

[Logo] BARCLAYS

Paseo de la Reforma No. 505 Floor 41
Col. Cuauhtémoc
06500 Mexico, D.F.

Mexico City, May 30, 2018

MEXICAN CENTRAL BANK
DOMESTIC TRADING DEPARTMENT
Avenida 5 de Mayo, No. 6
Col. Centro, Zip Code 06000, Mexico City

Global Code of Conduct Commitment Statement

Barclays Bank México S.A., Institución de Banca Múltiple, Grupo Financiero Barclays México ("Barclays") has reviewed the contents of the Global Code of Conduct (the "Code") and acknowledges that the Code represents a set of principles widely recognized as good practices in the wholesale foreign exchange (FX) market. Barclays confirms that it acts as a market participant in terms set out in the Code and is committed to conducting its Foreign Exchange Trading in the FX market in a manner consistent with the Code's guiding principles. Accordingly, Barclays has adopted the appropriate measures based on the size and complexity of its Foreign Exchange Trading and the nature of its engagement in the foreign exchange market to align its activities with the Code's principles.

Sincerely,

Barclays Bank México S.A., Institución de Banca
Múltiple, Grupo Financiero Barclays México

[Illegible signature]

Raúl Martínez-Ostos

Chairman of the Board of Directors

C.c. Mexican Foreign Exchange Market Committee. For your information.

[Logo] BARCLAYS

Annex A

Report to the Mexican Central Bank on adherence to the Foreign Exchange Trading Global Code of Conduct

May 2018

Contents

I. Background	3
II. Business Model	4
III. FX Trading Global Code of Conduct Adherence Strategy.....	6
IV. Policies, Procedures and Guidelines	9
V. Customer and Counterparty Disclosure Measures and Means	12
VI. Controls, Follow up Processes and Sanctions	12
VII. Oversight of the Global Code of Conduct by Governance Bodies	15
VIII. Annexes	16

I. Background

On October 11, 2017, the Mexican Central Bank published the new Global Code of Conduct for FX Trading in Mexico. The Code's main objective is to foster a robust, liquid, open and transparent market in which different market participants are able to complete transactions securely and effectively at competitive prices reflected by available market information.

The FX Trading Global Code of Conduct includes 55 principles arranged under six pillars: Ethics; Governance; Execution; Information Management; Risk Management; and Transactions. These pillars cover the entire currency exchange business value chain and set the highest standards of process integrity, transparency and solidity. Any market participant that trades in currency markets can adhere to the Code, which will be reviewed as the foreign exchange market evolves.

Barclays worked through and analyzed each and every one of the Code's principles where there was active involvement of all areas in order to identify the Code's requirements and sign the commitment statement, which was done on May 23, 2018. Adherence to the Code is voluntary for all market participants and will serve as a benchmark for good currency market practices and processes. Barclays' adherence to the Code means encouraging our customers and counterparties to adhere to this Code also.

This report describes the analysis process, controls implemented, current policies and guidelines available to this institution, actions and measures set up to foster compliance with this Code, oversight and sanction measures, escalation, training, etc.

II. Business Model

The business model of Barclays Bank México, S.A. (“Barclays”) is an investment banking model aimed at offering solutions, products and services to our customers related to fixed-income securities trading, structuring of derivatives and advice on securities placements, mergers and acquisitions, offering the franchise’s local and global knowledge and experience. The customer segment that Barclays targets includes a range of financial entities, such as retirement fund managers (*Afores*), banks and broker-dealers, corporations, trusts or private capital investment funds, as well as the Federal Government, including State-owned enterprises.

Barclays participates in the buying and selling of financial assets traded in local markets. These products are: Nominal Fixed-income Government Bonds, Treasury Certificates (*Cetes*), Nominal Fixed-income Government Bonds, currencies, listed and OTC derivatives. Our main customers are Pension Funds, Mutual Funds and Corporations, most of which are based in Mexico City. Barclays México also works with institutions throughout the country. Furthermore, a large part of the business involves offering the financial assets we trade to our portfolio of international customers.

Barclays also engages in derivatives trading with different types of counterparties that we can classify into other foreign affiliates, local financial institutions, Specialized Retirement Fund Investment Companies (*Siefores*), Funds and Corporations. The currencies in which derivatives have been concluded are Euros (EUR); Pound Sterling (GBP); Yen (JPY); US Dollar (USD); Mexican Pesos (MXN); and Investment Units (*Unidades de Inversión*, “*UDI*”). Analyzing the volume Barclays Bank has held with its counterparties by currency type we can see that its affiliate (Barclays PLC) is in first place with close to 50% of total volume, followed by Retirement Funds (*Afores*) and funds with 40% - 45% and lastly, State-owned enterprises with less than 8%. Annex A in section VIII Annexes of this document contains tables showing volume per counterparty according to type of

currency.

Barclays has concluded transactions in the following types of products: Foreign Exchange (FX) or spot transactions; FX Forwards (SF); Equity Options (EO); FX Options (OT); Cross Currency Swaps (CS); Interest Rate Swaps (IR); Swaps Mexder (Santander Settlement Partner (SE) and UDI/TIIE Swaps (UD). Analyzing the type of transactions concluded by Barclays in EUR, IPY, GBP currencies and UDI reveals that, in terms of volume, FX occupies more than 79%, followed by other types of derivatives. Annex B contains graphs that show transaction volume by product type according to each type of currency.

