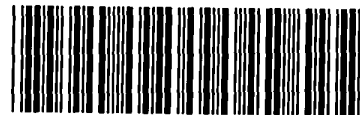


BARCLAYS CCP FUNDING LLP
Members' Annual Report and Financial Statements
For the year ended 31 December 2016

Registered No: OC359024

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Barclays CCP Funding LLP
Members' Annual Report and Financial Statements
For the year ended 31 December 2016

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**Barclays CCP Funding LLP
Members' Annual Report
For the year ended 31 December 2016
Registered Number OC359024**

Barclays Bank PLC and Barclays Shea Limited (each a 'Member' or together the 'Members') present their Annual Report together with the audited financial statements of Barclays CCP Funding LLP (the 'Partnership' or 'LLP') for the year ended 31 December 2016.

Results

During the year ended 31 December 2016 the Partnership did not make a profit (2015: \$nil). The Partnership has net assets of \$10,000,000 (2015: \$10,000,000).

Post balance sheet events

There have been no post balance sheet events after the year ended 31 December 2016.

Members

The Partnership was formed under a limited liability partnership deed (the "LLP Deed") entered into on 18 November 2010 between:

- 1) Barclays Bank PLC; and
- 2) Barclays Shea Limited

The Members act as the Designated Members of the Partnership. In accordance with the terms of the LLP Deed, the Partnership is managed by a LLP Management Committee which is comprised of individual representatives of Barclays Bank PLC, as follows:

John Feraca
Michael Manna
Richard Strudwick
Shivkumar Rao (Resigned 20 October 2016)
Thomas Luglio (Resigned 20 October 2016)
Martin Malloy (Resigned 17 May 2016)
Dov Kanofsky (appointed 20 October 2016)
George Van Schaick (appointed 20 October 2016)
Andrew Goss (appointed 20 October 2016)
Bhavin Parmar (appointed 20 October 2016)

and of individual representatives of Barclays Shea Limited as follows:

Michael Manna
Mark Newton
Richard Strudwick
Shivkumar Rao (Resigned 26 July 2016)
Dov Kanofsky (appointed 20 October 2016)
George Van Schaick (appointed 20 October 2016)
Andrew Goss (appointed 20 October 2016)
Bhavin Parmar (appointed 20 October 2016)
Whitaker, Paivi Helena (appointed 18 February 2016)

**Barclays CCP Funding LLP
Members' Annual Report
For the year ended 31 December 2016
Registered Number OC359024**

Going concern

After reviewing the Partnership's performance projections, the available banking facilities and taking into account the support available from Barclays Bank PLC, the Members are satisfied that the Partnership 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 Members have adopted the going concern basis in preparing these financial statements.

Statement of Members' Responsibility

The following statement, which should be read in conjunction with the Auditors' report set out on page 6 is made with a view to distinguishing for members the respective responsibilities of the Directors and of the Auditors in relation to the accounts.

The Partnership Agreement requires the Members to prepare financial statements for each accounting period that give a true and fair view of the state of the affairs of the Partnership as at the end of the financial year and of the profit and loss for the financial year. The Members have prepared the accounts in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union to present fairly the financial position of the Partnership and the performance for that period. The Companies Act 2006 provides, in relation to such accounts, that references to accounts giving a true and fair view are references to fair presentation.

The Members consider that in preparing the financial statements on pages 8 to 23:

- the Partnership has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates; and
- that all the accounting standards which they consider to be applicable have been followed; and
- that the financial statements have been prepared on a going concern basis.

The Members have responsibility for ensuring that the Partnership keeps accounting records which disclose with reasonable accuracy the financial position of the Partnership and which enable them to ensure the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial instruments

The Partnership follows Barclays Bank PLC's financial risk management objectives and policies including the policy for hedging the exposure to liquidity risk, credit risk, market risk and interest rate risk and these are set out in pages 19-23 of the financial statements.

Independent Auditors

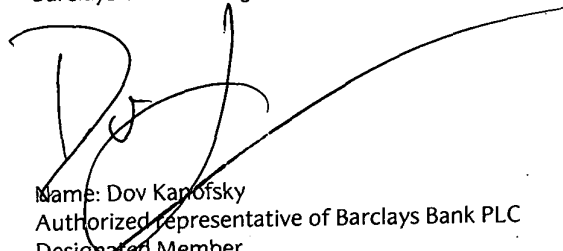
PricewaterhouseCoopers LLP has held office in accordance with the Limited Liability Partnership Act 2009 and the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, for the 2016 financial year. KPMG LLP will assume the role as the independent auditor for the year-end 31 December 2017. Formal appointment as auditor of the Partnership will be proposed at the forthcoming Annual Members Meeting.

