total equity £000
Balance as at 1 January 2021	60	60
Profit after tax	-	-
	<hr/>	<hr/>
Balance as at 31 December 2021	<hr/> 60 <hr/>	<hr/> 60 <hr/>

The notes on pages 16 to 26 form part of these financial statements.

BARCLAYS CAPITAL (CAYMAN) LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022**

During the financial year and preceding financial year the Company had no cash flows.

No accompanying notes that form part of these financial statements.

BARCLAYS CAPITAL (CAYMAN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. Reporting entity

These financial statements are prepared for Barclays Capital (Cayman) Limited (the "Company"), the principal activity of which is the issuing of warrants, structured notes and preference shares to Barclays Bank PLC. These are hedged with equal and offsetting over-the-counter contracts with Barclays Bank PLC. The financial statements are prepared for the Company only, in line with the UK-adopted international accounting standard as applicable to overseas companies. The parent undertaking of the smallest group that presents consolidated financial statements is Barclays Bank PLC and the ultimate Holding Company and the parent undertaking of the largest group that presents group financial statements is Barclays PLC, both of which prepare consolidated financial statements in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006. The Company is a Private Limited Company, domiciled and incorporated in Cayman Islands. The registered office of the Company is PO Box 309, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands.

2. Compliance with International Financial Reporting Standards

The financial statements have been prepared in accordance with Overseas Companies Regulations 2009 (SI 2009/1801) made under section 1049 of the Companies Act 2006 (the "Regulations"). The Company has applied Section 396 of the Companies Act 2006, as modified by the Regulations, in producing overseas companies individual financial statements. The financial statements have been prepared in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006. The principal accounting policies applied in the preparation of the individual financial statements are set out below, and in the relevant notes to the financial statements.

3. Basis of preparation

After reviewing Company's business position at the end of the year and considering there is no significant change expected in Entity's business in the foreseeable future, the available banking facilities, the Directors are satisfied that the Company has adequate access to resources to enable it to meet its obligations and to continue in operational existence for the foreseeable future. For this reason, the Directors have adopted the going concern basis in preparing these financial statements. The financial statements have been prepared on a going concern basis under the historical cost convention modified to include the fair valuation of certain financial instruments to the extent required or permitted under IFRS 9, 'Financial Instruments, recognition, and measurement' for hedges and IFRS 9 'Financial Instruments as set out in the relevant accounting policies. These financial statements are presented in thousands of pounds sterling, (£'000), the currency of the country in which the Company is incorporated.

4. New and amended standards

The accounting policies adopted are consistent with those of the previous financial year. There are no new amended standards that have material impact on accounting policies.

5. Summary of significant accounting policies

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied.

BARCLAYS CAPITAL (CAYMAN) LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****Accounting policies (continued)****5.1 Foreign currency translation**

Items included in the financial statements of the Company are measured using their functional currency, being Pounds Sterling (£) the currency of the primary economic environment in which the entity operates. Foreign currency transactions are translated into sterling using the exchange rates prevailing at the dates of the transactions. Monetary items denominated in foreign currencies are retranslated at the rate prevailing at the period end. Foreign exchange gains and losses resulting from the retranslation and settlement of these items are recognised in the income statement except for qualifying cash flow hedges or hedges of net investments. Non-monetary assets that are measured at fair value are translated using the exchange rate at the date that the fair value was determined. Exchange differences on equities and similar non-monetary items that are held at fair value through profit or loss are reported as part of the fair value gain or loss. Translation differences on equities classified as available-for-sale financial assets and non-monetary items are included directly in equity.

