

DISCLOSURE SUPPLEMENT, dated June [●], 2016
(To Disclosure Statement, dated May 24, 2016)

Barclays Bank Delaware

\$[●]

Certificates of Deposit due June 29, 2023 Linked to the Performance of a Basket of 10 Common Stocks

Issuer:	Barclays Bank Delaware (the “Bank”).
CDs:	Certificates of Deposit due June 29, 2023 Linked to the Performance of a Basket of 10 Common Stocks (the “CDs”).
Basket Initial Valuation Date:	June 24, 2016
Issue Date:	June 29, 2016
Basket Final Valuation Date: ⁽¹⁾	June 26, 2023
Maturity Date: ⁽²⁾	June 29, 2023
Coupon Determination Dates: ⁽¹⁾	June 26, 2017, June 26, 2018, June 25, 2019, June 24, 2020, June 24, 2021, June 24, 2022 and the Basket Final Valuation Date.
Coupon Payment Dates: ⁽²⁾	The third business day after each Coupon Determination Date; <i>provided</i> , that the final Coupon Payment Date will be the Maturity Date.

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

	Initial Issue Price*	Price to Public	Agent's Commission**	Proceeds to Barclays Bank Delaware**
Per CD	\$1,000	100%	[4.50]%	[95.50]%
Total	\$[]	\$[]	\$[]	\$[]

* Our estimated value of the CDs on the Basket Initial Valuation Date, based on our internal pricing models, is expected to be between \$910.00 and \$951.90 per CD. The estimated value is expected to be less than the initial issue price of the CDs. See “Additional Information Regarding Our Estimated Value of the CDs” on page S-6 of this preliminary disclosure supplement.

** Barclays Capital Inc. will receive commissions from the Bank of up to [4.50]% of the principal amount of the CDs, or up to \$[45.00] per \$1,000 principal amount. Barclays Capital Inc. will use these commissions to pay variable selling concessions or fees (including custodial or clearing fees) to other Brokers. The actual commission received by Barclays Capital Inc. will be equal to the selling concession paid to such Brokers.

In addition to the selling concessions and fees described above, Barclays Capital Inc. may pay (a) additional fees or concessions of up to [1.75]% of the principal amount per CD (“Other Fees”) to certain Brokers participating in the distribution of the CDs as compensation for the sale of the CDs by such Brokers and (b) additional marketing, structuring, educational or other fees

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(collectively, “Marketing Fees”) of up to [0.50]% of the principal amount per CD in connection with the distribution of the CDs by certain participating Brokers. With respect to each Broker participating in the distribution of the CDs, in no case will the sum of (a) the selling commissions and fees and Other Fees paid to that Broker and (b) the amount of Marketing Fees, if any, paid in connection with the distribution of CDs by that Broker exceed [4.50]% of the principal amount per CD.

Reference Asset:	A basket (the “Basket”) consisting of the following common stocks (each, a “Basket Component” and, together, the “Basket Components”) in weighted allocations:			
	Basket Component Issuers	Bloomberg Code	Weight	Initial Share Price
	Costco Wholesale Corporation	COST UW Equity	10%	[●]
	HP Inc.	HPQ UN Equity	10%	[●]
	Valero Energy Corporation	VLO UN Equity	10%	[●]
	CME Group Inc.	CME UW Equity	10%	[●]
	AbbVie Inc.	ABBV UN Equity	10%	[●]
	Pfizer Inc.	PFE UN Equity	10%	[●]
	Intel Corporation	INTC UW Equity	10%	[●]
	LyondellBasell Industries N.V.	LYB UN Equity	10%	[●]
	AT&T Inc.	T UN Equity	10%	[●]
	Duke Energy Corporation	DUK UN Equity	10%	[●]
Payment at Maturity:	<p>If you hold your CDs to the Maturity Date, you will receive \$1,000 per \$1,000 principal amount CD (in addition to the final Coupon Payment).</p> <p><i>Your principal is protected only if you hold your CDs to maturity. The CDs are deposit obligations of the Bank and not, either directly or indirectly, an obligation of any third party. Any amounts payable that exceed the applicable FDIC insurance limit, as well as any amounts payable under the CDs that are not insured by FDIC insurance, are subject to the creditworthiness of the Bank.</i></p>			
Coupon Payment:	The Coupon Payment per \$1,000 principal amount of CDs payable on each Coupon Payment Date will equal \$1,000 <i>multiplied by</i> the Coupon Rate.			
Coupon Rate:	The Coupon Rate for each Coupon Payment Date will be a percentage equal to the arithmetic average of the Stock Performances of the Basket Components on the applicable Coupon Determination Date, <i>provided</i> , in each case, that the Coupon Rate will not be less than the Minimum Coupon Percentage. The annual percentage yield (APY) for any year you hold the CDs will correspond to the Coupon Rate payable			

Subject to Completion – Preliminary Disclosure Supplement dated June 1, 2016
The information in this preliminary disclosure supplement is not complete and is subject to change.

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	on the Coupon Payment Date at the end of that year.
Minimum Coupon Percentage:	1.00%, which corresponds to an APY of 1.00%.
Stock Performance:	The Stock Performance for a Basket Component on any Coupon Determination Date will be: (1) if the Stock Return on such day is greater than or equal to 0%, the Return Cap; (2) if the Stock Return on such day is less than 0% but greater than the Return Floor, the Stock Return; or (3) if the Stock Return on such day is less than or equal to the Return Floor, the Return Floor.
Stock Return:	With respect to each Basket Component, on any Coupon Determination Date, a percentage equal to: $\frac{\text{Final Share Price} - \text{Initial Share Price}}{\text{Initial Share Price}}$
Initial Share Price:	With respect to each Basket Component, the closing price of one share of such Basket Component on the Basket Initial Valuation Date as indicated in the table above.
Final Share Price:	With respect to each Basket Component and as of each Coupon Determination Date, the closing price of one share of such Basket Component as of such Coupon Determination Date.
Return Cap	[4.00% - 4.50%]** ***The actual Return Cap will be determined on the Basket Initial Valuation Date and will not be less than 4.00%.
Return Floor:	-15.00%
Denomination:	\$1,000 and integral multiples at \$1,000 in excess thereof.
Limited Early Withdrawals; Survivor's Option:	Early withdrawals of the principal amount will be permitted only in the event of the death or adjudication of incompetence of the beneficial owner of a CD as described in this disclosure supplement and in the accompanying disclosure statement, subject to the following limitation: such beneficial owner (a) must have beneficially owned the CDs being submitted for early withdrawal at the time of his or her death or adjudication of incompetence and (b) must have been the initial depositor of the CDs (excluding any affiliate of the Issuer and any unaffiliated third party distributor). As such, a beneficial owner of the CDs who purchased the CDs in the secondary market will not be permitted to withdraw the CDs before maturity. If you choose to withdraw your CDs prior to maturity in such circumstances, you will receive only the principal amount of your CDs, subject to the Survivor Option Limit Amount. No additional return will be payable related to the performance of the Basket or any of the Basket Components. See "Disclosure Supplement Summary – Will I Be Permitted to Withdraw my CDs Prior to Maturity?" in this disclosure supplement for additional information and restrictions including a description of the Survivor Option Limit Amount.
Price:	100% of the principal amount of the CDs.
Deposit Insurance:	The principal amount of each CD is insured by the Federal Deposit Insurance Corporation (the "FDIC") up to the limits and to the extent described in this disclosure supplement and the accompanying disclosure statement (generally \$250,000 for all accounts held by a depositor in the same ownership capacity with

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	the Bank).
Placement Agent:	Barclays Capital Inc.
Form of CDs:	Registered Global.
Calculation Agent:	Barclays Bank PLC.
Depository:	The Depository Trust Company.
CUSIP/ISIN:	06740FEN4 / US06740FEN42
Series Number:	D-1028

- (1) Subject to postponement, as described under “Reference Assets—Baskets—Scheduled Trading Days and Market Disruption Events for CDs with a Basket of Multiple Equity Securities, Exchange-Traded Funds, Indices of Equity Securities or Any Combination Thereof” in the accompanying disclosure statement.
- (2) Subject to postponement, as described under “Certain Terms of the CDs—Payment Dates” in the accompanying disclosure statement.

Investing in the CDs involves risks. See “Selected Risk Considerations” beginning on page S-12 of this preliminary disclosure supplement and “Risk Factors” beginning on page 13 of the accompanying disclosure statement for risks related to an investment in the CDs.

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

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

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

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

The date of this disclosure supplement is June [●], 2016.

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Additional Information Regarding Our Estimated Value of the CDs

The range of the estimated values of the CDs referenced above may not correlate on a linear basis with the Return Cap range set forth in this preliminary disclosure supplement. We determined the size of the range based on prevailing market conditions, as well as the anticipated duration of the marketing period for the CDs. The final terms for the CDs will be determined on the date the CDs are initially priced for sale to the public, which we refer to as the Basket Initial Valuation Date, based on prevailing market conditions on the Basket Initial Valuation Date, and will be communicated to investors either orally or in a final disclosure supplement.

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

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

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

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

We urge you to read the "Selected Risk Considerations" beginning on page S-12 of this preliminary disclosure supplement.

You may revoke your offer to purchase the CDs at any time prior to the Basket Initial Valuation Date. We reserve the right to change the terms of, or reject any offer to purchase, the CDs prior to their Basket Initial Valuation Date. In the event of any changes to the terms of the CDs, we will notify you and you will be asked to accept such changes in connection with your purchase. You may also choose to reject such changes in which case we may reject your offer to purchase.

Disclosure Supplement Summary

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

You should pay special attention to the “Selected Risk Considerations” section beginning on page S-12 of this disclosure supplement to determine whether an investment in the CDs is appropriate for you.

In this disclosure supplement, unless the context otherwise requires, the “Bank,” “we,” “us” and “our” mean Barclays Bank Delaware and “Barclays Capital Inc.” means Barclays Capital Inc. Barclays PLC is the ultimate parent company of the Bank and Barclays Capital Inc.

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

What are the CDs and how do they work?

Are the CDs FDIC-insured?

What Are the CDs and How Do They Work?

The CDs are deposit obligations of the Bank.

The Maturity Date of the CDs is indicated on the first page of this disclosure supplement. It is subject to the following business day convention and to postponement as described below.

- We will pay the Coupon Payment on each Coupon Payment Date. The Coupon Determination Dates shall be the dates indicated on the first page of this disclosure supplement. We will make each Coupon Payment to the persons who, at the close of business one business day prior to the relevant Coupon Payment Date, are registered as owners of the CDs.
- If you hold your CDs to the Maturity Date, you will receive \$1,000 per \$1,000 principal amount CD (in addition to the final Coupon Payment). We will make the Payment at Maturity (and the final Coupon Payment) to the persons who, at the close of business one business day prior to the Maturity Date, are registered as owners of the CDs. **Your principal is protected only if you hold your CDs to maturity. The CDs are deposit obligations of the Bank and not, either directly or indirectly, an obligation of any third party. Any amounts payable that exceed the applicable FDIC insurance limit, as well as any amounts payable under the CDs that are not insured by FDIC insurance, are subject to the creditworthiness of the Bank.**

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

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

Is This the Right Investment for You?

