

BARCLAYS PLC
Form F-4
May 15, 2014
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As filed with the Securities and Exchange Commission on May 15, 2014

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM F-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Barclays PLC
(Exact name of registrant as specified in its charter)

ENGLAND
(State or other jurisdiction of incorporation or organization)

N/A

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(Translation of Registrant's name into English)

None

(I.R.S. Employer Identification Number)

6029

(Primary Standard Industrial Classification Code Number)

1 Churchill Place

London E14 5HP, United Kingdom

Tel. No: 011-44-20-7116-1000

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Barclays Bank PLC

745 Seventh Avenue, New York, New York 10019

Tel. No: 212-526-7000

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

John O Connor

George H. White

Sullivan & Cromwell LLP

1 New Fetter Lane

London EC4A 1AN, United Kingdom

Tel. No: 011-44-20-7959-8900

Approximate date of commencement of proposed sale of the securities to the public: As promptly as practicable after this Registration Statement becomes effective.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

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If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)

Exchange Act Rule 14d-1(d) (Cross-Border Third Party Tender Offer)

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Title of each class of securities to be registered	Amount to be registered⁽¹⁾⁽²⁾	Proposed maximum offering price per security	Proposed maximum aggregate offering price⁽¹⁾⁽²⁾	Amount of registration fee⁽²⁾
GBP-denominated 7.00% Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities (Callable 2019 and Every Five Years Thereafter)	\$1,757,107,126	100%	\$1,757,107,126	\$226,315
Euro-denominated 6.50% Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities (Callable 2019 and Every Five Years Thereafter)	\$1,918,560,000	100%	\$1,918,560,000	\$247,111
U.S. dollar-denominated 6.625% Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities (Callable 2019 and Every Five Years Thereafter)	\$2,814,272,090	100%	\$2,814,272,090	\$362,478
Ordinary Shares, nominal value 25p per share ⁽³⁾				(3)

(1) The securities being registered hereby are offered in exchange for the securities described in this prospectus. The registration fee has been computed based on the principal amount of the securities being registered pursuant to Rule 457 under the Securities Act.

(2) Calculated in accordance with Rule 457(r) of the Securities Act of 1933. The amount of registration fees for securities denominated in euros and pounds sterling was calculated on the basis of the most recently available market exchange rates of 1.00 = \$1.3704 and £1.00 = \$1.6826, respectively, on May 13, 2014.

(3) The ordinary shares into which (i) GBP-denominated 7.00% Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities (Callable 2019 and Every Five Years Thereafter), (ii) Euro-denominated 6.50% Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities (Callable 2019 and Every Five Years Thereafter) and (iii) U.S. dollar-denominated 6.625% Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities (Callable 2019 and Every Five Years Thereafter) may be converted in certain circumstances are also registered. Pursuant to Rule 457(i), no separate registration fee is payable where securities and securities into which conversion is offered are registered at the same time and no additional consideration is

payable upon conversion.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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The information in this prospectus may change. The offerors may not complete the exchange offers and we may not issue the securities subject to this prospectus until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer is not permitted.

Subject to completion

Preliminary Prospectus, dated May 15, 2014

BARCLAYS PLC

BARCLAYS BANK PLC

OFFER TO EXCHANGE

GBP-denominated 7.00% Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities

(Callable 2019 and Every Five Years Thereafter) (ISIN Code XS1068561098) of Barclays PLC for the Sterling T1 Securities (as defined below) of Barclays Bank PLC

Euro-denominated 6.50% Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities

(Callable 2019 and Every Five Years Thereafter) (ISIN Code XS1068574828) of Barclays PLC for the Euro T1 Securities (as defined below) of Barclays Bank PLC

U.S. dollar-denominated 6.625% Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities

(Callable 2019 and Every Five Years Thereafter) (ISIN Code US06738EAB11 and CUSIP No. 06738EAB1) of Barclays PLC for the Dollar T1 Securities (as defined below) of Barclays Bank PLC

plus, in each case, a cash payment for any accrued and unpaid interest or dividends (as the case may be), plus (if applicable) cash amounts in lieu of any fractional New AT1 Securities (as defined below)