5.2 Current and deferred income tax

Income tax payable on taxable profits ('current tax'), is recognised as an expense in the period in which the profits arise. Income tax recoverable on tax allowable losses is recognised as an asset only to the extent that it is regarded as recoverable by offset against current year or prior year taxable profits. Deferred income tax is provided in full, using the liability method, on temporary differences arising from the differences between the tax bases of assets and liabilities and their carrying amounts in the Company's financial statements. Deferred income tax is determined using tax rates and legislation enacted or substantively enacted by the balance sheet date and that are expected to apply when the deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised on deductible temporary differences, carry forward of unused tax losses and unused tax credits to the extent that it is regarded as probable that sufficient taxable profits will be available against which the deductible temporary difference, unused tax losses and unused tax credits can be utilised. Deferred and current tax assets and liabilities are only offset where there is both the legal right and the intention to settle on a net basis or to realise the asset and settle the liability simultaneously with the same tax authority.

5.3 Financial assets and liabilities

The Company applies IFRS 9 Financial Instruments to the recognition, classification and measurement, and derecognition of financial assets and financial liabilities and the impairment of financial assets.

Recognition

The Company recognises financial assets and liabilities when it becomes a party to the terms of the contract. Trade date or settlement date accounting is applied depending on the classification of the financial asset.

Classification and measurement

Financial assets are classified on the basis of two criteria:

- i) the business model within which financial assets are managed; and
- ii) their contractual cash flow characteristics (whether the cash flows represent 'solely payments of principal and interest' (SPPI)).

The Company assesses the business model criteria at a portfolio level. Information that is considered in determining the applicable business model includes (i) policies and objectives for the relevant portfolio, (ii) how the performance and risks of the portfolio are managed, evaluated and reported to management, and (iii) the frequency, volume and timing of sales in prior periods, sales expectation for future periods, and the reasons for such sales.

BARCLAYS CAPITAL (CAYMAN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

Accounting policies (continued)

The contractual cash flow characteristics of financial assets are assessed with reference to whether the cash flows represent SPPI. In assessing whether contractual cash flows are SPPI compliant, interest is defined as consideration primarily for the time value of money and the credit risk of the principal outstanding. The time value of money is defined as the element of interest that provides consideration only for the passage of time and not consideration for other risks or costs associated with holding the financial asset. Terms that could change the contractual cash flows so that it would not meet the condition for SPPI are considered, including: (i) contingent and leverage features, (ii) non-recourse arrangements and (iii) features that could modify the time value of money.

Financial assets will be measured at amortised cost

Financial assets will be measured at amortised cost if they are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and their contractual cash flows represent solely payments of principal and interest.

Financial assets will be measured at fair value through other comprehensive income

Financial assets will be measured at fair value through other comprehensive income if they are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and their contractual cash flows represent solely payments of principal and interest.

Financial instruments at fair value through profit or loss

Other financial assets are measured at fair value through profit and loss. There is an option to make an irrevocable election for non traded equity investments to be measured at fair value through other comprehensive income, in which case dividends are recognised in profit or loss, but gains or losses are not reclassified to profit or loss upon derecognition, and impairment is not recognised in the income statement.

Accounting for financial assets mandatorily at fair value

Financial assets that are held for trading are recognised at fair value through profit or loss. In addition, financial assets are held at fair value through profit or loss if they do not contain contractual terms that give rise on specified dates to cash flows that are SPPI, or if the financial asset is not held in a business model that is either (i) a business model to collect the contractual cash flows or (ii) a business model that is achieved by both collecting contractual cash flows and selling. Subsequent changes in fair value for these instruments are recognised in the income statement in net investment income, except if reporting it in trading income reduces an accounting mismatch.

Accounting for financial assets designated at fair value

Financial assets, other than those held for trading, are classified in this category if they are so irrevocably designated at inception and the use of the designation removes or significantly reduces an accounting mismatch.

Subsequent changes in fair value are recognised in the income statement in net investment income.

Determining fair value

Where the classification of a financial instrument requires it to be stated at fair value, this is determined by reference to the quoted market price in an active market wherever possible. Where no such active market exists for the particular asset, the Company uses a valuation technique to arrive at the fair value, including the use of prices obtained in recent arms' length transactions, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants.

Netting

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial

BARCLAYS CAPITAL (CAYMAN) LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****Accounting policies (continued)**

Position if, and only if, there is a legally enforceable right to set off the recognised amounts in all circumstances and there is an intention to settle on a net basis, or to realise an asset and settle the liability simultaneously.