Analyzing the type of customers with which Barclays has concluded derivative transactions reveals that most of the volume has been concluded between financial entities, such as Specialized Retirement Fund Investment Companies (Siefors), and with Barclays' affiliate. Analyzing transactions by type reveals that most concluded transactions involve simple products (FX), which have an automated verification and settlement process in place. All transaction types that the Bank concludes have verification and confirmation controls in place for the conclusion and settlement process, with all discrepancies escalated to business areas.

Some of the areas in Barclays that specialize in currency trading are the Risk Solutions (RSG) and the institutional sales areas:

The RSG team maintains relations with corporate and governmental customers while the institutional sales team is in charge of relations with institutional customers, some of which execute foreign exchange transactions with counterparties, such as Barclays, to:

- i) cover day-to-day operating needs; and

- ii) hedge foreign exchange exposure due to the company's financial or capital strategies.

The foreign exchange trading that Barclays engages in may involve simple transactions, such as FX spots in which customers buy/sell currencies, as well as more complex transactions that are traded at a future date (Forwards) or FX Swaps involving buying/selling on an earlier date to subsequently sell/buy on a later date.

The currencies usually traded are dollars against pesos; however, some customers trade Euros, pounds, among others. Between spot and derivatives trades, the volume of foreign exchange trading in 2017 reached approximately US\$4,000 billion.

In order to offer a comprehensive service, it is vital that Barclays is able to continue to provide liquidity and competitive prices in the foreign exchange market, given its fundamental role customers' good performance. This service also provides greater openness and dialog that permits better understanding of the business so as to offer different solutions, products and strategies able to satisfy our customers' needs.

III. FX Trading Global Code of Conduct Adherence Strategy

In order to ensure compliance with the FX Trading Global Code of Conduct, Barclays implemented a multidisciplinary working group that analyzed all 55 principles so as to identify the processes that business, operations and other support areas have in place and confirm that they are all in harmony with the stipulations of the Code. The objective of this working group was to analyze whether there were any breaches, deviations or improvements and, if so, work together to define action plans, dates and owners.

These working sessions led to identification and mapping of local and global policies and procedures that contain everything to do with FX trading processes. Global teams were also approached to be able to identify the processes and policies already in place that might serve to complement this report.

It is important to mention that in addition to the working meetings, the different areas worked independently and with coordination to identify available controls and processes that would permit compliance with the Code. As a result, the Compliance area, as part of its control reviews, included a verification process, which it will carry out in the last quarter of 2018, whose intention is to verify all of the principles and their compliance. Any deficiencies that are identified will be reported to the Board of Directors and to the Audit Committee, Barclays' corporate governance bodies, which will promptly follow up on compliance with this Code.

To complement this, it is important to mention that mandatory training was given to the main Sales, Trading and RSG areas, which highlighted the main principles, gave the guiding principles on what one should and should not do, and afterward requested confirmation from employees about their understanding of the Code. This training will be given annually.

The Compliance area will also give training in the third quarter of 2018 focused on support areas, such as Operations, Risk and Human Resources, among others, which actively participate in currency trading. This training will be given annually.

In addition to this, Barclays has included adherence to this Code in the Code of Conduct that applies to Barclays Bank México and, as part of this, will also refer to the FX Trading Code of Conduct in its annual Code of Conduct training.

A detailed analysis was also carried out of the Global Code of Conduct and its principles that identified improvements which led to defining the following action plans, dates and owners:

Principle	Pending Activity	Owner	Commitment Date
Principle 3	Implement an annual statement for traders related to identification of Conflicts of Interest	Compliance/HR	September 30, 2018
Principle 5	Implement ratification of adherence to the Code for new joiners and current employees	Compliance	December 15, 2018

IV. Policies, Procedures and Guidelines

Below is a list of the most relevant local and global policies and procedures applicable to Barclays Bank México, whose purpose is to foster adherence to the Global Code of Conduct and ensure compliance.

Local Policies and Procedures
1. Over-the-counter Market Derivatives Trading Manual
2. Unsettled Transactions, Escalation and Corrective Action Notification Procedure
3. Money Market Policies and Procedures Manual
4. Barclays Bank Remuneration Manual
5. Bank Anti Money Laundering Manual
6. Code of Conduct
7. Integrated Risk Management Manual
8. Internal Control Manual
9. Credit Manual
10. Confidential Information Manual and Chinese Wall Policy
11. Personal Account Management Manual. Policy Guidelines and Control Mechanisms on Securities Trading Conducted by Directors and Employees
12. Organizational Manual
13. Information Technology Security Manual
14. Systems Manual
15. File Integration Manual
16. Human Resource Manual
17. Investment Services Manual
18. Travel Expense, Entertainment and Mobile Telephone Use Policy
19. Desktop Trading Procedures