THE EXCHANGE OFFERS WILL EXPIRE AT 11:59 P.M., NEW YORK CITY TIME, ON JUNE 12 2014, UNLESS EXTENDED BY THE OFFERORS (SUCH DATE AND TIME, AS IT MAY BE EXTENDED, THE EXPIRATION DATE). EXISTING T1 SECURITIES TENDERED PURSUANT TO THE EXCHANGE OFFERS MAY BE WITHDRAWN AT ANY TIME PRIOR TO THE EXPIRATION DATE. IN ADDITION, IF NOT PREVIOUSLY RETURNED, YOU MAY WITHDRAW EXISTING T1 SECURITIES THAT YOU TENDER THAT ARE NOT ACCEPTED BY US FOR EXCHANGE AFTER THE EXPIRATION OF 40 BUSINESS DAYS FOLLOWING COMMENCEMENT OF THE EXCHANGE OFFERS.

We, or as applicable our wholly-owned subsidiary, Barclays Bank PLC, are offering to exchange:

GBP-denominated 7.00% Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities (Callable 2019 and Every Five Years Thereafter) to be issued by Barclays PLC (the **Sterling AT1 Securities**) for any and all 6% Callable Perpetual Core Tier One Notes (ISIN Code XS0150052388), 5.3304% Step-up Callable Perpetual Reserve Capital Instruments (ISIN Code XS0248675364), 6.3688% Step-up Callable Perpetual Reserve Capital Instruments (ISIN Code XS0305103482) and 6.0% Non-Cumulative Callable Preference Shares (ISIN Code XS0222208539) issued by Barclays Bank PLC (collectively, the **Sterling T1 Securities**) (such offer, the **Sterling Exchange Offer**);

Euro-denominated 6.50% Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities (Callable 2019 and Every Five Years Thereafter) to be issued by Barclays PLC (the **Euro AT1 Securities**) for any and all 4.75% Non-Cumulative Callable Preference Shares (ISIN Code XS0214398199) issued by Barclays Bank PLC (the **Euro T1 Securities**) (such offer, the **Euro Exchange Offer**); and

U.S. dollar-denominated 6.625% Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities (Callable 2019 and Every Five Years Thereafter) to be issued by Barclays PLC (the **Dollar AT1 Securities** and together with the Sterling AT1 Securities and the Euro AT1 Securities, the **New AT1 Securities**) for any and all 6.86% Callable Perpetual Core Tier One Notes (ISIN Code XS0155141830 / US06738CAG42 and CUSIP No. 06738CAG4), 5.926% Step-up Callable Perpetual Reserve Capital Instruments (ISIN Code XS0269453139 / US06739FEY34 and CUSIP No. 06739FEY3), 7.434% Step-up Callable Perpetual Reserve Capital Instruments (ISIN Code XS0322792010 / US06739GAD16 and CUSIP No. 06739GAD1) and 6.278% Non-Cumulative Callable Dollar Preference Shares, Series 1, evidenced in the form of American Depositary Shares, Series 1 (ISIN Code US06738C8284 and CUSIP No. 06738C828) issued by Barclays Bank PLC (collectively, the **Dollar T1 Securities** and together with the Sterling T1 Securities and the Euro T1 Securities, the **Existing T1 Securities**) (such offer, the **Dollar Exchange Offer** and together with the Sterling Exchange Offer and the Euro Exchange Offer, the **Exchange Offers** and each an **Exchange Offer**),

as set forth on pages (i) to (iii) of this prospectus under *Exchange Consideration*, plus any applicable Cash Payment Amount, plus any cash amounts (if applicable) in lieu of any fractional New AT1 Securities, on the terms and subject to the conditions set forth in this prospectus. **Cash Payment Amount** means an amount in cash equivalent to the accrued and unpaid interest or dividends, as the case may be, on the relevant Existing T1 Security from (and including) the immediately preceding interest or dividend payment date (each, a **Distribution Date**) to (and excluding) the relevant Settlement Date (as defined herein) of an Exchange Offer as part of the consideration under the relevant Exchange Offer and not, for the avoidance of doubt, as a payment of interest or a dividend on the Existing T1 Securities. All of the New AT1 Securities to be issued in the Exchange Offers are to be issued by Barclays PLC.