Barclays CCP Funding LLP
Members' Annual Report
For the year ended 31 December 2016
Registered Number OC359024

Statement of disclosure of information to Auditors

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

For and on behalf of
Barclays CCP Funding LLP



Name: Dov Kapofsky
Authorized representative of Barclays Bank PLC
Designated Member
Date: 04 August 2017

**Barclays CCP Funding LLP
Strategic Report
For the year ended 31 December 2016**

The Members present their strategic report for the Partnership for the year ended 31 December 2016.

Review and principal activities

The principal activity of the Partnership is to provide funding to the Partnership's affiliates and subsidiaries of Barclays Bank PLC by way of issuing Collateralized Notes issued by Barclays Bank PLC and in certain circumstances co-issued by Barclays US CCP Funding LLC to investors and then lending the issuance proceeds to the Partnership, which enters into market standard reverse repurchase agreements with its affiliates and subsidiaries of Barclays Bank PLC.

Business performance

The Partnership's business performance during the year ended 31 December 2016 is detailed on Page 2 of the Members' Report.

Future outlook

No significant change in this activity is envisaged in the foreseeable future and the Members expect the Partnership's future performance to be in line with the current year.

The Members have reviewed the Partnership's business and performance and consider it to be satisfactory for the year. The Members consider that the Partnership's position at the end of the year is consistent with the size and complexity of the business.

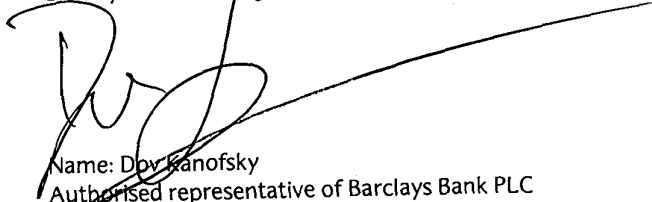
Principal risks and uncertainties

The Partnership's activities expose it to a variety of risks as set out in Note 19 of the financial statements. The Members devote considerable 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.

Key performance indicators

The Members believe that analysis using key performance indicators for the Portfolio is not necessary or appropriate for an understanding of the development, performance or position of the Portfolio.

For and on behalf of
Barclays CCP Funding LLP



Name: Dov Kanoisky
Authorised representative of Barclays Bank PLC
Designated Member
Date: 04 August 2017
Company number OC359024

Barclays CCP Funding LLP
NOTES TO THE REPORT AND FINANCIAL STATEMENTS
For the year ended 31 December 2016

Report on the financial statements

Our opinion

In our opinion, Barclays CCP Funding LLP's financial statements (the "financial statements"):

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 December 2016 and of its result and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

What we have audited

The financial statements, included within the Members' Annual Report and Financial Statements (the "Annual Report"), comprise:

- the Balance Sheet as at 31 December 2016;
- the Income Statement for the year then ended;
- the Statement of Cash Flows for the year then ended;
- the Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is IFRSs as adopted by the European Union, and applicable law.

In applying the financial reporting framework, the members have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 as applicable to limited liability partnerships we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Barclays CCP Funding LLP
NOTES TO THE REPORT AND FINANCIAL STATEMENTS
For the year ended 31 December 2016

Responsibilities for the financial statements and the audit

Our responsibilities and those of the members

As explained more fully in the Statement of Responsibilities of the Members set out on page 3, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinion, has been prepared for and only for the members of the partnership as a body in accordance with the Companies Act 2006, as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

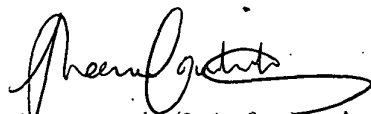
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the limited liability partnership's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the members; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the members' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Sheena Coutinho (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

Date: 10 August 2017.

Barclays CCP Funding LLP
INCOME STATEMENT
For the year ended 31 December 2016

	Note	2016 \$'000	2015 \$'000
Continuing operations:			
Interest receivable and similar income	5	24,238	35,232
Interest payable and similar charges	6	<u>(24,238)</u>	<u>(35,232)</u>
Net interest income		-	-
Net trading income	7	<u>-</u>	<u>-</u>
Net income		<u>-</u>	<u>-</u>
Result on ordinary activities before taxation		-	-
Taxation		<u>-</u>	<u>-</u>
Result for the year		<u>-</u>	<u>-</u>

The result for the year is derived from continuing activities. All recognised income and expenses have been reported in the income statement, hence no statement of comprehensive income has been included in the financial statements.