Global Policies and Procedures
20. Product Control Policies and Procedures
21. Global Whistleblowing Policy (Confidential Employee Complaint Line)
22. Global Whistleblowing Standard
23. Global Conflicts of Interest Policy
24. Global Gifts and Entertainment Policy
25. Breach Management & Reward and CITAM User Guide
26. Global Electronic Communications Policy
27. Global Mandatory Block Leave Policy
28. Global New Products Policy
29. Key Risk Control Framework: Traded Market Risk
30. Key Risk Control Framework: Non-Traded Market Risk
31. Resilience Policy
32. Resilience Standard
33. Group Data Management Policy
34. Barclays Global Physical Security Standard
35. Business Continuity Plan
36. Settlement Risk Policy
37. Settlement Risk Standard
38. Control Standard Confirmation
39. Global Canceled, Amended, Late and Backdated Trades Policy
40. Global Market Conduct Policy
41. Markets Code of Conduct

42. The Barclays Way
43. Principal Risk Framework: Conduct Risk
44. Global Use of Executing Brokers
45. Reward Standard
46. Global Market Color Policy
47. Sales Practices Global Policy
48. Electronic Trading Governance and Controls Standard
49. Trading Mandate Policy
50. External Communications Standard
51. Electronic Trading Governance and Controls Standard
52. Global Benchmarks Policy
53. Customer Complaints Global Policy
54. Customer Complaints Standard
55. Client Assessment & Aggregation Policy
56. Standard for Swap Dealer External Business Conduct Standards
57. Benchmark Interest Rates Standard
58. IB Global Client-Facing Marketing Materials Standard
59. Enterprise Risk Management Framework
60. Group Records Management Policy
61. Independent Price Verification and Prudent Valuation Standard
62. Global Voice Recording Policy
63. Counterparty Credit Risk Policy
64. Group Standard on Liquidity Risk Appetite and Limits

V. Customer and Counterparty Disclosure Measures and Means

Barclays will foster adherence to the Global Code of Conduct by publishing a notice on its website informing all of its customers and counterparties of the date said Code and the Code's spirit took effect and extend a cordial invitation to all of its customers and counterparties to comply with and adhere to it. This announcement will be included from May 31, 2018.

A notification letter will also be sent in June, together with the Commitment Statement (Annex 2) set out in the Rules on Adherence to the FX Trading Global Code of Conduct issued by the Hon. Mexican Central Bank to all Barclays Bank customers and counterparties so as to inform them of the entry into force of the Global Code of Conduct, Barclays' adherence to this Code and its intention to foster compliance through said letter. These letters are expected to be sent by June 30, 2018.

Lastly, a notification letter will be included in the files of all new customers and counterparties and will become an integral part of file content. The letter will inform the customer of the Code's main points, its relevance and the importance of compliance.

VI. Controls, Monitoring Processes and Sanctions

Different controls are in place that mitigate the risks derived from currency trading; these include compliance reviews, internal controls included in the annual risk assessment and controls known as RCSA, annual training, compliance reminders, disclosure emails, among others.

Furthermore, if any breaches of this Code are identified, there are adequate channels for escalating and following up on risk topics. This can be done through anonymous complaints sent to the following email address mexicoconcerns@barclayscapital.com (from any external email address) and *mexico_concerns* (from Barclays internal email addresses). The reports are received and addressed directly by the Compliance Officer.

Moreover, and as a second line of defense, any issues raised in the annual compliance reviews will be recorded in the internal Compliance Assurance Platform and reported in turn to the Board of Directors and Audit Committee which meet quarterly.

If a breach by some employee is identified, this would be recorded in turn in the CITAM/ORAC system and assigned a noncompliance level depending on the risk, impact and mitigating actions. This will be carried out by the Compliance area, which in turn will decide whether it is necessary to involve the Human Resources area, depending on the seriousness of the issue.

If some operational failure is detected that directly or indirectly impacts currency trading, these will be recorded in the ORAC tool, where it will be monitored through to solution and closure. The Internal Control area will promptly follow up on this type of incident if they occur and keep Barclays informed of monitoring activities either through the Risk Committee or the Audit Committee and Board of Directors, as appropriate.

Sanctions for employees who breach the Global Code of Conduct will be set on a case-by-case basis in line with the Breach Risk Evaluation Framework, which refers to the internal methodology for assessing and assigning a rating to breaches depending on their severity, as well as on mitigating factors and aggravating factors.

At the end, a rating is given to the breach and the actions that follow in terms of escalation and notification are determined.

If the local Compliance team identifies or is notified of a breach by an employee, an analysis will be conducted on a case-by-case basis, according to the procedure described in the paragraphs above, and the issue escalated to the Managing Director, as well as to the Board of Directors to weigh the respective sanctions, which will depend on the seriousness. Sanctions may consist of a reprimand that will go into the employee's file and consequently impact their performance appraisal or even include the employee's termination.

It is important to mention that all employees involved in currency trading will receive the relevant training each year so that they are trained to identify any related deviation and breach by their customers and counterparties. If this is the case, employees must escalate the issue directly to the Compliance team.