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

- You seek an investment that will give you exposure to the Basket Components, and you are willing to bear the risks related to such an investment.
- You are willing and able to hold the CDs to maturity.
- You are willing to accept the restrictions applicable to early withdrawal of the CDs as described in this disclosure supplement and in the disclosure statement.
- You do not seek an investment that produces guaranteed periodic interest or coupon payments or other sources of current income in excess of the Minimum Coupon Percentage.
- You understand and accept that your return on the CDs will be limited to the Coupon Payments and that each Coupon Payment will be limited by the Return Cap.
- You understand and accept that you will not receive dividends or distributions that may be paid to holders of the Basket Components, nor will you have any voting rights with respect to the issuers of any of the Basket Components.
- You do not seek an investment for which there will be an active secondary market.
- You are comfortable with the creditworthiness of Barclays Bank Delaware, as issuer of the CDs.

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

- You expect the price of the Basket Components to decrease during the term of the CDs.
- You are unable to bear the risks associated with an investment that provides exposure to the Basket Components.
- You seek an investment that provides for guaranteed periodic interest or coupon payments or other sources of current income in excess of the Minimum Coupon Percentage.
- You seek an investment the return on which is not limited to the Coupon Payments and/or exposure to any positive performance of the Basket Components that is not limited by the Return Cap.
- You seek an investment that entitles you to dividends or distributions on, or voting rights related to, the Basket Components.
- You are unable or unwilling to hold the CDs to maturity.
- You seek an investment for which there will be an active secondary market.
- You are not willing or are unable to assume the credit risk associated with Barclays Bank Delaware, as issuer of the CDs

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

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

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

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

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

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

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

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

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

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

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

Where Can I Find Examples of Hypothetical Maturity Payments?

For examples setting forth hypothetical Payments at Maturity, see "Hypothetical Examples of Amounts Payable" in this disclosure supplement.

How Have the Basket Components Performed Historically?

We have provided graphs setting forth the historical performance of the Basket Components based on the closing price of the Basket Components in respect of a limited period of time. You can find these graphs in the section entitled "The Basket Components – Summary Information Regarding the Basket Components" in this disclosure supplement.

May My CDs Be Held in an Individual Retirement Account?

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

Are the CDs Insured by the Federal Deposit Insurance Corporation?

The CDs are covered by federal deposit insurance provided by the Deposit Insurance Fund, which is administered by the FDIC and backed by the full faith and credit of the U.S. Government, generally up to a maximum of \$250,000 for all deposits held in the same ownership capacity per depository institution. In addition, federal deposit insurance is available up to a maximum amount of \$250,000 for self-directed retirement accounts (as described in the accompanying disclosure statement). Any accounts or deposits a holder maintains directly with the Bank in the same rights and ownership capacity (by or for the benefit of a particular depositor or depositors) as such holder maintains its CDs would be aggregated with such CDs for purposes of the applicable limit.

Any Coupon Payments (including any final Coupon Payment on the Maturity Date) are not protected by FDIC deposit insurance until each related Coupon Determination Date. Any accounts or deposits you maintain directly with the Bank or through any other intermediary in the same ownership capacity as you maintain your CDs will be aggregated with the CDs for purposes of the foregoing limits. If it is important to you that the entire principal amount of CDs owned by you be insured by the FDIC, you should ensure that purchasing a CD will not bring your aggregate deposits with the Bank over the applicable insurance limit. A more detailed summary of FDIC deposit insurance regulations, as supplemented by this disclosure supplement, is contained in the accompanying disclosure statement, but neither the accompanying disclosure statement nor this disclosure supplement is intended to be a full restatement of applicable FDIC regulations and interpretations, which may change from time to time. None of the Bank, Barclays Capital Inc. or your Broker is responsible for determining the extent of deposit insurance coverage applicable to your CDs.

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

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

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

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

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

Our affiliate, Barclays Bank PLC, will act as the Calculation Agent for the CDs (the “**Calculation Agent**”). As Calculation Agent, Barclays Bank PLC will make determinations and judgments in connection with valuing the Basket Components and calculating adjustments to the closing prices of the Basket Components, or any other affected variable when any Basket Component is changed or modified as well as determine whether a Market Disruption Event has occurred. For more information on the determinations and judgments the Calculation Agent may make in connection with the Reference Asset, see “Reference Assets—Baskets—Scheduled Trading Days and Market Disruption Events for CDs with a Basket of Multiple Equity Securities, Exchange-Traded Funds, Indices of Equity Securities or Any Combination Thereof,” “Adjustments Relating to CDs with a Basket,” “Reference Assets—Equity Securities—Market Disruption Events Relating to CDs with an Equity Security as Reference Asset” and “Share Adjustments Relating to CDs with an Equity Security as a Reference Asset” in the disclosure statement.

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

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

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

The proper U.S. federal income tax characterization of the CDs is uncertain. The Bank and each depositor agree (in the absence of an administrative determination, judicial ruling or other authoritative guidance to the contrary) to treat the CDs for U.S. federal income tax purposes as variable rate debt instruments issued by the Bank. Based upon the characterization of the CDs as variable rate debt instruments, a U.S. Depositor (as defined below in “Certain U.S. Federal Income Tax Considerations”) will be required to include the Coupon Payments in income as ordinary interest income as such Coupon Payments are accrued or received in accordance with such U.S. Depositor's regular method of tax accounting. See “Certain U.S. Federal Income Tax Considerations” in this disclosure supplement for more information on the U.S. federal income tax consequences of an investment in the CDs.

Selected Risk Considerations

This section describes the most significant risks relating to an investment in the CDs. We urge you to read the following information about these risks, together with the other information in this disclosure supplement and the accompanying disclosure statement, before investing in the CDs. These risks are explained in more detail in the “Risk Factors” sections of the disclosure statement, including the risk factors discussed under the following headings:

- “Risk Factors—Risks Relating to All CDs”;
- “Risk Factors—Additional Risks Relating to CDs with Reference Assets That Are Equity Securities or Shares or Other Interests in Exchange-Traded Funds, That Contain Equity Securities or Shares or Other Interests in Exchange-Traded Funds or That Are Based in Part on Equity Securities or Shares or Other Interests in Exchange-Traded Funds”; and
- “Risk Factors—Additional Risks Relating to CDs Based on a Basket Comprised of More Than One Reference Asset”; and
- “Risk Factors—Additional Risks Relating to CDs that Pay Interest or Coupons on a Contingent Basis or at a Variable Rate Based on the Performance of the Reference Asset”.

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

The CDs Differ from Conventional Bank Deposits.

The CDs combine features of equity and traditional certificates of deposit. The terms of the CDs differ from those of conventional bank deposits in that we will not pay interest except for any Coupon Payments (which may be based on a percentage as low as the Minimum Coupon Percentage), as described in this disclosure supplement, and the return on your investment in the CDs may be less than the amount that would be paid on an ordinary bank deposit of similar length. The return at maturity of the principal amount of your CDs plus coupon payments during the term of the CDs (whether or not such coupons are based on the Minimum Coupon Percentage or a coupon rate that is higher than the Minimum Coupon Percentage) may not compensate you for any loss in value due to inflation and other factors relating to the value of money over time or for the opportunity cost of not having invested in, and received the corresponding return on, an ordinary bank deposit of similar length.

The CDs Are Intended to Be Held to Maturity.

The CDs are not principal protected unless they are held until maturity. You may receive less, and possibly significantly less, than the amount you originally invested if you sell your CDs prior to maturity in any secondary market transaction. Subject to the early withdrawal rules providing for principal protection in the event of the death or adjudication of incompetence of a beneficial owner of a CD, holders of CDs will be entitled to receive a return of the entire principal amount of their CDs only if the CDs are held until maturity. Accordingly, you should be willing and able to hold your CDs to maturity.

The CDs Are Subject to the Creditworthiness of the Bank.

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

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

The Coupon Payments Are Not Protected by FDIC Deposit Insurance until Each Related Coupon Determination Date with Respect to the CDs; FDIC Deposit Insurance Might Not Cover the Entire Amount of Your Investment in the CDs.

Because each Coupon Payment is calculated using the arithmetic average of the Stock Performances of the Basket Components on the applicable Coupon Determination Date (subject to the Minimum Coupon Percentage and the Return Cap) between the Basket Initial Valuation Date and the applicable Coupon Determination Date, the Coupon Payments will not accrue to a holder of a CD until each related Coupon Determination Date. Accordingly, any potential Coupon Payment will not be eligible for federal deposit insurance prior to the related Coupon Determination Date. Each Coupon Payment will be eligible for deposit insurance coverage only from the related Coupon Determination Date until the time the Bank makes payment.

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

Correlation (or Lack of Correlation) of Performances Among the Basket Components May Adversely Affect Your Return on the CDs, and You May Not Receive any Coupon Payments on Your CDs in Excess of the Minimum Coupon Percentage.

Movements in the prices of the Basket Components may not correlate with each other. At a time when the price of one or more Basket Components increases, the prices of the other Basket Components may not increase as much or may even decline. If the closing price of one or more of the Basket Components has declined from the Basket Initial Valuation Date to the applicable Coupon Determination Date, resulting in negative Stock Returns for such Basket Components, any such negative Stock Returns could offset entirely the positive contribution to the Coupon Rate from any Basket Components that have positive Stock Returns. Further, because the positive Stock Returns are limited by the Return Cap of no less than 4.00% (the actual Return Cap will be determined on the Basket Initial Valuation Date and will not be less than 4.00%) while the negative Stock Returns are limited to the Return Floor of -15.00%, your exposure to the negative performance of each Basket Component is greater than your exposure to the positive performance of each Basket Component, which may negatively impact the Coupon Rate and your return on the CDs.

Your only return on the CDs, in addition to the return of your principal at maturity if you hold your CDs to the Maturity Date, will be the Coupon Payments that may be paid over the term of the CDs. If the arithmetic average of the Stock Performances of the Basket Components on a Coupon Determination Date is less than the Minimum Coupon Percentage, the Coupon Rate for the applicable Coupon Payment Date will be limited to the Minimum Coupon Percentage. If the Coupon Rate is equal to the Minimum Coupon Percentage on all of the Coupon Payment Dates, you will not receive any Coupon Payments in excess of the Minimum Coupon Percentage for the entire term of the CDs.

Your Return on the CDs is Limited by the Return Cap.