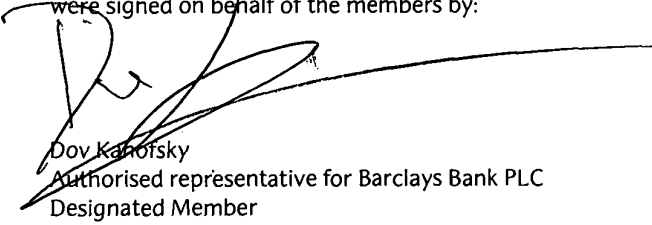
The accompanying notes from pages 12 to 23 form an integral part of these financial statements.

Barclays CCP Funding LLP
BALANCE SHEET
As at 31 December 2016

	Note	2016 \$'000	2015 \$'000
Assets			
Current assets			
Cash and cash equivalents	12	10,000	10,000
Financial assets designated at fair value	13	3,604,660	311,285
Reverse repurchase agreements	14	2,799,701	7,026,786
Total current assets		6,414,361	7,348,071
Non-current assets			
Financial assets designated at fair value	13	73,952	-
Reverse repurchase agreements	14	321,489	1,063,378
Total non-current assets		395,441	1,063,378
Total assets		6,809,802	8,411,449
Liabilities			
Current liabilities			
Financial liabilities designated at fair value	15	(3,604,660)	(311,285)
Borrowings	16	(2,799,701)	(7,026,786)
Total current liabilities		(6,404,361)	(7,338,071)
Non-current liabilities			
Financial liabilities designated at fair value	15	(73,952)	-
Borrowings	16	(321,489)	(1,063,378)
Total non-current liabilities		(395,441)	(1,063,378)
Total liabilities		(6,799,802)	(8,401,449)
Net assets attributable to Members			
Members' capital	17	(10,000)	(10,000)
Total members' equity		(10,000)	(10,000)

The accompanying notes from pages 12 to 23 form an integral part of these financial statements.

The financial statements were approved by the members and authorised for issue on 30 June 2017 and were signed on behalf of the members by:


Dov Kahovsky
Authorised representative for Barclays Bank PLC
Designated Member
Date: 04 August 2017
Company number OC359024

Barclays CCP Funding LLP
STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2016

	Members' capital \$'000	Retained earnings \$'000	Total members' equity \$'000
Balance at 1 January 2016	10,000	-	10,000
Issuance of members' capital	-	-	-
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2016	<u>10,000</u>	<u>-</u>	<u>10,000</u>

	Members' capital \$'000	Retained earnings \$'000	Total members' equity \$'000
Balance at 1 January 2015	10,000	-	10,000
Issuance of members' capital	-	-	-
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2015	<u>10,000</u>	<u>-</u>	<u>10,000</u>

The accompanying notes from pages 12 to 23 form an integral part of these financial statements.

Barclays CCP Funding LLP
STATEMENT OF CASH FLOWS
For the year ended 31 December 2016

	Note	2016 \$'000	2015 \$'000
Net cash from operating activities		-	-
<i>Cash flows from investing activities</i>			
Sale of financial assets designated at fair value	13	311,285	-
Sale of reverse repurchase agreements	14	7,026,786	10,693,581
Purchase of financial assets designated at fair value	13	(3,678,612)	(311,285)
Purchase of reverse repurchase agreements	14	<u>(2,057,812)</u>	<u>(7,951,703)</u>
Net cash generated from investing activities		1,601,647	2,430,593
<i>Cash flows from financing activities</i>			
Repayments of financial liabilities designated at fair value	15	(311,285)	-
Repayments of borrowings	16	(7,026,786)	(10,693,581)
Proceeds from financial liabilities designated at fair value	15	3,678,612	311,285
Proceeds from borrowings	16	<u>2,057,812</u>	<u>7,951,703</u>
Cash flows used in financing activities		(1,601,647)	(2,430,593)
Net increase in cash and cash equivalent		-	-
Cash and cash equivalents at 1 January		<u>10,000</u>	<u>10,000</u>
Cash and cash equivalents at 31 December		<u>10,000</u>	<u>10,000</u>
Cash and cash equivalents comprise:			
Cash at bank	12	<u>10,000</u>	<u>10,000</u>
		<u>10,000</u>	<u>10,000</u>

The accompanying notes from pages 12 to 23 form an integral part of these financial statements.