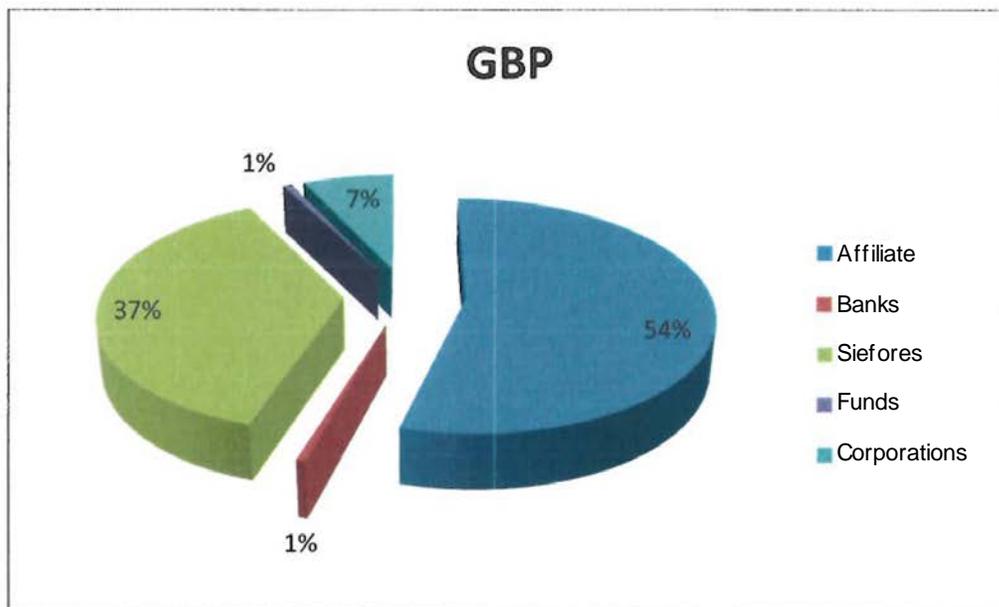
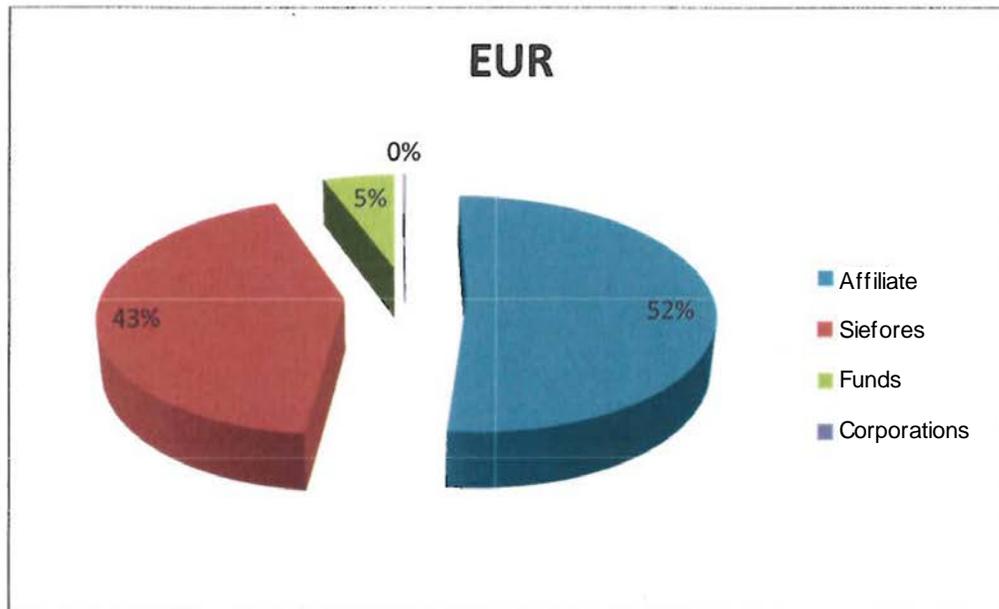
In respect to sanctions for customers and counterparties should they breach the Global Code of Conduct, these will be analyzed on a case-by-case basis and may even result in termination of the business relationship with that entity or counterparty. If any such situation is detected, this will be escalated to the Compliance team, which in turn will review the case with the respective business areas or Operations to determine the sanctions that might apply, including termination of the business relationship. Said cases will be included in the annual FX Trading Global Code of Conduct Compliance Report, which will be presented during the second quarter to both the Audit Committee and Board of Directors, and subsequently reported to the Mexican Central Bank.