5.4 Share capital

Incremental costs directly attributable to the issue of new shares or options or the acquisition of a business are shown in equity as a deduction, net of tax, from the proceeds.

6. Other expenses**Audit fees**

The audit fees for 2022 amounting £9,440 (2021: £8,650) have been borne by the Company's parent, Barclays Bank PLC, and have not been recharged.

Staff cost

There were no employees employed by the Company in 2022 (2021: nil).

Directors' remuneration

Three Directors are accruing retirement benefits under a defined benefit scheme or defined contribution scheme (2021:Two). One Director has exercised options under the Barclays PLC Sharesave Scheme and Long term Incentive schemes during 2022 (2021:zero). Three Directors are entitled to benefits under the Share Value Plan.

7. Trade and other receivables

	2022 £000	2021 £000
Amount owed by fellow subsidiary	31	31
Total	31	31

The Directors consider that the carrying amount of trade and other receivables approximates their fair value.

8. Financial assets designated at fair value

	2022 £000	2021 £000
OTC Trades - Current assets	690,171	2,451
OTC Trades - Non current assets	1,098,000	1,832,809
	1,788,171	1,835,260

OTC trades represents the contracts that are used to hedge the warrants issued and preference shares designated at fair value through profit and loss.

Information relating to financial risks is included in Note 14.

BARCLAYS CAPITAL (CAYMAN) LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****9. Financial Liabilities designated at fair value**

	2022 £000	2021 £000
Warrants issued (maturity within one year)	690,171	2,451
Warrants issued (maturity more than one year)	1,097,967	1,832,776
	<u>1,788,138</u>	<u>1,835,227</u>

All of the warrants issued are in relation to the internal warrant issuance programme. These instruments are fully hedged through entering into back to back contracts with Barclays Bank PLC. Information relating to financial risks is included in Note 14.

10. Current tax liabilities

	2022 £000	2021 £000
UK corporation tax payable	<u>4</u>	<u>4</u>

The UK corporation tax rate of 19% has been used to calculate current tax balances for the year ended 31 December 2022.

Legislation has been introduced to increase the main rate of corporation tax from 19% to 25%, effective from 1 April 2023, which was substantively enacted on 24 May 2021. This will have a consequential impact on the Company's future tax charge.

11. Share capital

	2022 £	2021 £
Authorised	-	-
1,000 (2021: 1,000) Ordinary shares of US\$10 each	5,814	5,814
100,000,000,000 (2021: 100,000,000,000) Preference shares of £0.00001 each	1,000,000	1,000,000
Allotted and issued and fully paid	-	-
10 (2021: 10) Ordinary shares of US\$10 each	58	58

BARCLAYS CAPITAL (CAYMAN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

12. Retained earnings

The Company has made profit of Nil (2021: nil). Its retained earnings are £ 60,000 (2021: £60,000).

13. Fair value of financial assets and liabilities

The fair value of a financial assets and liabilities is the amount for which an asset could be exchanged or a liability settled, in an arms-length transaction between knowledgeable willing parties. There is no material difference between the carrying amount and the fair value of the Company's financial assets and liabilities. The fair value for loans and receivables is estimated using discounted cash flows, applying either market rates where practicable or, where the counterparty is a bank, rates currently offered by other financial institutions for placing with similar characteristics. In many cases the fair value approximates carrying value because the instruments are short term in nature or have interest rates that reprice frequently.

Valuation inputs

'IFRS 13 Financial Instruments: Disclosures' requires an entity to classify its financial instruments held at fair value according to a hierarchy that reflects the significance of observable market inputs. The classification of a financial instrument is based on the lowest level input that is significant to the fair value measurement in its entirety. The three levels of the fair value hierarchy are defined below.