Each Exchange Offer is subject to the condition that a minimum amount of the corresponding New AT1 Securities are issued (each, a **Minimum New Issue Size**) and other conditions set out below under *The Exchange Offers Conditions of the Exchange Offers*. In particular:

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The Sterling Exchange Offer is subject to the condition that a sufficient number of Sterling T1 Securities are validly tendered and not validly withdrawn by the Expiration Date such that at least £150,000,000 aggregate principal amount of the Sterling AT1 Securities will be issued by Barclays PLC;

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The Euro Exchange Offer is subject to the condition that a sufficient number of Euro T1 Securities are validly tendered and not validly withdrawn by the Expiration Date such that at least 300,000,000 aggregate principal amount of the Euro AT1 Securities will be issued by Barclays PLC; and

The Dollar Exchange Offer is subject to the condition that a sufficient number of Dollar T1 Securities are validly tendered and not validly withdrawn by the Expiration Date such that at least \$300,000,000 aggregate principal amount of the Dollar AT1 Securities will be issued by Barclays PLC.

Book-entry interests in the Sterling AT1 Securities will be issued in minimum denominations of £200,000 and in integral multiples of £1,000 in excess thereof. Book-entry interests in the Euro AT1 Securities will be issued in minimum denominations of 200,000 and in integral multiples of 1,000 in excess thereof. Book-entry interests in the Dollar AT1 Securities will be issued in minimum denominations of \$200,000 and in integral multiples of \$1,000 in excess thereof. No fractional New AT1 Securities will be delivered pursuant to the Exchange Offers. Instead, each tendering holder of Existing T1 Securities who would otherwise be entitled to a fractional New AT1 Security will receive cash in an amount equal to such fractional entitlement in the currency of the relevant Series of New AT1 Securities.

The New AT1 Securities are expected to be provisionally admitted to trading on the main standard segment of the SIX Swiss Exchange AG (**SIX Swiss Exchange**) from the Settlement Date. Application will be made to the SIX Swiss Exchange for listing of the New AT1 Securities.

None of the Offerors, the trustee, the Dealer Managers and the Exchange Agents (each as defined herein) nor any other person makes any recommendation as to whether you should tender your Existing T1 Securities. You must make your own decision after reading this document and the documents incorporated by reference herein and consulting with your advisers.

Acquiring the New AT1 Securities in the Exchange Offers involves significant risks. We encourage you to read and carefully consider this document in its entirety, in particular the risk factors beginning on page 49 of this document and risk factors in *Risk Review Risk Factors* in our Annual Report on Form 20-F for the year ended December 31, 2013, which is incorporated by reference into this prospectus.

You should reach your own investment decision about the New AT1 Securities only after consultation with your own financial, legal and tax advisers (as you deem appropriate) about risks associated with participating in the Exchange Offers and with an investment in the New AT1 Securities and the suitability of participating in the Exchange Offers and investing in the New AT1 Securities in light of the particular characteristics and terms of the New AT1 Securities, which are complex in structure and operation, and of your particular financial circumstances. The New AT1 Securities may not be suitable for all investors.

The New AT1 Securities are not deposit liabilities of Barclays PLC or Barclays Bank PLC and are not covered by the U.K. Financial Services Compensation Scheme or insured by the U.S. Federal Deposit Insurance Corporation, the Canada Deposit Insurance Corporation or any other governmental agency of the United States, the United Kingdom, Canada or any other jurisdiction.

Neither the Securities and Exchange Commission (the SEC), any state securities commission nor any other regulatory body has approved or disapproved of the Exchange Offers or of the securities to be issued in the Exchange Offers or determined if this document is truthful or complete. Any representation to the contrary is a criminal offense.