The appreciation potential of the CDs is limited by the Return Cap. On each Coupon Determination Date, even if one or more of the Stock Returns is greater than the Return Cap, the Stock Performances for those Basket Components, and therefore the Coupon Rate, will not exceed the Return Cap. Accordingly, your return on each Coupon Payment Date will be limited, regardless of the actual appreciation of the closing prices of the Basket Components, which may be significant.

You Have No Rights to Receive Dividend Payments, Voting Rights or Any Other Rights that Shareholders of the Securities Comprising the Basket May Have.

Investing in the CDs will not make you a holder of the securities comprising the Basket. Neither you nor any other holder or owner of the CDs will have any voting rights, any right to receive dividends or other distributions or any other rights with respect to any property or securities of any issuer of the securities comprising the Basket.

You Are Exposed to the Market Risk of the Basket Components.

The price of each Basket Component can rise or fall sharply due to factors specific to the relevant Basket Component and its issuer, such as stock price volatility, earnings, financial conditions, corporate, industry and regulatory developments, management changes and decisions and other events, as well as general market factors, such as general

stock market volatility and levels, interest rates and economic and political conditions. We urge you to review financial and other information filed periodically with the SEC by the issuer of each Basket Component. We have not undertaken any independent review or due diligence of any Basket Component issuer's SEC filings or of any other publicly available information regarding any such issuer.

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

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

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

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

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

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

- the performance of the Reference Asset;
- the performance of each of the Basket Components;
- the time remaining to the maturity of the CDs;
- the dividend rate on each of the Basket Components;
- supply and demand for the CDs;
- the general interest rate environment;
- economic, financial, political, regulatory or judicial events that affect the financial markets generally;
- our financial condition;
- our hedging activity; or
- the absence of liquid secondary markets for the CDs.

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

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

The Calculation Agent will make determinations and judgments in connection with valuing the Basket Components and calculating adjustments to the Basket Components, dates, prices or any other affected variable when the Basket Components are changed or modified as well as determining whether a market disruption event has occurred. You should refer to "Description of the CDs—Calculations and Calculation Agent" in the accompanying disclosure statement. Because our affiliate Barclays Bank PLC will serve as the Calculation Agent, conflicts of interest may arise in connection with the Calculation Agent performing its role as Calculation Agent. In making any discretionary

judgments, the fact that the Calculation Agent is our affiliate may cause it to have economic interests that are adverse to yours as an investor in the CDs. The Calculation Agent will have no obligation to consider your interests as an investor in the CDs in making any such determinations.

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

The Calculation Agent will, in its sole discretion, make certain determinations in respect of your CDs that may include determinations regarding relevant dates and amounts payable in respect of your CDs in excess of the principal amount. Absent manifest error, all determinations of the Calculation Agent will be final and binding on you and us, without any liability on the part of the Calculation Agent. You will not be entitled to any compensation from us for any loss suffered as a result of any of the above determinations by the Calculation Agent. For more information regarding the determinations the Calculation Agent may make in respect of the CDs, see the sections “Reference Assets—Equity Securities— Market Disruption Events Relating to CDs with an Equity Security as a Reference Asset” and “Reference Assets—Equity Securities— Share Adjustments Relating to CDs with an Equity Security as the Reference Asset” in the accompanying disclosure statement.

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

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

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

The Bank and Each Depositor Agree (in the Absence of an Administrative Determination, Judicial Ruling or Other Authoritative Guidance to the Contrary) to Treat the CDs for U.S. Federal Income Tax Purposes as Variable Rate Debt Instruments.

The proper U.S. federal income tax characterization of the CDs is uncertain. The Bank and each depositor agree (in the absence of an administrative determination, judicial ruling or other authoritative guidance to the contrary) to treat the CDs for U.S. federal income tax purposes as variable rate debt instruments issued by the Bank. Based upon the characterization of the CDs as variable rate debt instruments, a U.S. Depositor (as defined below in “Certain U.S. Federal Income Tax Considerations”) will be required to include the Coupon Payments in income as ordinary interest income as such Coupon Payments are accrued or received in accordance with such U.S. Depositor’s regular method of tax accounting. See “Certain U.S. Federal Income Tax Considerations” in this disclosure supplement for more information on the U.S. federal income tax consequences of an investment in the CDs.

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

The estimated value of your CDs on the Basket Initial Valuation Date is expected to be lower, and may be significantly lower, than the initial issue price of your CDs. The difference between the initial issue price of your CDs and the estimated value of the CDs is expected as a result of certain factors, such as any sales commissions expected to be paid to Barclays Capital Inc. or another affiliate of ours, any selling concessions, discounts, commissions or fees expected to be allowed or paid to non-affiliated intermediaries, the estimated profit that we or any of our affiliates expect to earn

in connection with structuring the CDs, the estimated cost that we or our affiliates may incur in hedging our obligations under the CDs, and estimated development and other costs that we or our affiliates may incur in connection with the CDs.

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

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

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

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

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

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

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

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

Hypothetical Examples of Amounts Payable on Your CDs

Illustrative Calculations of Stock Performance and Coupon Rates

The following example sets forth the methodology used to calculate the Stock Performance of each Basket Component and the Coupon Rate with respect to a hypothetical Coupon Determination Date. The numbers set forth in the following example, which have been rounded for ease of reference, are purely hypothetical and are provided for illustrative purposes only.

This example assumes a hypothetical Initial Share Price of \$100.00* for each Basket Component, the Return Floor of -15.00%, the Minimum Coupon Percentage of 1.00% and a Return Cap of 4.00%.

Step 1: Based on the Share Prices of each Basket Component on the Basket Initial Valuation Date and on the hypothetical Coupon Determination Date, calculate the Stock Return and the Stock Performance of each Basket Component on the hypothetical Coupon Determination Date.

Basket Component	Share Price (\$) on Coupon Determination Date	Stock Return	Stock Performance
COST	102.50	2.50%	4.00%
HPQ	104.00	4.00%	4.00%
VLO	108.00	8.00%	4.00%
CME	70.00	-30.00%	-15.00%
ABBV	104.00	4.00%	4.00%
PFE	97.50	-2.50%	-2.50%
INTC	110.00	10.00%	4.00%
LYB	104.00	4.00%	4.00%
T	106.00	6.00%	4.00%
DUK	112.00	12.00%	4.00%

* The hypothetical Initial Share Price of \$100.00 for each Basket Component has been chosen for illustrative purposes only. The actual Initial Share Price for each Basket Component will equal the closing price of one share of such Basket Component on the Basket Initial Valuation Date. For information about recent actual prices of each Basket Component, please see “The Basket Components” below in this preliminary disclosure supplement.

As shown in the table above:

- If the Stock Return on the hypothetical Coupon Determination Date is equal to or greater than 0.00%, the Stock Performance will be equal to the Return Cap of 4.00%;
- If the Stock Return is less than 0.00% but greater than the Return Floor, the Stock Performance will be equal to the Stock Return;
- If the Stock Return is less than the Return Floor, the Stock Performance will be equal to the Return Floor.

Step 2: Based on the Stock Performances calculated in the table above, calculate the Coupon Rate applicable to the hypothetical Coupon Determination Date and the Coupon Payment to be made on the related Coupon Payment Date.

The Coupon Rate will be equal to the arithmetic average of the Stock Performances for each Basket Component, as shown in the table above (subject to the Minimum Coupon Percentage of 1.00%). Accordingly, the Coupon Rate for the hypothetical Coupon Determination Date will be equal to 1.45%.

Because the Coupon Rate for the hypothetical Coupon Determination Date is equal to 1.45%, an investor would receive on the related Coupon Payment Date a Coupon Payment per \$1,000 principal amount of CDs equal to \$1,000 *times* 1.45%, or **\$14.50**.

Had the arithmetic average of the Stock Performances for the Basket Components been equal to or less than the Minimum Coupon Percentage of 1.00%, the Coupon Rate for the hypothetical Coupon Payment Date would have been equal to the Minimum Coupon Percentage of 1.00% and the investor would have received a Coupon Payment on the related Coupon Payment Date per \$1,000 principal amount of CDs equal to \$1,000 *times* 1.00%, or **\$10.00**.

Hypothetical Examples of Amounts Payable Over the Term of the CDs

The following examples illustrate the amounts that may be payable during the term of the CDs under various circumstances. The examples set forth below are purely hypothetical and are provided for illustrative purposes only. The numbers in the following examples have been rounded for ease of analysis and do not take into account any tax consequences of an investment in the CDs. In addition, these examples make the following key assumptions:

- Return Cap: 4.00%
- Minimum Coupon Percentage: 1.00%
- Return Floor: -15.00%
- Stock Performance for each Basket Component on each Coupon Determination Date set forth in the examples below

For a detailed description of how the Stock Performance of each Basket Component will be calculated on each Coupon Determination Date, please see “Illustrative Calculations of Stock Performance and Coupon Rates” above.

Example 1: The Stock Returns of each Basket Component on each Coupon Determination Date are positive. Accordingly, the Stock Performance of each Basket Component on each Coupon Determination Date is equal to the Return Cap.

<u>Basket Component</u>	<u>Stock Performance on Coupon Determination Date</u>						
	<u>First</u>	<u>Second</u>	<u>Third</u>	<u>Fourth</u>	<u>Fifth</u>	<u>Sixth</u>	<u>Seventh</u>
COST	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
HPQ	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
VLO	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
CME	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
ABBV	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
PFE	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
INTC	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
LYB	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
T	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
DUK	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Average of Stock Performances:	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Coupon Rate:	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Coupon Payment:	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00

Because the Stock Performance on each Coupon Determination Date is equal to the Return Cap, the arithmetic average of the Stock Performances is equal to the Return Cap on each Coupon Determination Date. Accordingly, an investor in the CDs will receive a Coupon Payment of \$40.00 per \$1,000 principal amount CD on each Coupon Payment Date, calculated as follows:

$$\begin{aligned} & \$1,000 \times \text{Return Cap} \\ & \$1,000 \times 4.00\% = \$40.00 \end{aligned}$$

As a result, the Coupon Payments over the term of the CDs are equal to \$280.00 per \$1,000 principal amount CD, which represents the maximum possible amount of Coupon Payments that may be paid over the term of the CDs.

Example 2: On each Coupon Determination Date, the Stock Returns of some Basket Components are positive, resulting in a Stock Performance equal to the Return Cap, and the Stock Returns of some Basket Components are negative. In some cases, the Stock Returns of one or more Basket Components fell below the Return Floor.