Quoted market process – Level 1

Financial instruments are classified as Level 1 if their value is observable in an active market. Such instruments are valued by reference to unadjusted quoted prices for identical assets or liabilities in active markets where the quoted price is readily available, and the price represents actual and regularly occurring market transactions on an arm's length basis. An active market is one in which transactions occur with sufficient volume and frequency to provide pricing information on an ongoing basis. This category includes liquid government bonds actively traded through an exchange or clearing house, actively traded listed equities and actively exchange-traded derivatives.

Valuation technique using observable inputs - Level 2

Financial instruments classified as Level 2 have been valued using models whose inputs are observable in an active market. Valuations based on observable inputs include financial instruments such as swaps and forwards which are valued using market standard pricing techniques, and options that are commonly traded in markets where all the inputs to the market standard pricing models are observable. This category includes most investment grade and liquid high yield bonds, certain asset backed securities, US agency securities, government bonds, less actively traded listed equities, bank, corporate and municipal obligations, certain OTC derivatives, certain convertible bonds, certificates of deposit, commercial paper, collateralised loan obligations (CLOs), most commodities based derivatives, credit derivatives, certain credit default swaps (CDSs), most fund units, certain loans, foreign exchange spot and forward transactions and certain issued notes.

Valuation technique using significant unobservable inputs - Level 3

Financial instruments are classified as Level 3 if their valuation incorporates significant inputs that are not based on observable market data (unobservable inputs). Such inputs are generally determined based on observable inputs of a similar nature, historical observations on the level of the input or other analytical techniques.

This category includes certain corporate debt securities, distressed debt, private equity investments, commercial real estate loans, certain OTC derivatives (requiring complex and unobservable inputs such as correlations and long dated volatilities), certain convertible bonds, certain credit default swaps, derivative exposures to Monoline insurers, certain fund units, certain asset backed securities, certain issued notes, certain CDOs (synthetic and some cash underlying), certain collateralised loan obligations (CLOs) and certain loans. The following table shows the Company's financial assets and liabilities that are recognised and measured at fair value analysed by level within the fair value hierarchy.

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As at 31 December 2022	Level 1	Level 2	Level 3	Total
	£'000	£'000	£'000	£'000
Financial assets				
Financial assets designated at fair value	-	1,788,171	-	1,788,171
Total assets	-	1,788,171	-	1,788,171
Financial liabilities				
Financial liabilities designated at fair value	-	1,788,138	-	1,788,138
Total liabilities	-	1,788,138	-	1,788,138
As at 31 December 2021	Level 1	Level 2	Level 3	Total
	£'000	£'000	£'000	£'000
Financial assets				
Financial assets designated at fair value	-	1,835,260	-	1,835,260
Total assets	-	1,835,260	-	1,835,260
Financial liabilities				
Financial liabilities designated at fair value	-	1,835,227	-	1,835,227
Total liabilities	-	1,835,227	-	1,835,227

Valuation techniques

Valuations based on observable inputs include financial instruments such as swaps and forwards which are valued using market standard pricing techniques, and options that are commonly traded in markets where all the inputs to the market standard pricing models are observable. Valuation models are reviewed at least annually for model performance and calibration. Current year valuation methodologies were consistent with the prior year unless otherwise noted below. These methodologies are commonly used by market participants.

Valuation control framework

The Independent Valuation Control function is responsible for independent price verification, oversight of fair value adjustments and escalation of valuation issues. This process covers all fair value positions and is a key control in ensuring the material accuracy of valuations. Price verification uses independently sourced data that is deemed most representative of the market. The reliability of the data source is assessed in determining the independent valuation. The characteristics against which the data source is assessed are independence, reliability, consistency with other sources and evidence that the data represents an executable price. The most current data available at balance sheet date is used. Where significant variances are noted in the independent price verification process, an adjustment is taken to the fair value position. Additional fair value adjustments may be taken to reflect such factors as bid-offer spreads, market data uncertainty, model limitations and counterparty risk. Independent price verification results and fair value adjustments are reported on a monthly basis to the Valuation Committee. This committee is responsible for overseeing valuation and fair value adjustment policy with Barclays Investment Bank and this is the forum to which valuation issues are escalated.

