

Barclays

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Barclays agrees US\$2bn settlement in US over mortgage-backed securities lawsuit

Barclays PLC (LON:BARC) has agreed to pay US\$2bn in a settlement with US authorities over claims the bank mis-sold mortgage backed securities in the lead up to the financial crisis.

The Department of Justice had brought a lawsuit against Barclays alleging it had fraudulently sold bundles of toxic mortgage assets between 2005 and 2007 that caused investors to lose billions of dollars.

The DoJ accused the bank of misleading investors about the quality of home loans backing those securities.

The scheme involved 36 residential mortgage-backed security deals covering more than US\$31bn of mortgage loans, according to federal prosecutors.

"The substantial penalty Barclays and its executives have agreed to pay is an important step in recognising the harm that was caused to the national economy and to investors in residential mortgage-backed securities," said Richard Donoghue, US attorney for the eastern district of New York.

Barclays chief executive Jes Staley said the bank was pleased to reach a "fair and proportionate settlement" but did not admit liability.

The settlement resolves all the claims by the DoJ related to the case, he said.

"It has been a priority for this management team from the start to resolve these historic issues in a timely and appropriate manner wherever possible," Staley said.

"The completion of our restructuring in 2017, and putting significant legacy matters like this one behind us, mean Barclays is well positioned to produce stronger earnings going forward, and to start returning a greater proportion of those earnings to our shareholders over time."

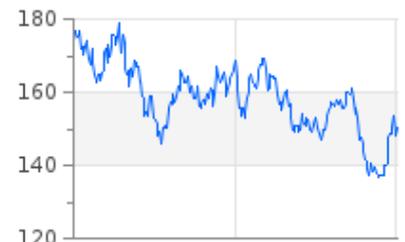
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Paul Menefee, the former head of Barclays' subprime securitisation, and John Carroll, was who the bank's head trader for subprime loan acquisitions, also agreed to pay a total of US\$2mln to settle claims against them.

Price: £1.51

Market Cap: £26.06 billion

1 Year Share Price Graph



September 2018 March 2019 September 2019

Share Information

Code: BARC

Listing: LSE, NYSE(ADR)

52 week High Low
180.96 131.036

Sector: Banks

Website: www.barclays.com

Company Synopsis:

Barclays is a major global financial services provider engaged in retail and commercial banking, credit cards, investment banking, wealth management and investment management services, with an extensive international presence in Europe, the USA, Africa and Asia. With over 300 years of history and expertise in banking, Barclays operates in over 50 countries and employs 147,000 people.

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