<u>Basket Component</u>	<u>Stock Performance on Coupon Determination Date</u>						
	<u>First</u>	<u>Second</u>	<u>Third</u>	<u>Fourth</u>	<u>Fifth</u>	<u>Sixth</u>	<u>Seventh</u>
COST	-15.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
HPQ	-15.00%	-2.50%	-2.50%	4.00%	4.00%	-1.00%	-1.00%
VLO	-15.00%	-1.00%	4.00%	4.00%	4.00%	4.00%	4.00%
CME	-15.00%	-1.00%	4.00%	4.00%	4.00%	4.00%	4.00%
ABBV	-15.00%	-5.00%	-5.00%	4.00%	4.00%	4.00%	4.00%
PFE	-15.00%	-4.00%	-4.00%	4.00%	4.00%	-2.00%	-2.00%
INTC	-15.00%	-4.50%	-4.50%	4.00%	4.00%	-4.00%	-4.00%
LYB	-15.00%	-1.00%	4.00%	4.00%	4.00%	4.00%	4.00%
T	-15.00%	-2.00%	4.00%	4.00%	4.00%	-3.00%	-3.00%
DUK	-15.00%	-3.50%	-3.50%	4.00%	4.00%	4.00%	4.00%
Average of Stock Performances:	-15.00%	-2.05%	0.05%	4.00%	4.00%	1.40%	1.40%
Coupon Rate:	1.00%	1.00%	1.00%	4.00%	4.00%	1.40%	1.40%
Coupon Payment:	\$10.00	\$10.00	\$10.00	\$40.00	\$40.00	\$14.00	\$14.00

Because the arithmetic average of the Stock Performances on the first, second and third Determination Dates are less than the Minimum Coupon Percentage of 1.00%, an investor in the CDs receives a Coupon Payment on each related Coupon Payment Date calculated as follows:

- First Coupon Payment Date: $\$1,000 \times 1.00\%$, or \$10.00
- Second Coupon Payment Date: $\$1,000 \times 1.00\%$, or \$10.00
- Third Coupon Payment Date: $\$1,000 \times 1.00\%$, or \$10.00

On each of the other Coupon Determination Dates, the arithmetic average of the Stock Performances is greater than the Minimum Coupon Percentage, resulting in a Coupon Rate equal to such average. Accordingly, an investor in the CDs receives a Coupon Payment on each related Coupon Payment Date calculated as follows:

- Fourth Coupon Payment Date: $\$1,000 \times 4.00\%$, or \$40.00
- Fifth Coupon Payment Date: $\$1,000 \times 4.00\%$, or \$40.00
- Sixth Coupon Payment Date: $\$1,000 \times 1.40\%$, or \$14.00
- Seventh Coupon Payment Date: $\$1,000 \times 1.40\%$, or \$14.00

As a result, the Coupon Payments over the term of the CDs are equal to \$138.00 per \$1,000 principal amount CD.

As this example also shows, even if the Stock Performance of one or more Basket Components on any Coupon Determination Date is positive, such positive Stock Performances may not be sufficient to offset negative Stock Performances of other Basket Components on such Coupon Determination Date. Accordingly, the Coupon Rate with respect to a Coupon Payment Date may be equal to the Minimum Coupon Percentage even if the Stock Performance of one or more Basket Components on the related Coupon Determination Date is positive.

Example 3: On each Coupon Determination Date, the Stock Returns of all of the Basket Components are negative. In some cases, the Stock Returns of one or more Basket Components fell below the Return Floor. In each case, the arithmetic average of the Stock Performances is negative, resulting in a Coupon Rate equal to the Minimum Coupon Percentage of 1.00%.

Basket Components	Stock Performance on Coupon Determination Date						
	First	Second	Third	Fourth	Fifth	Sixth	Seventh
COST	-15.00%	-0.50%	-6.00%	-5.00%	-3.00%	-3.00%	-3.00%
HPQ	-15.00%	-2.50%	-4.00%	-2.00%	-1.00%	-1.00%	-1.00%
VLO	-15.00%	-1.50%	-2.00%	-1.00%	-2.00%	-2.00%	-2.00%
CME	-15.00%	-2.00%	-1.00%	-5.00%	-2.00%	-2.00%	-2.00%
ABBV	-15.00%	-1.00%	-1.00%	-5.00%	-1.00%	-1.00%	-1.00%
PFE	-15.00%	-3.00%	-2.00%	-2.00%	-1.00%	-1.00%	-1.00%
INTC	-15.00%	-3.50%	-3.00%	-1.00%	-2.00%	-2.00%	-2.00%
LYB	-15.00%	-3.50%	-3.00%	-1.00%	-2.00%	-2.00%	-2.00%
T	-15.00%	-1.50%	-5.00%	-2.00%	-2.00%	-2.00%	-2.00%
DUK	-15.00%	-1.50%	-5.00%	-2.00%	-2.00%	-2.00%	-2.00%
Average of Stock Performances:	-15.00%	-2.05%	-3.20%	-2.60%	-1.80%	-1.80%	-1.80%
Coupon Rate:	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Coupon Payment:	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00

Because the Stock Performance of each Basket Component on each Coupon Determination Date is negative, the arithmetic average of the Stock Performances of the Basket Components on each such date is negative. Accordingly, an investor in the CDs will receive a Coupon Payment on each Coupon Payment Date calculated as follows:

$$\text{\$1,000} \times \text{Minimum Coupon Percentage}$$

$$\text{\$1,000} \times 1.00\% = \text{\$10.00}$$

As a result, the Coupon Payments over the term of the CDs are equal to \$70.00 per \$1,000 principal amount CD.

As this example shows, if the average of the Stock Performances on any Coupon Determination Date is negative, the Coupon Rate for such Coupon Determination Date will be equal to the Minimum Coupon Percentage.

The Basket Components

Your total return, your payment on each Coupon Payment Date and on the Maturity Date are each based on the performance of the Basket Components identified on page S-2 of this disclosure supplement (including price movements in or other events relating to those Basket Components).

General Considerations for CDs linked to Equity Shares

Companies with securities registered under the Securities Exchange Act of 1934, as amended, which is commonly referred to as the “Exchange Act”, such as the issuers of the Basket Components, are required to periodically file certain financial and other information specified by the Securities and Exchange Commission (the “SEC”). Information provided to or filed with the SEC electronically can be accessed through a website maintained by the SEC. The address of the SEC’s website is <http://www.sec.gov>. Information provided to or filed with the SEC pursuant to the Exchange Act by a company issuing a Basket Component can be located by reference to the relevant linked share SEC file number specified below. For additional information, you should refer to the disclosures under “Reference Assets—Equity Securities—Reference Asset Issuer and Reference Asset Information” and “—Special Calculation Provisions” in the accompanying disclosure statement.

Summary Information regarding the Basket Components

The summary information below regarding each company issuing a Basket Component comes from that company’s respective SEC filings. We have not independently verified the accuracy or completeness of such information or of any filings made by the companies described below with the SEC.

You are urged to refer to the SEC filings made by the relevant company and to other publicly available information (such as the company’s annual report) to obtain an understanding of the company’s business and financial prospects. The summary information contained below is not designed to be, and should not be interpreted as, an effort to present information regarding the financial prospects of any issuer or any trends, events or other factors that may have a positive or negative influence on those prospects or as an endorsement of any particular company. We have not undertaken any independent review or due diligence of the SEC filings of the issuer of any of the Basket Components or of any other publicly available information regarding each such issuer.

Information from outside sources is not incorporated by reference in, and should not be considered part of, this preliminary disclosure supplement or the accompanying disclosure statement.

We obtained the historical trading price information with respect to each Basket Component set forth below from Bloomberg, L.P. We have not independently verified the accuracy or completeness of the information obtained from Bloomberg, L.P.

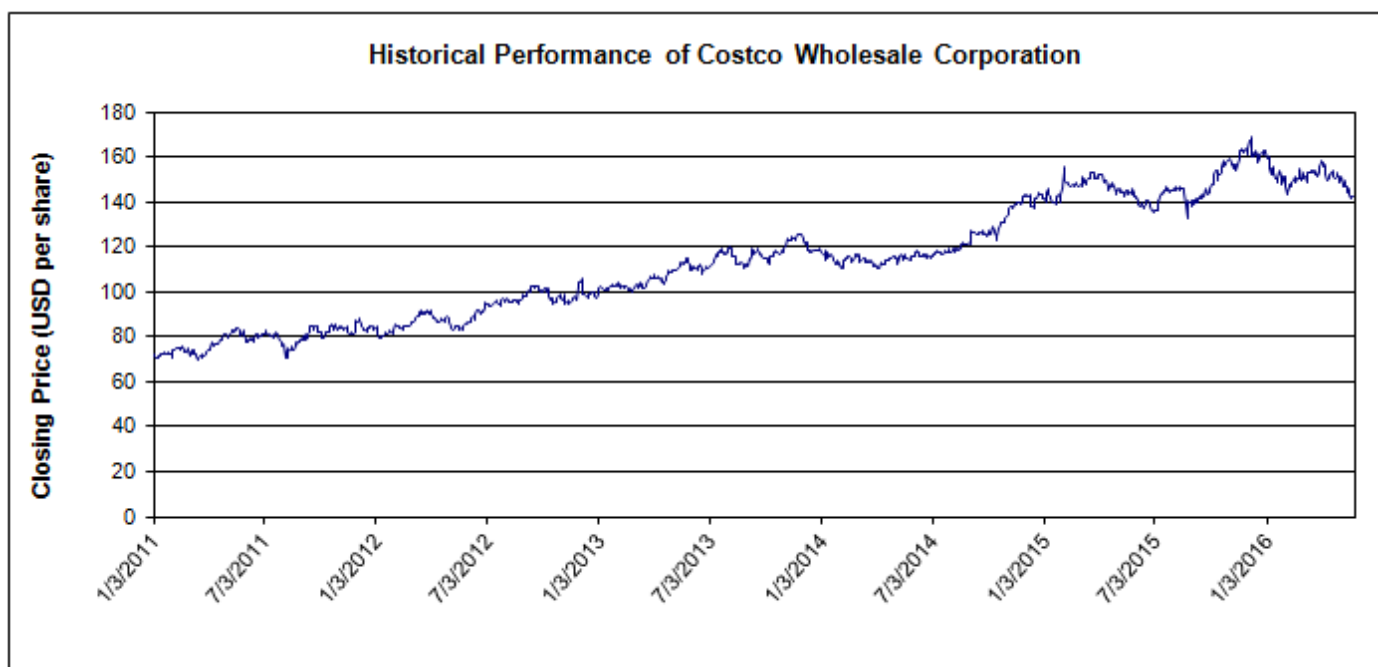
Costco Wholesale Corporation

According to publicly available information, Costco Wholesale Corporation (the “Company”) operates wholesale membership warehouses in multiple countries. The Company sells all kinds of food, automotive supplies, toys, hardware, sporting goods, jewelry, electronics, apparel, health and beauty aids, as well as other goods.

Information filed by the Company with the SEC under the Exchange Act can be located by reference to its SEC file number: 000-20355, or its CIK Code: 0000909832. The Company’s common stock is listed on the NASDAQ Global Select Market under the ticker symbol “COST.”

Historical Performance of the Common Stock of Costco Wholesale Corporation.