The Independent Valuations sub-committee reviews the results of the independent price verification and fair value adjustment process on a monthly basis. This includes, but is not limited to, reviewing fair value adjustments and methodologies, independent price verification results, limits and valuation uncertainty. The Models sub-committee is responsible for overseeing policies and controls related to the use of valuation models. This includes but is not limited to reviewing (i) global model risk reports and defining associated procedures and controls (ii) output from pipeline meetings and approximate booking meetings, and the trade approval process (iii) issues arising from model review (iv) population of valuation adjustments (v) defining policies and procedures relating to valuation models and (vi) instances of independent price verification variances or collateral disputes relating to model usage. The Governance

BARCLAYS CAPITAL (CAYMAN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

sub-committee is responsible for the governance of valuation processes, policies and procedures. This sub-committee oversees each sub-committee to ensure that the objectives set out in each committee's terms of reference are being achieved. Regulatory and accounting issues related to fair value are also assessed by the Governance sub-committee.

14. Financial risks

The Company's activities expose it to a variety of financial risks. These are market risk (which includes foreign currency risk, interest rate risk and price risk), credit risk and liquidity risk. Consequently, the Company devotes resources to maintaining effective controls to manage, measure and mitigate each of these risks, and regularly reviews its risk management procedures and systems to ensure that they continue to meet the needs of the business. The Company uses financial instruments to hedge certain risk exposures.

The Company's Directors are required to follow the requirements of the Barclays Group risk management policies, which includes specific guidelines on management and advises on the use of financial instruments to manage them.

The main financial risks that the Company is exposed to and its management policy with respect to those risks are as follows:

- **Market risk management**

Market risk is the risk that the Company's earnings or capital, or its ability to meet business objectives, will be adversely affected by changes in the level or volatility of market rates or prices such as interest rates, credit spreads, equity prices and foreign exchange rates. Most market risk arises from trading activities. All of the warrants and preference shares issued are in relation to the warrant and preference shares issuance programme. These instruments are fully hedged through entering into back to back contracts with Barclays Bank PLC. For this reason, the Company is not exposed to material market risk.

- **Credit risk**

This is the risk of suffering financial loss, should any of the Company's customers or market counterparties fail to fulfil their contractual obligations to the Company. The Company assesses all counterparties, including its customers, for credit risk before contracting with them. All amounts due to the Company are from the parent company (Barclays Bank PLC) or fellow subsidiaries within the Group which represents the maximum exposure to credit risk. Barclays Bank PLC is investment grade.

- **Foreign exchange risk**

This is the risk of financial loss/gain which is related to the extent the Company's foreign currency assets are not matched by foreign currency of the same currency liabilities. The Company is exposed to foreign currency risk from future foreign currency transactions, and recognised assets and liabilities. In order to mitigate this risk, the Company has in place over the counter contracts used to fully hedge its net foreign currency exposure. There were no significant foreign currency exposures at either 31 December 2022 or 2021. Due to the low level of exposures, no change in foreign exchange rates would have a significant effect on either the profit or movements in equity for the year ended 31 December 2022 or 2021.

- **Liquidity risk**

Liquidity risk is the risk that the Company is unable to meet its payment obligations when they fall due or to replace funds when they are withdrawn. Barclays PLC has a comprehensive Liquidity Risk Management Framework (the Liquidity Framework) for managing Group's liquidity risk. The Company has adopted the Liquidity Framework, the Barclays Group Liquidity Policy and the Barclays Group's Contingency Funding Plan and relies on Barclays Group systems and controls to ensure compliance with regulatory Liquidity Standards. The Company maintains a mixture of long term and short term committed facilities, including financial support from the parent, Barclays PLC, that are designed to ensure the Company has sufficient available funds for operations.

BARCLAYS CAPITAL (CAYMAN) LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****Contractual maturity of financial assets and liabilities**

The table below provides detail on the contractual maturity of all financial instruments and other assets and liabilities.