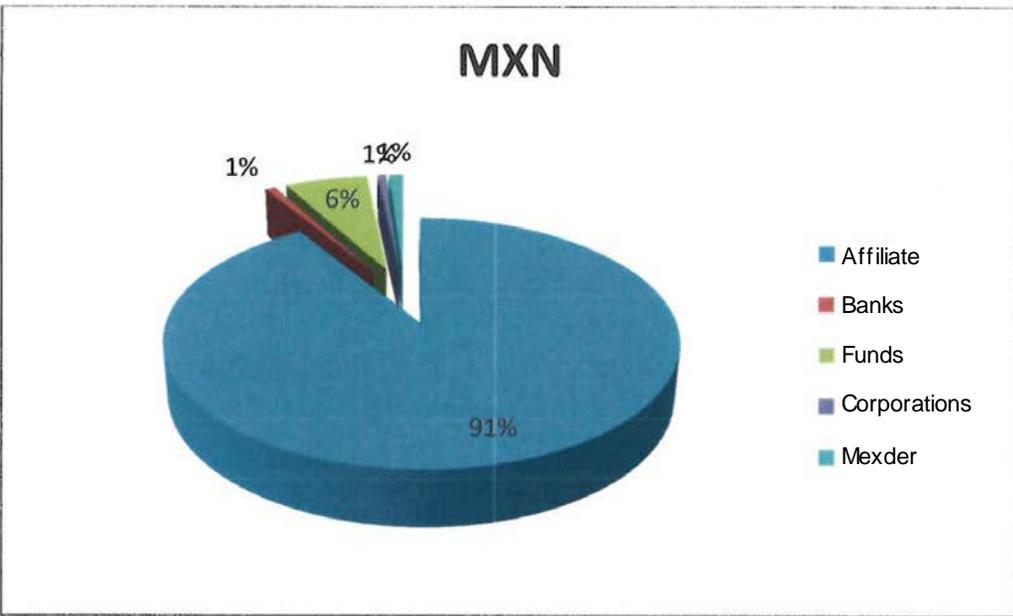
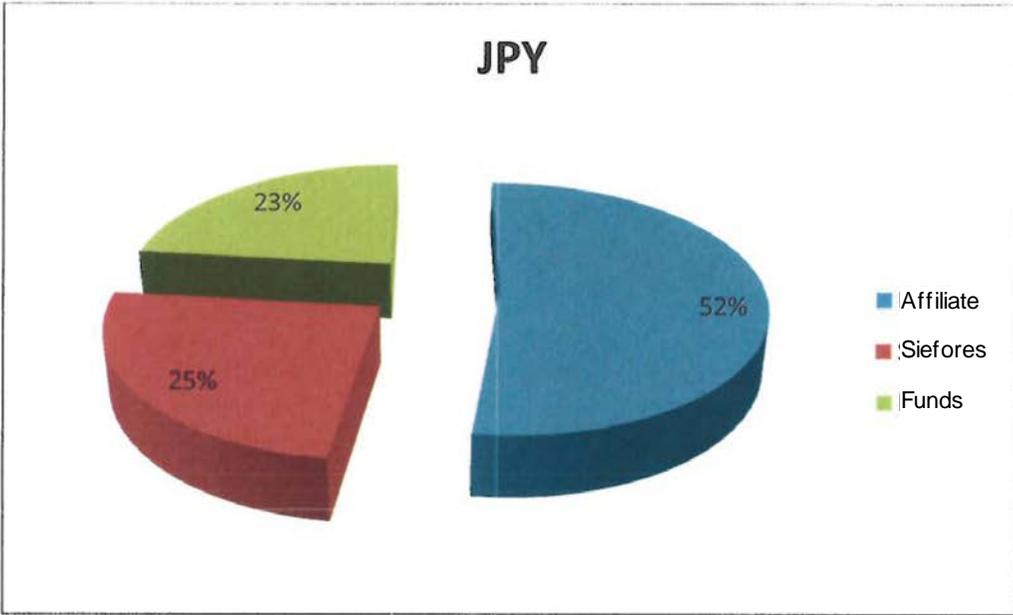
VII. Oversight of the Global Code of Conduct by Governance Bodies