Barclays CCP Funding LLP
NOTES TO THE REPORT AND FINANCIAL STATEMENTS
For the year ended 31 December 2016

1. REPORTING ENTITY

The financial statements are prepared for Barclays CCP Funding LLP (the 'Partnership' or 'LLP') and are prepared for the Partnership only. The Members of the Partnership are Barclays Bank Plc ('BBPLC') and Barclays Shea Limited, a wholly owned subsidiary of BBPLC. Consequently the Partnership is a wholly owned subsidiary of BBPLC and its ultimate controlling company is Barclays PLC, both of which prepare consolidated financial statements in accordance with International Financial Reporting Standards ('IFRS'), and accordingly consolidated financial statements have not been prepared. Barclays Capital Inc ('BCI') and Barclays Capital Securities Limited ('BCSL') act as the Partnership's affiliates and are subsidiaries of BBPLC. The principal activity of the Partnership is to provide funding to the Partnership's affiliates and subsidiaries of Barclays Bank PLC by way of issuing Collateralized Notes issued by Barclays Bank PLC and in certain circumstances co-issued by Barclays US CCP Funding LLC to investors and then lending the issuance proceeds to the Partnership, which enters into market standard reverse repurchase agreements with its affiliates and subsidiaries of BBPLC.

Barclays CCP Funding LLP is a limited liability partnership formed and domiciled in England and Wales. The Partnership's registered office is:

1 Churchill Place
London
E14 5HP
England

2. COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

The financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') and interpretations ('IFRIC') issued by the Interpretations Committee, as published by the International Accounting Standards Board ('IASB') as adopted by the European Union and the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. The principal accounting policies applied in the preparation of the consolidated and individual financial statements are set out below, and in the relevant notes to the financial statements. These policies have been consistently applied.

3. 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.

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention modified to include the fair valuation of certain financial instruments to the extent required or permitted under IAS 39, 'Financial Instruments: Recognition and Measurement' as set out in the relevant accounting policies. They are presented in US dollars, which is the Partnership's functional and presentation currency.

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the accounting policies.

Barclays CCP Funding LLP
NOTES TO THE REPORT AND FINANCIAL STATEMENTS
For the year ended 31 December 2016

(b) Going concern

After reviewing the Partnership's performance and taking into account the support available from BBPLC, the Members are satisfied that the Partnership 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 Members have adopted the going concern basis in preparing these financial statements.

(c) Standards and interpretations effective in the year

The accounting policies adopted are consistent with those of the previous financial year. There were no new or amended standards or interpretations that resulted in a change in accounting policy.

(d) Standards and interpretations issued but not yet effective

There have been, and are expected to be, a number of significant changes to the Partnership's financial reporting after 2016 as a result of amended or new accounting standards that have been or will be issued by the IASB. The most significant of these are as follows:

IFRS 9 - Financial Instruments

IFRS 9 financial instruments which will replace IAS 39 *Financial Instruments: Recognition and Measurement* is effective for periods beginning on or after 1 January 2018 and was endorsed by the EU in November 2016. IFRS 9, in particular the impairment requirements, will lead to significant changes in the accounting for financial instruments.

Classification and measurement

IFRS 9 will require financial assets to be classified on the basis of two criteria:

- 1) The business model within which financial assets are managed, and
- 2) Their contractual cash flow characteristics (whether the cash flows represent 'solely payments of principal and interest').

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 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.

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.

The accounting for financial liabilities is largely unchanged, except for financial liabilities designated at fair value through profit and loss.

IFRS 9 is applied retrospectively, although comparatives are not restated, with adjustments arising from classification and measurement changes recognised in opening equity.

Barclays CCP Funding LLP
NOTES TO THE REPORT AND FINANCIAL STATEMENTS
For the year ended 31 December 2016

(e) Interest

Interest income or expense is recognised on all interest bearing financial instruments using the effective interest rate method.

The effective interest rate is the rate that exactly discounts the expected future cash payments or receipts through the expected life of the financial instrument, to the net carrying amount of the instrument. The application of the method has the effect of recognising income (and expense) receivable (or payable) on the instrument evenly in proportion to the amount outstanding over the period to maturity or repayment.

(f) Cash and cash equivalents

For the purposes of the cash flow statement, cash comprises cash in hand, demand deposits and cash equivalents. Cash equivalents comprise highly liquid investments that are convertible into cash with an insignificant risk of changes in value with original maturities of less than three months.

For the purpose of cash flow statements, cash out flow from purchases and inflows relating to financial assets and liabilities designated at fair value, Reverse Repos and Borrowings are reported on net basis irrespective of maturity date.