2022	One year or less	Over one year but not more than two years	Over two years but not more than five years	Over five years but not more than ten years	Over ten years	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Assets						
Trade and other receivables	31	-	-	-	-	31
<u>Financial assets designated at FV</u>	<u>690,171</u>	<u>-</u>	<u>900,735</u>	<u>197,265</u>	<u>-</u>	<u>1,788,171</u>
Total financial assets	690,202	-	900,735	197,265	-	1,788,202
Liabilities						
<u>Financial liabilities designated at FV</u>	<u>690,171</u>	<u>-</u>	<u>900,735</u>	<u>197,232</u>	<u>-</u>	<u>1,788,138</u>
Total financial liabilities	690,171	-	900,735	197,232	-	1,788,138

2021	One year or less	Over one year but not more than two years	Over two years but not more than five years	Over five years but not more than ten years	Over ten years	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Assets						
Trade and other receivables	31	-	-	-	-	31
<u>Financial assets designated at FV</u>	<u>2,451</u>	<u>716,308</u>	<u>105,801</u>	<u>1,010,667</u>	<u>-</u>	<u>1,835,227</u>
Total financial assets	2,482	716,308	105,801	1,010,667	-	1,835,258
Liabilities						
<u>Financial liabilities designated at FV</u>	<u>2,451</u>	<u>716,308</u>	<u>105,801</u>	<u>1,010,667</u>	<u>-</u>	<u>1,835,227</u>
Total financial liabilities	2,451	716,308	105,801	1,010,667	-	1,835,227

BARCLAYS CAPITAL (CAYMAN) LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****15. Related party transactions**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the party in making financial or operational decisions, or one other party controls both.

The definition of related parties includes Parent Company, ultimate Parent Company, subsidiary, associated and joint venture companies, as well as the Company's key management which includes its Directors. Particulars of transactions, and the balances outstanding at the year end, are disclosed in the tables below:

Statement of Financial Position as at 31 December 2022	Parent Company £'000	Fellow subsidiaries £'000	Total £'000
Assets			
Trade and other receivables	-	31	31
Financial assets designated at fair value	<u>1,788,171</u>	<u>-</u>	<u>1,788,171</u>
	1,788,171	31	1,788,202
Liabilities			
Financial liabilities designated at fair value	<u>1,788,138</u>	<u>-</u>	<u>1,788,138</u>
	1,788,138	-	1,788,138

Statement of Financial Position as at 31 December 2021	Parent Company £'000	Fellow subsidiaries £'000	Total £'000
Assets			
Trade and other receivables	-	31	31
Financial assets designated at fair value	<u>1,835,260</u>	<u>-</u>	<u>1,835,260</u>
	1,835,260	31	1,835,291
Liabilities			
	-	-	-
Financial liabilities designated at fair value	<u>1,835,227</u>	<u>-</u>	<u>1,835,227</u>
	1,835,227	-	1,835,227

16. Capital management

The Company's objectives when managing capital are:

- To safeguard the Company's ability to continue as a going concern.
- To maintain an optimal capital structure in order to reduce the cost of capital.
- To maintain an AA capital rating.
- To generate sufficient capital to support asset growth.
- To manage foreign currency exposures.

The Board of Directors is responsible for capital management and has approved minimum control requirements for capital and liquidity risk management. The Company regards as capital its equity, as shown in the statement of financial position.

BARCLAYS CAPITAL (CAYMAN) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

17. Events after reporting date

There were no material events after the reporting period date to the date of financial statements which would require disclosure or adjustment to the financial statements for the year ended 31 December 2022.

18. Parent undertaking and ultimate Holding Company

The parent of the Company is Barclays Bank PLC. The parent undertaking of the smallest group that presents group financial statements is Barclays Bank PLC. The ultimate holding Company and the parent company of the largest group that presents group financial statements is Barclays PLC. Both companies are incorporated in the United Kingdom and registered in England. The statutory financial statements of both Barclays Bank PLC and Barclays PLC are available from the Barclays Corporate Secretariat, 1 Churchill Place, London, E14 5HP.