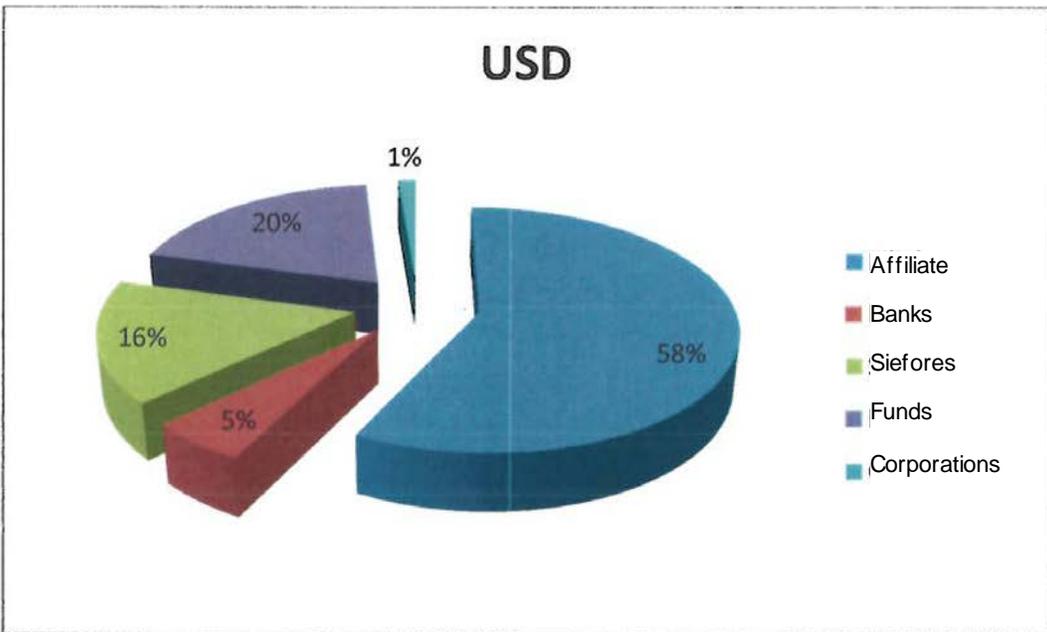
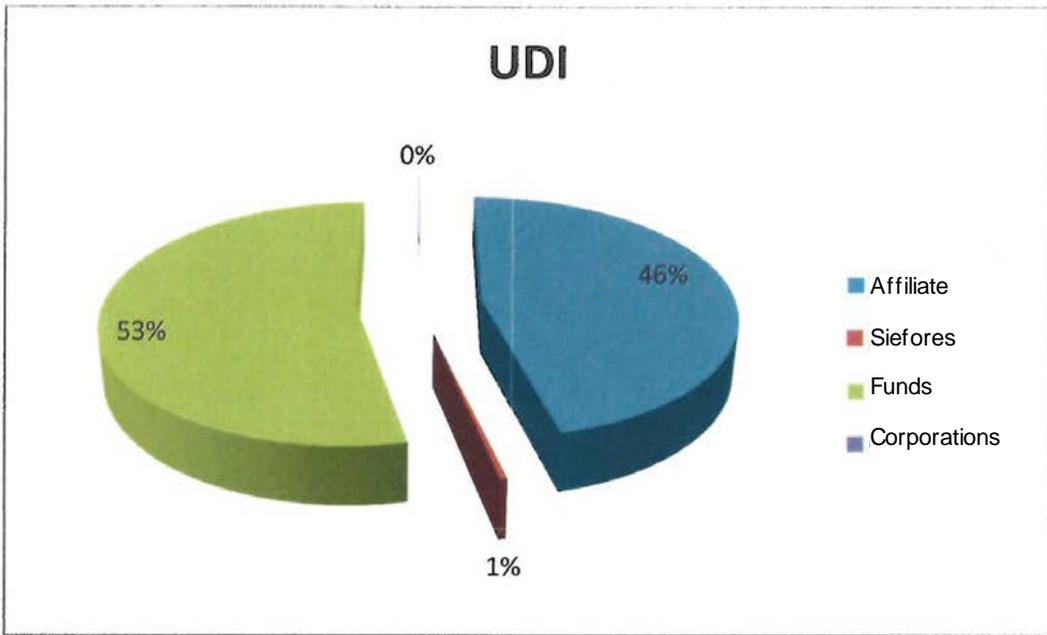
The Compliance area will inform the Audit Committee annually, which in turn will inform the Board of Directors during the meeting held in the second quarter of each year, on compliance with the FX Trading Global Code of Conduct. In this respect, based on compliance reviews, issues escalated internally, training results, escalation of employees, and other *ad hoc* assessments conducted during the year, annual compliance with the Code, as well as any deviations, will be reported annually. After said meeting, Code performance and compliance will be reported formally in writing to the Mexican Central Bank and either include documentation on escalation to the respective committees or certification from the Secretary of the Board of Directors confirming that said report has been filed, as well as its results and follow up.

VIII. Annexes

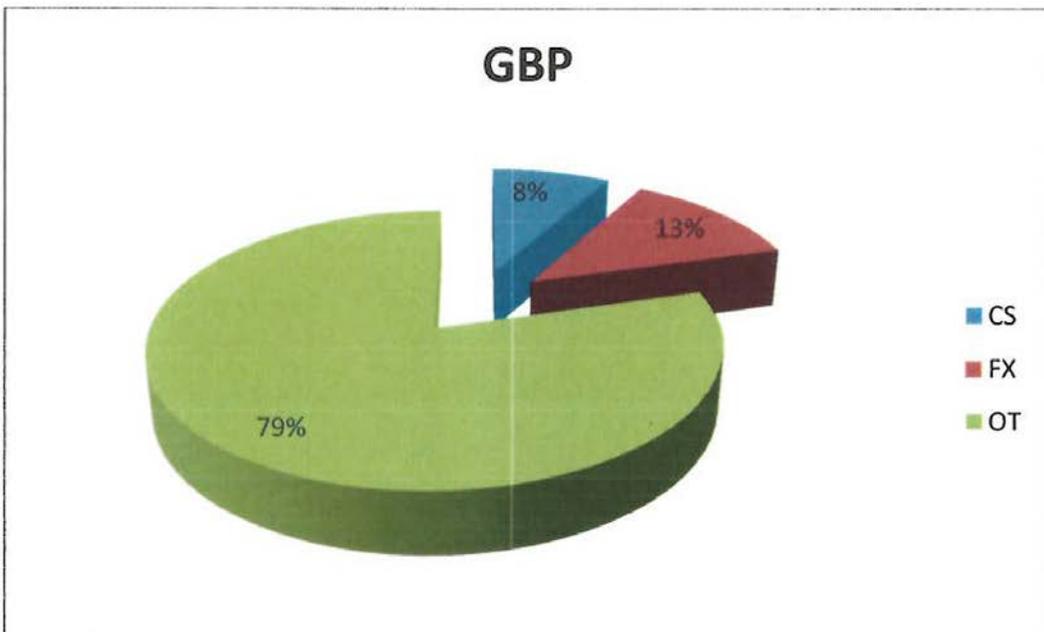
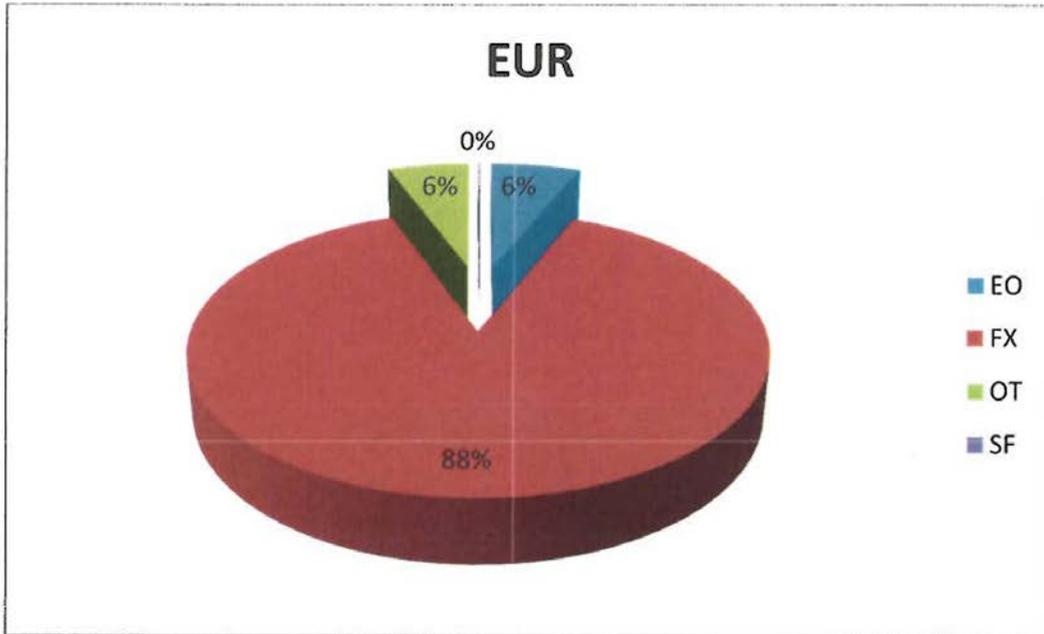
Annex A