The following graph sets forth the historical performance of the common stock of Costco Wholesale Corporation based on the daily closing price from January 3, 2011 through May 24, 2016. The closing price on May 24, 2016 was US\$142.57. These historical trading prices may have been adjusted to reflect certain corporate actions such as stock splits and reverse stock splits.



PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS

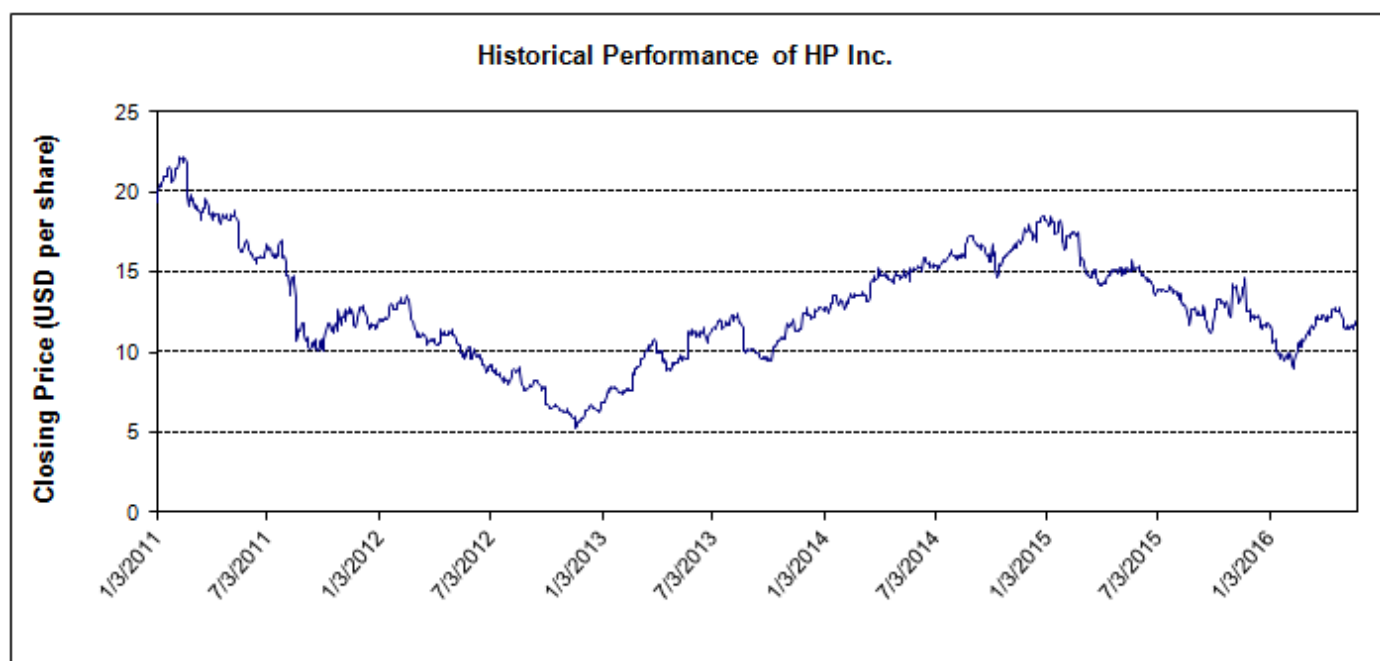
HP Inc.

According to publicly available information, HP Inc. (the “Company”) provides imaging and printing systems, computing systems, mobile devices, solutions, and services for business and home. The Company offers products which includes laser and inkjet printers, scanners, copiers and faxes, personal computers, workstations, storage solutions, and other computing and printing systems.

Information filed by the Company with the SEC under the Exchange Act can be located by reference to its SEC file number: 001-04423, or its CIK Code: 0000047217. The Company’s common stock are listed on the New York Stock Exchange under the ticker symbol “HPQ.”

Historical Performance of the Common Stock of HP Inc.

The following graph sets forth the historical performance of the common stock of HP Inc. based on the daily closing price from January 3, 2011 through May 24, 2016. The closing price on May 24, 2016 was US\$11.91. These historical trading prices may have been adjusted to reflect certain corporate actions such as stock splits and reverse stock splits.



PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS

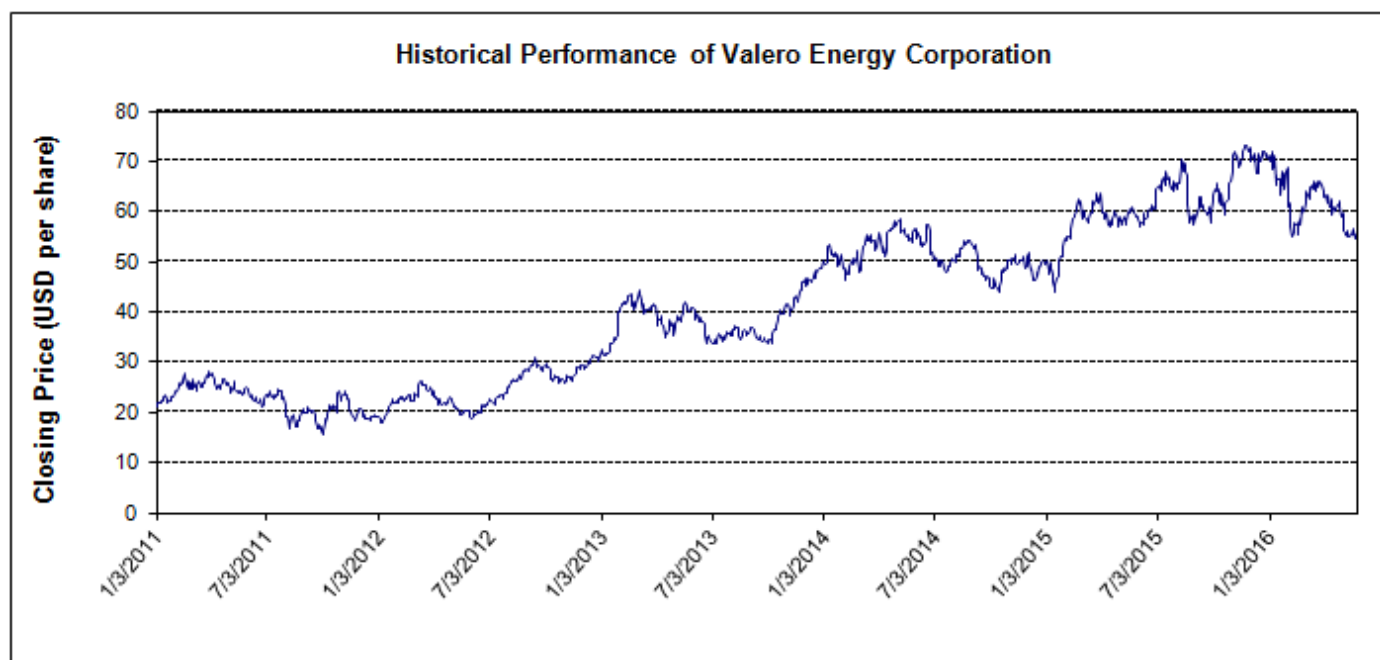
Valero Energy Corporation

According to publicly available information, Valero Energy Corporation (the Company) is an independent petroleum refining and marketing company that owns and operates refineries in the United States, Canada, and Aruba. The Company produces conventional gasolines, distillates, jet fuel, asphalt, petrochemicals, lubricants, and other refined products as well as diesel fuel, low-sulfur and ultra-low-sulfur diesel fuel, and oxygenates.

Information filed by the Company with the SEC under the Exchange Act can be located by reference to its SEC file number: 001-13175, or its CIK Code: 0001035002. The Company's common stock is listed on the New York Stock Exchange under the ticker symbol "VLO".

Historical Performance of the Common Stock of Valero Energy Corporation

The following graph sets forth the historical performance of the common stock of Valero Energy Corporation based on the daily closing price from January 3, 2011 through May 24, 2016. The closing price on May 24, 2016 was US\$55.35. These historical trading prices may have been adjusted to reflect certain corporate actions such as stock splits and reverse stock splits.



PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS.

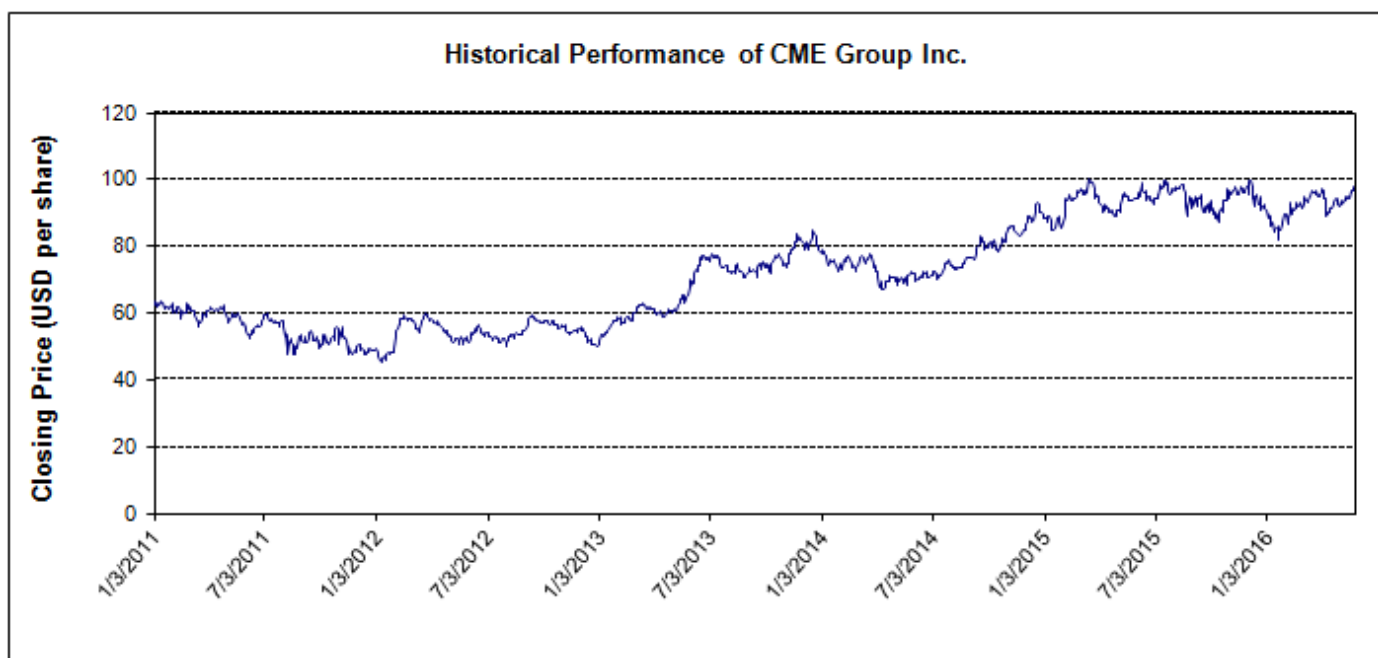
CME Group Inc.