(g) Financial assets and liabilities designated at fair value

In accordance with IAS 39, financial assets may be designated at fair value, with gains and losses taken to the income statement in Net trading income. The Partnership has the ability to make the fair value designation when holding the instruments at fair value reduces an accounting mismatch (caused by an offsetting liability or asset being held at fair value), or is managed by the Partnership on the basis of its fair value, or includes terms that have substantive derivative characteristics.

(h) Repurchase agreements

Securities may be sold subject to a commitment to repurchase them (a Repurchase Agreement). Such securities are retained on the statement of financial position when substantially all the risks and rewards of ownership remain with the Partnership, and the counterparty liability is included separately on the statement of financial position when cash consideration is received. For the years ended 31 December 2016 and 31 December 2015, the Partnership did not have any repurchase agreements.

Similarly, where the Partnership borrows or purchases securities subject to a commitment to resell them (a Reverse Repurchase Agreement) but does not acquire the risks and rewards of ownership, the transactions are treated as collateralised loans when the cash consideration is paid, and the securities are not included in the statement of financial position.

The difference between sale/purchase and repurchase/resale price is accrued as interest expense and interest income, respectively over the life of the agreements using the effective interest method.

(i) Borrowings

Borrowings are initially recognised at fair value including direct and incremental transaction costs. They are subsequently measured at amortised cost. Borrowings are derecognised when extinguished.

Barclays CCP Funding LLP
NOTES TO THE REPORT AND FINANCIAL STATEMENTS
For the year ended 31 December 2016

(j) Guarantees

Financial guarantees are initially recognised in the financial statements at fair value on the date that the guarantee was provided. Subsequent to initial recognition, such guarantees are measured at the higher of the initial measurement less any amortisation of fee income recognised in the income statement over the period, and the best estimate of the expenditure required to settle any financial liability arising as a result of the obligation at the statement of financial position date.

(k) Members' capital

Members' capital classified as equity, provided that there is no present obligation to deliver cash or another financial asset to the holder, is shown in called up members' capital. The capital contributions in cash made or deemed to be made by BBPLC from time to time shall be credited to its separate capital account ledger and any capital distribution will be debited to its capital account ledger.

(l) Members' capital distributions

Members' capital distributions are recognised in the period in which they are paid or, if earlier, approved by the Partnership's members.

(m) Determining fair value

Valuation technique: Where the classification of a financial instrument requires it to be stated at fair value, this is determined by discounted cash flows, in which all significant inputs are observable, or can be corroborated by observable market data.

Valuation process: The Partnership has an established and documented process for determining fair value and has controls in place to ensure that its valuations are appropriate. An independent model review group reviews the Partnership's valuation models and approves them for use for specific products. All valuation models of the Partnership are subject to this review process. A price verification group, independent from the risk-taking functions, utilizes independent data sources to validate the ongoing appropriateness and material accuracy of valuations on the Partnership's Statement of Financial Condition. Where significant variances are noted in the independent price verification process, an adjustment is taken to the fair value position. Any changes to the valuation methodology are reviewed by management to confirm the changes are justified. As markets and products develop and the pricing for certain products becomes more transparent, the Partnership refines its valuation methodologies.

(n) Taxation

For UK purposes, the Partnership is treated as being tax transparent. The Partnership is not therefore separately taxable, as all income of the Partnership flows through to each individual Member.

4. SEGMENTAL REPORTING

The Partnership has elected not to comply with the voluntary disclosure requirements of International Financial Reporting Standard 8 'Operating Segments', and does not disclose segmental information. The partnership is not a listed entity and such information is disclosed in the financial statements of BBPLC.

Barclays CCP Funding LLP
NOTES TO THE REPORT AND FINANCIAL STATEMENTS
For the year ended 31 December 2016

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2016	2015
	\$'000	\$'000
Interest received from affiliates and members	24,238	35,232
	<u>24,238</u>	<u>35,232</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2016	2015
	\$'000	\$'000
Interest paid to members	(24,238)	(35,232)
	<u>(24,238)</u>	<u>(35,232)</u>

7. NET TRADING INCOME

Included within net trading income were gains of \$10,499,000 (2015: \$525,000) on financial assets designated at fair value and losses of \$10,499,000 (2015: \$525,000) on financial liabilities designated at fair value.

8. AUDIT FEE FOR PARTNERSHIP

The audit fee is borne by BCI, the Partnership's affiliate. The fee for auditing the financial statements of the Partnership amounts to \$56,000 (2015: \$56,000). This fee is paid by an affiliate and is not recognised as an expense in the financial statements.