The Sole Global Coordinator and Lead Dealer Manager for the Exchange Offers is:

Barclays

The Joint Dealer Managers for the Dollar Exchange Offer are:

BBVA BofA Merrill Citigroup ING SMBC Nikko
 Lynch

The Joint Dealer Managers for the Sterling Exchange Offer and the Euro Exchange Offer are:

Crédit Lloyds UBS
Agricole Credit Suisse Natixis Swedbank Investment
CIB Securities Bank

The date of this document is , 2014

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In the Sterling Exchange Offer, we, or as applicable our wholly-owned subsidiary, Barclays Bank, are offering to exchange any and all of the Sterling T1 Securities listed in the immediately following table for the Sterling AT1 Securities described in the next following table. For each £1,000 of the Sterling T1 Securities validly tendered and accepted for exchange, holders of a particular Series will be eligible to receive a principal amount of the Sterling AT1 Securities set out in the immediately following table under Exchange Price. For the avoidance of doubt, the Exchange Price column below does not take into account any Cash Payment Amount due to holders of the Existing T1 Securities. The Cash Payment Amount will be paid to tendering holders, if applicable, as a separate cash payment.

Existing T1 Securities	ISIN	Interest Rate / Dividend	First Optional Call Date	Principal Amount Outstanding	Exchange Price (per £1,000 principal amount of Sterling T1 Securities)
6% Callable Perpetual Core Tier One Notes (Sterling 6% TONs)	XS0150052388	6% to (but excluding) June 15, 2032. From (and including) June 15, 2032, six-month Sterling LIBOR plus 0.89% per annum.	June 15, 2032	£90,501,000	£1,040 principal amount of Sterling AT1 Securities
5.3304% Step-up Callable Perpetual Reserve Capital Instruments (Sterling 5.3304% RCIs)	XS0248675364	5.3304% to (but excluding) December 15, 2036. From (and including) December 15, 2036, three-month Sterling LIBOR plus 1.985%.	December 15, 2036	£81,481,000	£960 principal amount of Sterling AT1 Securities
6.3688% Step-up Callable Perpetual Reserve Capital Instruments (Sterling 6.3688% RCIs)	XS0305103482	6.3688% to (but excluding) December 15, 2019. From (and including) December 15, 2019,	December 15, 2019	£94,703,000	£1,050 principal amount of Sterling AT1 Securities

three-month
Sterling LIBOR
plus 1.70%.

6.0% Non-Cumulative Callable Preference Shares (Sterling 6.0% Preference Shares)	XS0222208539	6.0% to (but excluding) December 15, 2017. From (and including) December 15, 2017, three-month Sterling LIBOR plus 1.42% per annum.	December 15, 2017	£750,000,000	£1,030 principal amount of Sterling AT1 Securities
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New AT1 Securities	ISIN	Initial Interest Rate	Reset Sterling Interest Margin	Conversion Price	First Call Date	Minimum New Issue Size
Sterling AT1 Securities	XS1068561098	7.00%	5.084%	£1.65	September 15, 2019	£150,000,000

(b) Euro Exchange Offer:

In the Euro Exchange Offer, we are offering to exchange any and all of the Euro T1 Securities listed in the immediately following table for the Euro AT1 Securities described in the next following table. For each 1,000 of the Euro T1 Securities validly tendered and accepted for exchange, holders of such securities will be eligible to receive a principal amount of the Euro AT1 Securities set out in the immediately following table under

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Exchange Price. For the avoidance of doubt, the Exchange Price column below does not take into account any Cash Payment Amount due to holders of the Existing T1 Securities. The Cash Payment Amount will be paid to tendering holders, if applicable, as a separate cash payment.