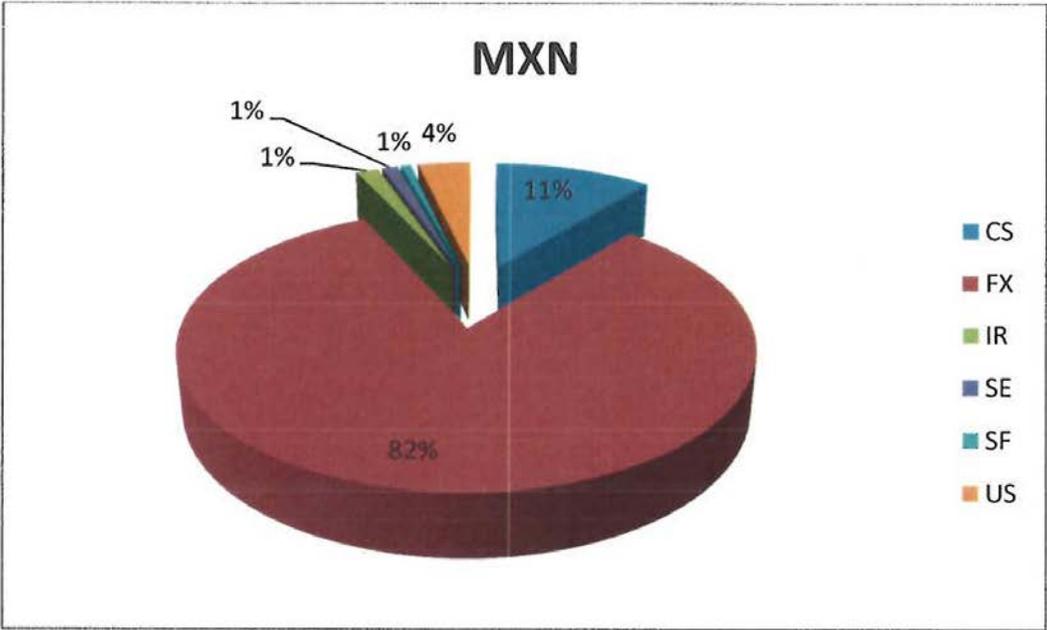
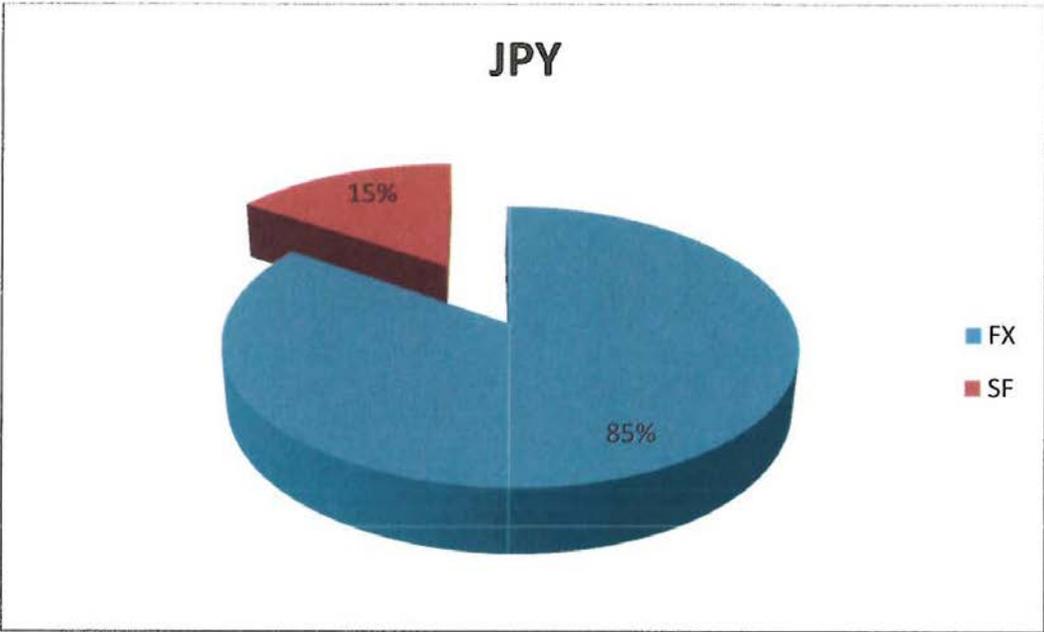