9. MEMBERS' EMOLUMENTS

The Members did not receive any emoluments in respect of their services to the Partnership during the year (2015: \$nil).

10. STAFF COSTS

There were no employees employed by the Partnership during 2016 (2015: nil). All support is provided by an affiliated entity.

11. GUARANTEES

The Partnership has provided a guarantee over the obligations of BBPLC under the Collateralised Commercial Paper issued via a LLP undertaking. If BBPLC was to default to investors, under the terms of the guarantee, investors would have recourse to the Partnership's investment in its financial assets designated at fair value and reverse repurchase agreements, which is collateralised by securities.

Barclays CCP Funding LLP
NOTES TO THE REPORT AND FINANCIAL STATEMENTS
For the year ended 31 December 2016

Recourse under the LLP undertaking is limited only to the Collateral expressed in the Security Agreement to the respective class held by such Noteholders.

The value of the guarantee has been assessed as \$nil at 31 December 2016 (2015: \$nil).

12. CASH AND CASH EQUIVALENTS

Cash equivalents of \$10,000,000 (2015: \$10,000,000) relates to cash held with Bank of New York Mellon. Carrying value of cash equivalents approximates their fair value.

13. FINANCIAL ASSETS DESIGNATED AT FAIR VALUE

	2016	2015
	\$'000	\$'000
Affiliate	1,339,266	150,062
Members	<u>2,339,346</u>	<u>161,223</u>
	<u>3,678,612</u>	<u>311,285</u>

Financial assets designated at fair value relates to new reverse repurchase agreements that have been designated at fair value.

The Partnership has financial assets designated at fair value with its affiliate (BCI) and its members (BBPLC). The fair value of the collateral pledged to the Partnership under financial assets designated at fair value is \$3,851,073,000 (2015: \$341,046,000).

Financial assets designated at fair value are classified as Level 2 in the fair value hierarchy as their valuation incorporates significant inputs that are based on observable market data.

14. REVERSE REPURCHASE AGREEMENTS

	2016	2015
	\$'000	\$'000
Affiliates	447,203	2,203,152
Members	<u>2,673,987</u>	<u>5,887,012</u>
	<u>3,121,190</u>	<u>8,090,164</u>

The Partnership has reverse repurchase agreements with its affiliates (BCI and BCSL) and its members (BBPLC). The fair value of the collateral pledged to the Partnership under the reverse repurchase agreements is \$3,137,885,000 (2015: \$8,558,132,000).

Reverse repurchase agreements, which are measured at amortised costs, are classified as Level 2 in the fair value hierarchy as their valuation incorporates significant inputs that are based on observable market data.

The carrying value of these reverse repurchase agreements as at 31 December 2016 approximates fair value due to the short-term nature of the obligation.

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15. FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE

	2016	2015
	\$'000	\$'000
Amounts due to members	(3,678,612)	(311,285)
	<u>(3,678,612)</u>	<u>(311,285)</u>

Financial liabilities designated at fair value relates to new borrowings that have been designated at fair value during the year.

Financial liabilities designated at fair value are classified as Level 2 in the fair value hierarchy as their valuation incorporates significant inputs that are based on observable market data. Additional details in respect of the Partnership's financial liabilities designated at fair value are detailed in Note 19.

16. BORROWINGS

	2016	2015
	\$'000	\$'000
Amounts due to members	(3,121,190)	(8,090,164)
	<u>(3,121,190)</u>	<u>(8,090,164)</u>

Borrowings, which are measured at amortised costs, are classified as Level 2 in the fair value hierarchy as their valuation incorporates significant inputs that are based on observable market data.

Additional details in respect of the Partnership's borrowings are detailed in Note 19.

17. MEMBERS' CAPITAL

	2016	2015
	\$'000	\$'000
Balance at 1 January	10,000	10,000
Issuance of members' capital	-	-
Balance at 31 December	<u>10,000</u>	<u>10,000</u>

18. PARENT UNDERTAKING AND ULTIMATE HOLDING COMPANY

The Members of the Partnership are Barclays Bank Plc ('BBPLC') and Barclays Shea Limited, a wholly owned subsidiary of BBPLC, and therefore the ultimate parent of the Partnership is Barclays PLC. The parent undertaking of the smallest group that presents consolidated financial statements is BBPLC. Both the Partnership and BBPLC are incorporated in the United Kingdom and registered in England. The statutory financial statements of Barclays PLC are available from Barclays Corporate Secretariat, 1 Churchill Place London E14 5HP.