According to publicly available information, CME Group Inc. (the “Company”) operates a derivatives exchange that trades futures contracts and options on futures, interest rates, stock indexes, foreign exchange and commodities. The Exchange brings together buyers and sellers of derivatives products on its trading floors, electronic trading platform, and through privately negotiated transactions that it clears.

Information filed by the Company with the SEC under the Exchange Act can be located by reference to its SEC file number: 001-31553, or its CIK Code: 0001156375. The Company’s Class A common stock is listed on the NASDAQ Global Select Market under the ticker symbol “CME”.

Historical Performance of the Class A Common Stock of CME Group Inc.

The following graph sets forth the historical performance of the Class A common stock of CME Group Inc. based on the daily closing price from January 3, 2011 through May 24, 2016. The closing price on May 24, 2016 was US\$97.95. These historical trading prices may have been adjusted to reflect certain corporate actions such as stock splits and reverse stock splits.



PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS

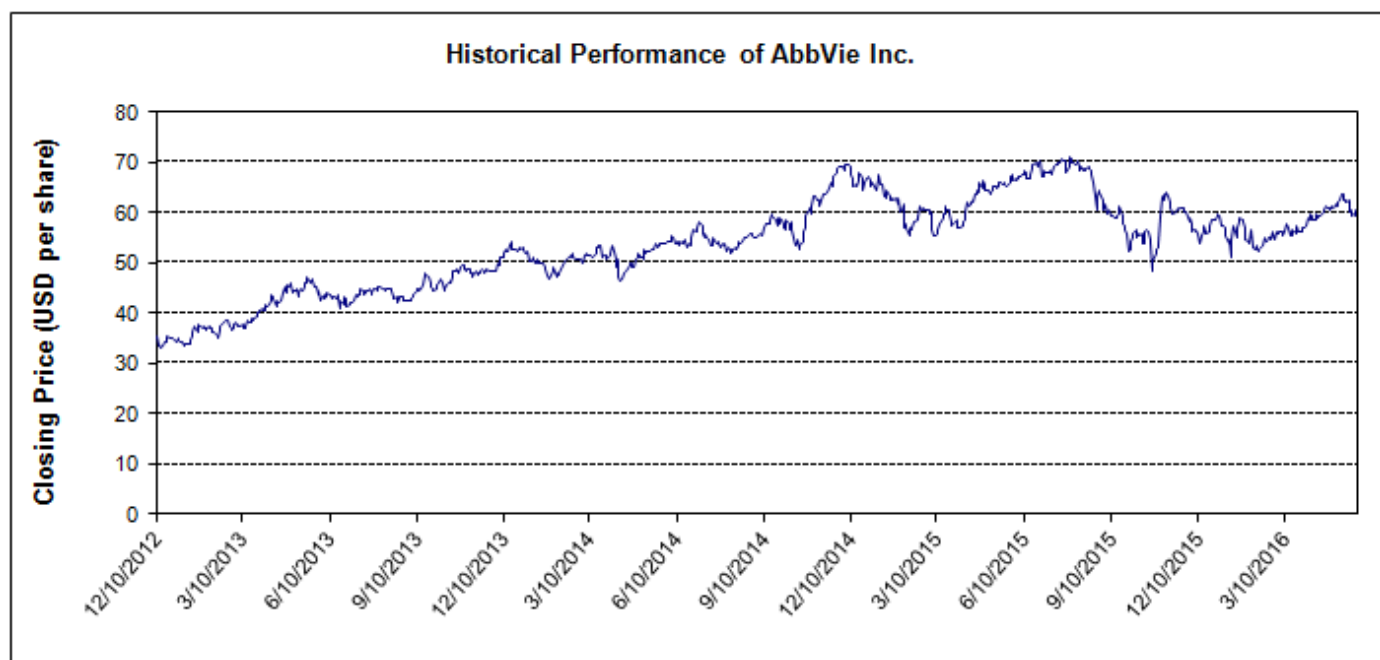
AbbVie Inc.

According to publicly available information, AbbVie inc. (the “Company”) researches and develops pharmaceutical products. The Company produces pharmaceutical drugs for specialty therapeutic areas such as immunology, chronic kidney disease, Hepatitis C, women's health, oncology, and neuroscience. The Company also offers treatments for diseases including Multiple Sclerosis, Parkinson's, and Alzheimer's disease.

Information filed by the Company with the SEC under the Exchange Act can be located by reference to its SEC file number: 001-35565, or its CIK Code: 0001551152. The Company's common stock is listed on the New York Stock Exchange under the ticker symbol “ABBV”.

Historical Performance of the Common Stock of AbbVie Inc.

The following graph sets forth the historical performance of the common stock of AbbVie Inc., based on the daily closing price from December 10, 2012 (the day on which the common stock of AbbVie Inc. began trading on the New York Stock Exchange) through May 24, 2016. The closing price on May 24, 2016 was US\$60.70. These historical trading prices may have been adjusted to reflect certain corporate actions such as stock splits and reverse stock splits.



PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS.

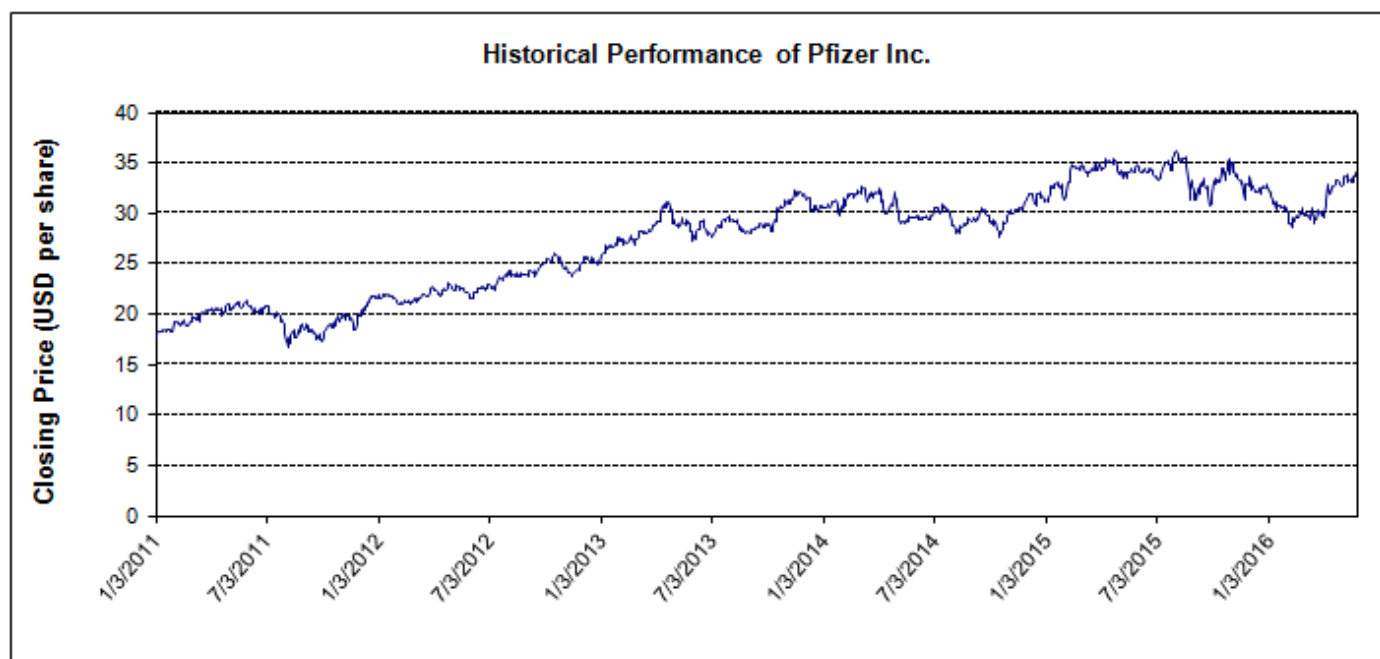
Pfizer Inc.

According to publicly available information, Pfizer Inc. (the “Company”) is a research-based, global pharmaceutical company that discovers, develops, manufactures, and markets medicines for humans and animals. The Company's products include prescription pharmaceuticals, non-prescription self-medications, and animal health products such as anti-infective medicines and vaccines.

Information filed by the Company with the SEC under the Exchange Act can be located by reference to its SEC file number: 001-03619, or its CIK Code: 0000078003. The Company's common stock is listed on the New York Stock Exchange under the ticker symbol “PFE”.

Historical Performance of the Common Stock of Pfizer Inc.

The following graph sets forth the historical performance of the common stock of Pfizer Inc. based on the daily closing price from January 3, 2011 through May 24, 2016. The closing price on May 24, 2016 was US\$34.10. These historical trading prices may have been adjusted to reflect certain corporate actions such as stock splits and reverse stock splits.



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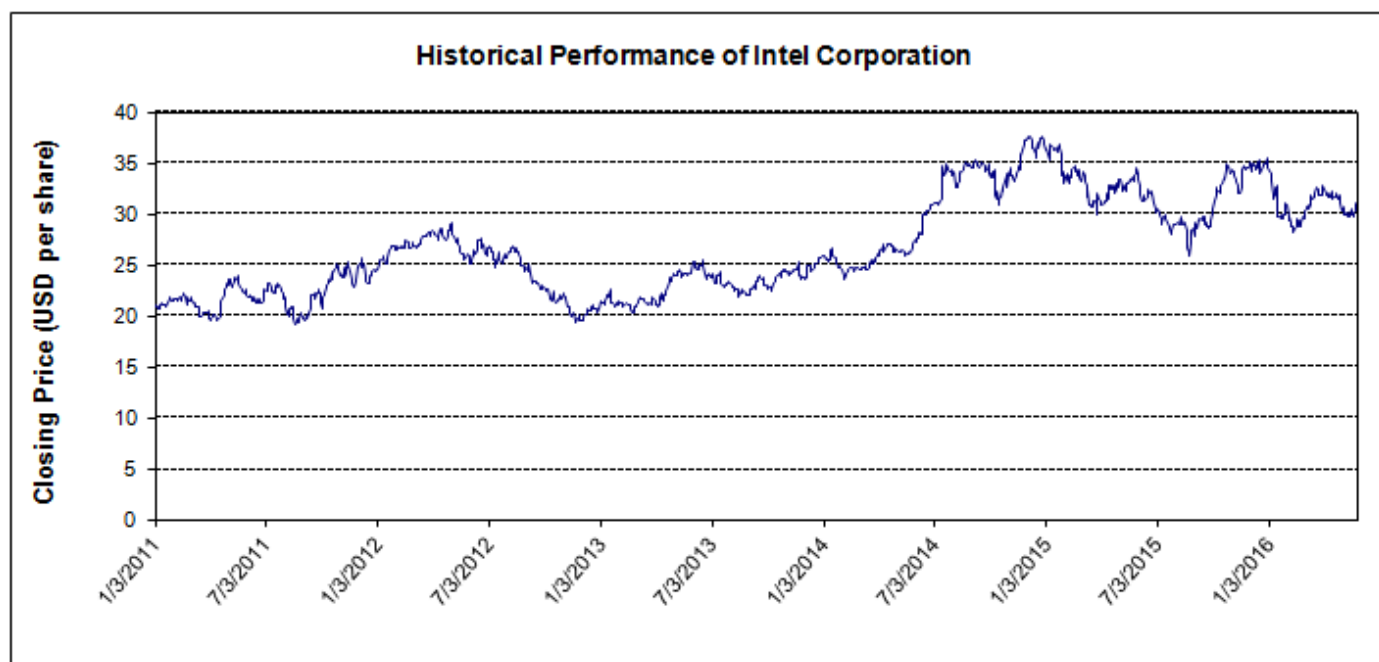
Intel Corporation

According to publicly available information, Intel Corporation (the “Company”) designs, manufactures, and sells computer components and related products. The Company’s major products include microprocessors, chipsets, embedded processors and microcontrollers, flash memory products, graphics products, network and communications products, systems management software, conferencing products, and digital imaging products.