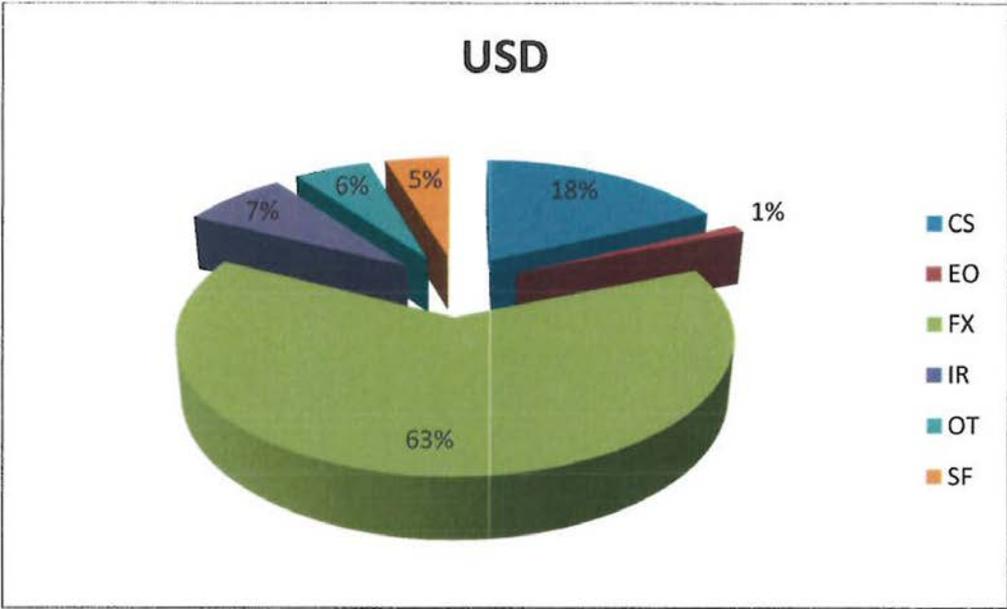
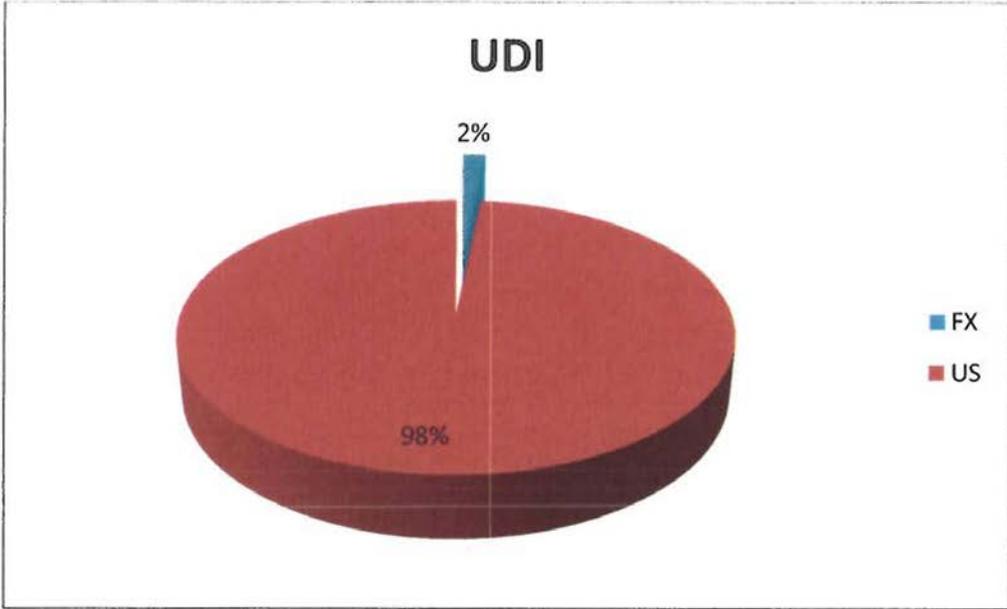




Annex B







- CS Cross Currency Swaps
- FX FX
- IR Swaps - Interest Rate
- SE Exchange Traded IR Swaps
- SF 48-96 Hours Spot
- US UDI Swap