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19. FINANCIAL RISKS

The Partnership's activities expose it to a variety of financial risks. These are liquidity risk, credit risk and market risk (which includes foreign currency risk, interest rate risk and price risk). Consequently the Barclays PLC devotes considerable resources to maintain 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.

Liquidity risk

This is the risk that the Partnership's cash and committed facilities may be insufficient to meet its debts as they fall due. The financial liabilities designated at fair value and borrowings of the Partnership are matched to the maturities of the Partnership's financial assets designated at fair value and reverse repurchase agreements. The Partnership has the financial support of the undertaking BBPLC, it also maintains banking facilities with BBPLC. These facilities are designed to ensure the Partnership has sufficient available funds for operations

The table below shows the maturity of financial liabilities the Partnership is exposed to, and the undiscounted contractual maturity of the liabilities it faces:

	2016		
	Financial liabilities Designated at Fair value \$'000	Borrowings \$'000	Total \$'000
Financial liabilities repayable:			
Not more than three months	(1,799,334)	(613,896)	(2,413,230)
Over three months but not more than six months	(1,153,978)	(1,029,799)	(2,183,777)
Over six months but not more than one year	(651,348)	(1,156,006)	(1,807,354)
Over one year but not more than two years	(73,952)	(216,266)	(290,218)
Over two years but not more than three years	-	-	-
Over three years but not more than four years	-	(105,223)	(105,223)
Over four years but not more than five years	-	-	-
Total	<u>(3,678,612)</u>	<u>(3,121,190)</u>	<u>(6,799,802)</u>

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			2015
	Financial Liabilities Designated at Fair Value \$'000	Borrowings \$'000	Total \$'000
Financial liabilities repayable:			
Not more than three months	(201,755)	(2,909,319)	(3,111,074)
Over three months but not more than six months	-	(1,666,339)	(1,666,339)
Over six months but not more than one year	(109,530)	(2,451,128)	(2,560,658)
Over one year but not more than two years	-	(932,041)	(932,041)
Over two years but not more than three years	-	(21,871)	(21,871)
Over three years but not more than four years	-	-	-
Over four years but not more than five years	-	(109,466)	(109,466)
Total	<u>(311,285)</u>	<u>(8,090,164)</u>	<u>(8,401,449)</u>

Credit Risk

Credit risk is the risk of suffering financial loss, should any of the Partnership's customers or market counterparties fail to fulfil their contractual obligations to the Partnership. The Partnership manages its credit risk by entering into collateral lending with entities within the Barclays Group. The Partnership's assets are neither past due nor impaired.

The Partnership's maximum exposure to credit risk is detailed in the table below. The exposure reported in the table represents the gross receivable amounts, which may not be the fair value. The exposure is reported gross and does not include any collateral or other credit risk mitigants which reduce the Partnership's exposure. The exposure by industry type relates to the financial institutions.

				2016
	Cash Equivalents \$'000	Financial Assets Designated at fair value \$'000	Reverse Repos \$'000	Total \$'000
Financial institutions	10,000	3,678,612	3,121,190	6,809,802
Total	<u>10,000</u>	<u>3,678,612</u>	<u>3,121,190</u>	<u>6,809,802</u>

				2015
	Cash Equivalents \$'000	Financial Assets Designated at Fair Value \$'000	Reverse Repos \$'000	Total \$'000
Financial institutions	10,000	311,285	8,090,164	8,411,449
Total	<u>10,000</u>	<u>311,285</u>	<u>8,090,164</u>	<u>8,411,449</u>

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Cash equivalents of \$10,000,000 relates to cash held with Bank of New York Mellon.

Financial assets designated at fair value of \$3,678,612,000 (2015: \$311,285,000) and reverse repurchase agreements of \$3,121,190,000 (2015: \$8,090,164,000) represents the funds lent to the counterparties detailed below:

					2016
Counterparty	Credit Rating	Geographical Location	Financial Assets Designated at Fair Value \$'000	Reverse Repos \$'000	
Barclays Capital Inc.	Strong	US	1,339,266	400,190	
Barclays Capital Securities Limited	Strong	UK	-	47,013	
Barclays Bank PLC	Strong	UK	2,339,346	2,673,987	
Total			<u>3,678,612</u>	<u>3,121,190</u>	
					2015
Counterparty	Credit Rating	Geographical Location	Financial Assets Designated at Fair Value \$'000	Reverse Repos \$'000	
Barclays Capital Inc.	Strong	US	150,062	2,156,071	
Barclays Capital Securities Limited	Strong	UK	-	47,081	
Barclays Bank PLC	Strong	UK	161,223	5,887,012	
Total			<u>311,285</u>	<u>8,090,164</u>	

Credit Rating description can be summarised as follows:

Strong: There is a very high likelihood of the asset being recovered in full. This includes Counterparty exposures with credit risk rating of BBB- and above by S&P.