Information filed by the Company with the SEC under the Exchange Act can be located by reference to its SEC file number: 000-06217, or its CIK Code: 0000050863. The Company’s common stock is listed on the NASDAQ Global Select Market under the ticker symbol “INTC”.

Historical Performance of the Common Stock of Intel Corporation

The following graph sets forth the historical performance of the common stock of Intel Corporation based on the daily closing price from January 3, 2011 through May 24, 2016. The closing price on May 24, 2016 was US\$31.06. These historical trading prices may have been adjusted to reflect certain corporate actions such as stock splits and reverse stock splits.



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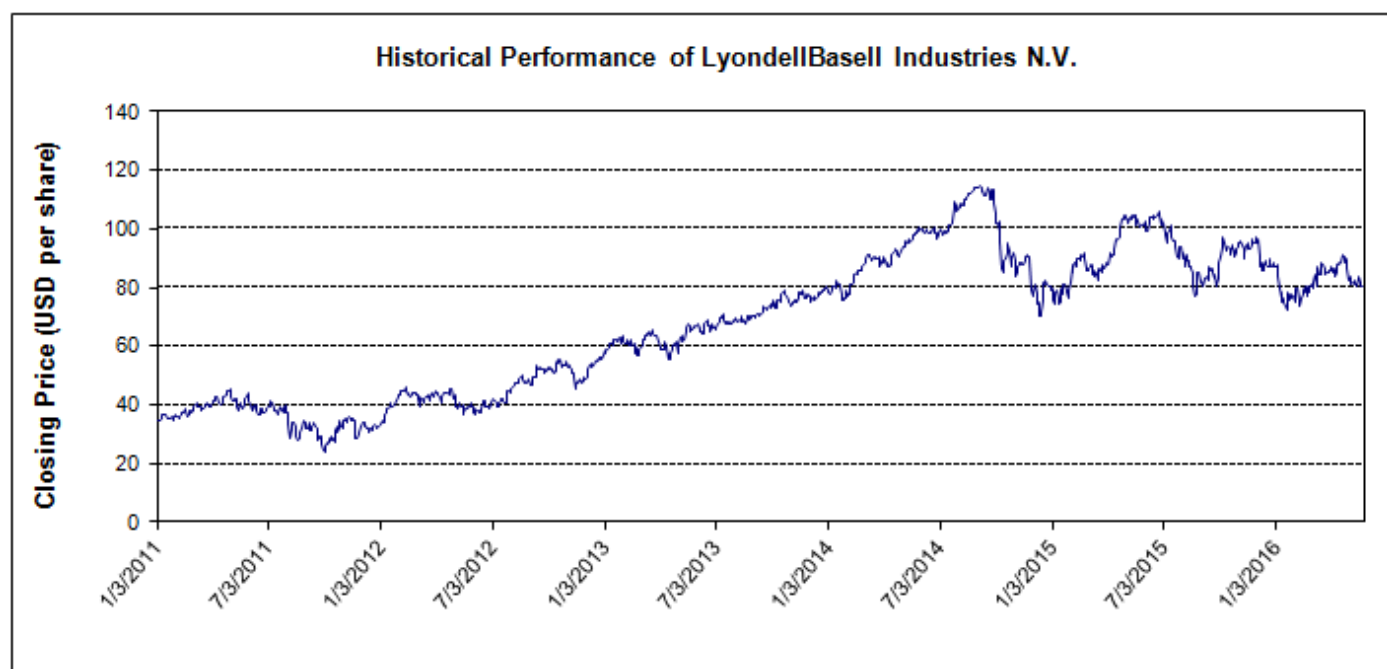
LyondellBasell Industries N.V.

According to publicly available information, LyondellBasell Industries N.V. (the Company) manufactures plastic, chemical, and fuel products. The Company offers products for the manufacturing of personal care products, fresh food packaging, lightweight plastics, construction materials, automotive components, durable textiles, medical applications, and biofuels.

Information filed by the Company with the SEC under the Exchange Act can be located by reference to its SEC file number: 001-34726, or its CIK Code: 0001489393. The Company's ordinary shares are listed on the New York Stock Exchange under the ticker symbol "LYB".

Historical Performance of the Ordinary Shares of LyondellBasell Industries N.V.

The following graph sets forth the historical performance of the ordinary shares of LyondellBasell Industries N.V. based on the daily closing price from January 3, 2011 through May 24, 2016. The closing price on May 24, 2016 was US\$80.45. These historical trading prices may have been adjusted to reflect certain corporate actions such as stock splits and reverse stock splits.



PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS.

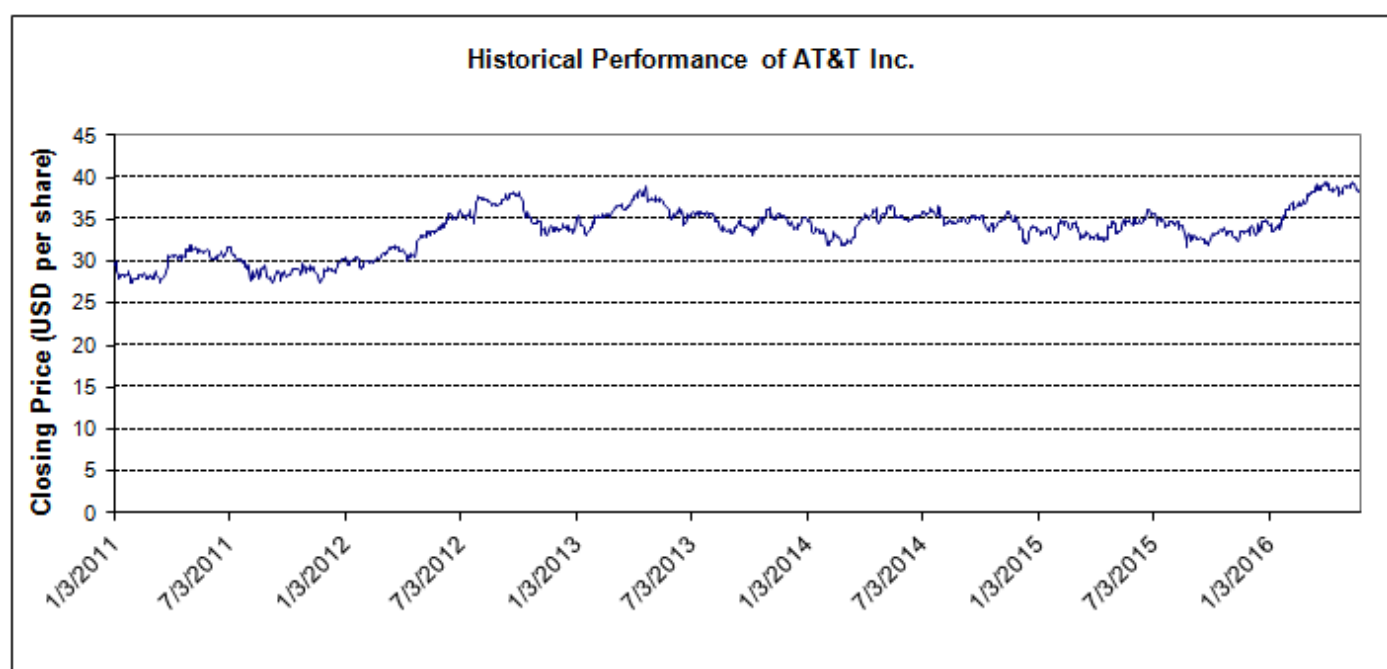
AT&T Inc.

According to publicly available information, AT&T Inc. (the “Company”) is a communications holding company. The Company, through its subsidiaries and affiliates, provides local and long-distance phone service, wireless and data communications, Internet access and messaging, IP-based and satellite television, security services, telecommunications equipment, and directory advertising and publishing.

Information filed by the Company with the SEC under the Exchange Act can be located by reference to its SEC file number: 001-08610, or its CIK Code: 0000732717. The Company’s common stock is listed on the New York Stock Exchange under the ticker symbol “T”.

Historical Performance of AT&T Inc.

The following graph sets forth the historical performance of the common stock of AT&T Inc. based on the daily closing price from January 3, 2011 through May 24, 2016. The closing price on May 24, 2016 was US\$38.50. These historical trading prices may have been adjusted to reflect certain corporate actions such as stock splits and reverse stock splits.