Satisfactory: While there is a high likelihood that the asset will be recovered and therefore, of no cause for concern to the Group, the asset may not be collateralised, or may relate to retail facilities, such as credit card balances and unsecured loans, which have been classified as satisfactory, regardless of the fact that the output of internal grading models may have indicated a higher classification. At the lower end of this grade there are customers that are being more carefully monitored, for example, corporate customers which are indicating some evidence of deterioration, mortgages with a high loan to value, and unsecured retail loans operating outside normal product guidelines. This includes Counterparty exposures with credit risk rating of B to BB+ by S&P.

Higher risk: There is concern over the obligor's ability to make payments when due. However, these have not yet converted to actual delinquency. There may also be doubts over the value of collateral or security provided. However, the borrower or counterparty is continuing to make payments when due and is expected to settle all outstanding amounts of principal and interest. This includes Counterparty exposures with credit risk rating of B- and below by S&P.

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Collateral is held by the Partnership as an important mitigant of credit risk, and the Partnership has obtained collateral for the funds advanced. When collateral is deemed appropriate, the Partnership accepts specific, agreed classes of collateral. The Partnership monitors the fair value of securities purchased and sold under agreements to resell/repurchase on a daily basis, with additional collateral obtained or refunded as necessary.

The fair value of collateral held by the Partnership is detailed below:

			2016
Nature of collateral:	Financial Assets Designated at Fair Value \$'000	Reverse Repos \$'000	Total \$'000
- Debt securities	3,851,073	193,799	4,044,872
- Equity securities	-	2,944,085	2,944,085
Total	<u>3,851,073</u>	<u>3,137,884</u>	<u>6,988,957</u>

			2015
Nature of collateral:	Financial Assets Designated at Fair Value \$'000	Reverse Repos \$'000	Total \$'000
- Debt securities	341,046	4,448,267	4,789,313
- Equity securities	-	4,109,865	4,109,865
Total	<u>341,046</u>	<u>8,558,132</u>	<u>8,899,178</u>

The assets were pledged to the Partnership by BCI, BCSL and BBPLC as securities for financial assets designated at fair value and reverse repurchase agreements from the Partnership to BCI, BCSL and BBPLC. The Partnership can only seize the assets upon default (non repayment of the loan) by BCI, BCSL and BBPLC, and otherwise has no right to sell or re-pledge the collateral.

Market Risk

Market risk is the risk that the Partnership'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 equity prices, foreign exchange rates, and interest rates.

The Partnership has no exposure to foreign exchange rates, as all assets and liabilities are matched on a currency level.

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Interest rate risk

Interest rate risk is the possibility that changes in interest rates will result in higher financing costs and/or reduced income from the Partnership's interest bearing financial assets and liabilities. The Partnership's interest rate risk arises from long term financial liabilities designated at fair value and borrowings. The Partnership mitigates interest rate risk by matching its financial assets designated at fair value and reverse repo interest rates with the interest rates on financial liabilities designated at fair value and borrowings from BBPLC.

The Partnership's interest rate risk and market risk is limited to the \$10,000,000 exposure on cash held with Bank of New York Mellon.

20. 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 Partnership's key management which includes its Members. BBPLC is the controlling party. BCI and BCSL are affiliates of the Partnership. The Partnership acknowledges that administration services are provided by BBPLC. During the year there have been no other transactions with related parties other than transactions disclosed in the notes to the financial statements. All transactions are with related parties.

21. CAPITAL MANAGEMENT

The Partnership is required to operate within the risk management policies of BBPLC which include guidelines covering capital management. Both the capital management and risk management objectives and policies of BBPLC can be found in the financial statements of BBPLC. The financial statements of BBPLC are available from the Barclays Corporate Secretariat, 1 Churchill Place, London E14 5HP.

The Members are responsible for capital management and have approved minimum control requirements for capital and liquidity risk management.

The Partnership regards as capital its equity reported in the Balance Sheet. Total equity for year ended 31 December 2016 is \$10,000,000 (2015: \$10,000,000).

22. EVENTS AFTER THE BALANCE SHEET DATE

There were no events after the balance sheet date to report.