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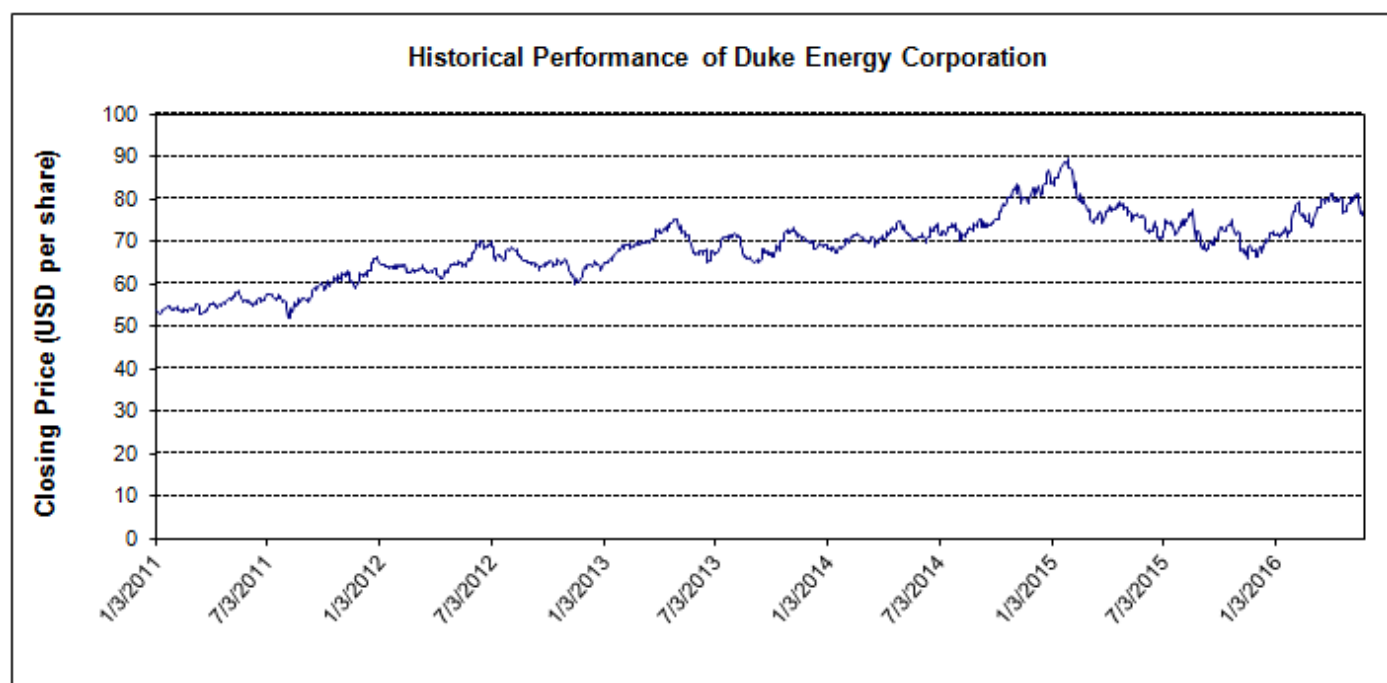
Duke Energy Corporation

According to publicly available information, Duke Energy Corporation (the “Company”) is an energy company located primarily in the Americas that owns an integrated network of energy assets. The Company manages a portfolio of natural gas and electric supply, delivery, and trading businesses in the United States and Latin America.

Information filed by the Company with the SEC under the Exchange Act can be located by reference to its SEC file number: 001-32853, or its CIK Code: 0001326160. The Company’s common stock is listed on the New York Stock Exchange under the ticker symbol “DUK”.

Historical Performance of the Common Stock of Duke Energy Corporation

The following graph sets forth the historical performance of the common stock of Duke Energy Corporation based on the daily closing price from January 3, 2011 through May 24, 2016. The closing price on May 24, 2016 was US\$76.99. These historical trading prices may have been adjusted to reflect certain corporate actions such as stock splits and reverse stock splits.



PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS.

Fees; Hedging

Under the arrangements established by Barclays Capital Inc. and the Bank, Barclays Capital Inc. will act as agent of the Bank for placing the CDs directly or through Brokers. Barclays Capital Inc. may receive a placement agent fee from the Bank or an affiliate of the Bank that will not exceed [4.50]% of the principal amount of the CDs, or \$[45.00] per \$1,000 principal amount of CDs, and may use this placement agent fee to pay variable selling concessions or placement agent fees to other Brokers. In addition, as described on the cover page of this preliminary disclosure supplement, Barclays Capital Inc. may pay additional fees or concessions of up to [1.75]% of the principal amount of per CD to certain Brokers participating in the distribution of the CDs and additional marketing, structuring, educational or other fees (“Marketing Fees”) of up to [0.50]% of the principal amount per CD in connection with the distribution of the CDs by certain Brokers. With respect to each Broker participating in the distribution of the CDs, in no case will the sum of (a) the Marketing Fees (if any) that are paid in connection with the distribution of the CDs by such Broker and (b) the selling concessions or fees or other fees paid to such Broker exceed [4.50]% of the principal amount per CD. Barclays Capital Inc. and other Brokers may receive fees and broker spreads in any secondary market transaction. Affiliates of the Bank, including Barclays Capital Inc., may also receive fees from the Bank or an affiliate of the Bank in respect of hedging arrangements entered into with respect to the CDs, as well as administrative, operational and other services provided to the Bank pursuant to one or more service level agreements entered into by each such affiliate and the Bank. Barclays Bank PLC, as Calculation Agent, may receive compensation pursuant to a calculation agency agreement entered into by Barclays Bank PLC and the Bank.

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

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

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

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

ERISA Matters

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

- (1) either (A) it is not a plan or a plan asset entity and is not purchasing those CDs on behalf of or with “plan assets” of any plan or plan asset entity or (B) the purchase, holding and other transactions contemplated by the CDs will not constitute a non-exempt prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Internal Revenue Code, or similar law;
- (2) if it is relying on Section 408(b)(17) of ERISA, in connection with the purchase of the CDs it will pay no more than “adequate consideration” (within the meaning of Section 408(b)(17) of ERISA) and in connection with any redemption of the CDs pursuant to its terms will receive at least adequate consideration, and, in making the foregoing representations and warranties, the fiduciary has (x) applied sound business principles in determining whether fair market value will be paid, and (y) made such determination acting in good faith;

- (3) if it is or is using the assets of, directly or indirectly, an employee benefit plan not subject to ERISA or Section 4975 of the Internal Revenue Code, such as a government plan or a foreign plan, the purchase, holding and other transactions contemplated by the CDs do not constitute non-exempt violations of any applicable federal, state, local or foreign laws, rules, regulations or other restrictions, regardless of whether those restrictions are materially similar to Section 406 of ERISA and/or Section 4975 of the Internal Revenue Code; and
- (4) neither the Bank nor any of its affiliates has provided or will provide any advice to it that has formed or may form a primary basis for its decision to purchase or hold the CDs, and if and to the extent the purchaser or holder's assets are subject to Title I of ERISA or Section 4975 of the Internal Revenue Code, neither the Bank nor its affiliates otherwise are "fiduciaries" with respect to the assets used in purchasing the CDs within the meaning of Section 3(21) of ERISA (including, without limitation, by virtue of the Bank's or its affiliate's reservation or exercise of any rights the Bank or its affiliate may have in connection with the CDs or any transactions contemplated thereby).

See "ERISA Matters" in the accompanying disclosure statement.

Certain U.S. Federal Income Tax Considerations

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

This summary addresses the U.S. federal income tax consequences to Depositors who will hold the CDs as capital assets. This summary does not address all aspects of U.S. federal income taxation that may be relevant to a particular Depositor in light of its individual investment circumstances or to certain types of Depositors subject to special treatment under the U.S. federal income tax laws, such as dealers in securities or foreign currencies, financial institutions, insurance companies, regulated investment companies, persons who directly, indirectly or constructively hold, will hold or have held more than 5% of the stock of one or more issuers of the Basket Components, persons subject to the alternative minimum tax, persons that are classified as partnerships, pass-through entities, tax exempt organizations, taxpayers holding the CDs as part of a "straddle," "hedge," "conversion transaction," "synthetic security" or other integrated investment or persons whose functional currency is not the U.S. dollar. This summary also does not deal with Depositors other than original purchasers of the CDs who acquired the CDs for an amount equal to their original principal amount. Moreover, the effect of any applicable state, local or foreign tax laws is not discussed.

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

Tax Characterization of the CDs

The proper U.S. federal income tax characterization of the CDs is uncertain. The Bank and each Depositor agree (in the absence of an administrative determination, judicial ruling or other authoritative guidance to the contrary) to treat the CDs for U.S. federal income tax purposes as "variable rate debt instruments" issued by the Bank. In the opinion of Sidley Austin LLP, counsel to the Bank, under current law, it would be reasonable to treat the CDs as "variable rate debt instruments" issued by the Bank. Notwithstanding the foregoing, there can be no assurance that the Internal Revenue Service (the "IRS") or a court will agree with the characterization of the CDs as variable rate debt instruments. Moreover, the IRS could possibly assert, and a court could possibly agree, that the CDs should be characterized for U.S. federal income tax purposes as contingent payment debt instruments issued by the Bank. In such event, each CD would

be subject to the special U.S. Treasury regulations governing contingent payment debt instruments, and among other tax consequences, each CD would be treated as having been issued with original issue discount (“OID”) that must be accrued over the term of the CD. Prospective Depositors should consult their own tax advisors concerning the proper U.S. federal income tax characterization of the CDs. The remainder of the following discussion assumes that the CDs are properly characterized for U.S. federal income tax purposes as variable rate debt instruments.

The following discussion assumes that none of the issuers of the Basket Components is, or will become at any time during the term of the CDs, either a passive foreign investment company or a United States real property holding corporation, in each case as determined for U.S. federal income tax purposes. Prospective investors should note that if that assumption is not accurate, then it is possible that the U.S. federal income tax consequences of owning the CDs could differ significantly from the consequences described below.

U.S. Depositors

Taxation of Interest

Based upon the characterization of the CDs as variable rate debt instruments, a U.S. Depositor will be required to include the Coupon Payments in income as ordinary interest income as such Coupon Payments are accrued or received in accordance with such U.S. Depositor’s regular method of tax accounting.

Sale or Other Disposition

When a U.S. Depositor sells, exchanges or otherwise disposes of a CD prior to maturity (a “**disposition**”), the U.S. Depositor’s gain or loss on such disposition will equal the difference between the amount actually received by the U.S. Depositor for the CD (other than amounts representing accrued but unpaid Coupon Payments, which will be taxable as interest, as described above) and the U.S. Depositor’s adjusted tax basis in the CD. A U.S. Depositor’s adjusted tax basis in a CD generally will be equal to the U.S. Depositor’s original purchase price for such CD. On a disposition of a CD, any gain or loss realized by a U.S. Depositor generally will be treated as capital gain or loss, which will be long-term or short-term capital gain or loss, depending upon the U.S. Depositor’s holding period for the CD. The deductibility of capital losses is subject to certain limitations.

Information Reporting and Backup Withholding

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

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

Non-U.S. Depositors

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

Payments of principal, premium (if any) or interest (including OID, if any) on a CD to a Non-U.S. Depositor, and any gain realized on a sale or exchange of a CD, will be exempt from U.S. federal income tax (including withholding tax) unless (i) such amounts are effectively connected with the Non-U.S. Depositor’s conduct of a U.S. trade or business, or (ii) the Non-U.S. Depositor is an individual present in the United States for 183 days or more in the year of such sale or exchange and certain other conditions are met. However, as described below, backup withholding may apply unless

certain certification requirements are met. Also, income allocable to Non-U.S. Depositors may be subject to annual tax reporting.

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

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

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