Existing T1 Securities	ISIN	Interest Rate / Dividend	First Optional Call Date	Principal Amount Outstanding	Exchange Price (per 1,000 principal amount of Euro T1 Securities)
4.75% Non-Cumulative Callable Preference Shares (referred to herein as the Euro T1 Securities)	XS0214398199	4.75% to (but excluding) March 15, 2020. From (and including) March 15, 2020, three-month EURIBOR plus 0.71% per annum.	March 15, 2020	1,400,000,000	1,000 principal amount of Euro AT1 Securities

New AT1 Securities	ISIN	Initial Interest Rate	Reset Euro Interest Margin	Conversion Price	First Call Date	Minimum New Issue Size
Euro AT1 Securities	XS1068574828	6.50%	5.875%	2.02	September 15, 2019	300,000,000

(c) Dollar Exchange Offer:

In the Dollar Exchange Offer, we, or as applicable our wholly-owned subsidiary, Barclays Bank, are offering to exchange any and all of the Dollar T1 Securities listed in the immediately following table for the Dollar AT1 Securities described in the next following table. For each \$1,000 of the Dollar T1 Securities validly tendered and accepted for exchange, holders of a particular Series will be eligible to receive a principal amount of the Dollar AT1 Securities set out in the immediately following table under Exchange Price. For the avoidance of doubt, the Exchange Price column below does not take into account any Cash Payment Amount due to holders of the Existing T1 Securities. The Cash Payment Amount will be paid to tendering holders, if applicable, as a separate cash payment.

Existing T1 Securities	ISIN / CUSIP	Interest Rate / Dividend	First Optional Call Date	Principal Amount Outstanding	Exchange Price (per \$1,000 principal amount of Dollar T1 Securities)
			June 15, 2032	\$681,013,000	

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6.86% Callable Perpetual Core Tier One Notes (U.S. Dollar 6.86% TONs)	XS0155141830; US06738CAG42 / 06738CAG4	6.86% to (but excluding) June 15, 2032. From (and including) June 15, 2032, six-month U.S. dollar LIBOR plus 1.73% per annum.			\$1,135 principal amount of Dollar AT1 Securities
5.926% Step-up Callable Perpetual Reserve Capital Instruments (U.S. Dollar 5.926% RCIs)	XS0269453139; US06739FEY34 / 06739FEY3	5.926% to (but excluding) December 15, 2016. From (and including) December 15, 2016, three-month U.S. dollar LIBOR plus 1.75%.	December 15, 2016	\$533,064,000	\$1,090 principal amount of Dollar AT1 Securities
7.434% Step-up Callable Perpetual Reserve Capital Instruments (U.S. Dollar 7.434% RCIs)	XS0322792010; US06739GAD16 / 06739GAD1	7.434% to (but excluding) December 15, 2017. From (and including) December 15, 2017, three-month U.S. dollar LIBOR plus 3.17%.	December 15, 2017	\$346,565,000	\$1,155 principal amount of Dollar AT1 Securities

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Existing T1 Securities	ISIN / CUSIP	Interest Rate / Dividend	First Optional Call Date	Principal Amount Outstanding	Exchange Price (per \$1,000 principal amount of Dollar T1 Securities)
6.278% Non-Cumulative Callable Dollar Preference Shares, Series 1, evidenced in the form of American Depositary Shares, Series 1 (U.S. Dollar 6.278% Preference Shares)	US06738C8284 / 06738C828	6.278% to (but excluding) December 15, 2034. From (and including) December 15, 2034, three-month U.S. dollar LIBOR plus 1.55% per annum.	December 15, 2034	\$1,000,000,000	\$1,060 principal amount of Dollar AT1 Securities

New AT1 Securities	ISIN / CUSIP	Initial Interest Rate	Reset Dollar Interest Margin	Conversion Price	First Call Date	Minimum New Issue Size
Dollar AT1 Securities	US06738EAB11 / 06738EAB1	6.625%	5.022%	\$2.77	September 15, 2019	\$300,000,000

Upon the terms and subject to the conditions of the Exchange Offers, we, or as applicable our wholly-owned subsidiary, Barclays Bank, will accept tenders for any and all Existing T1 Securities and there will be no priority of acceptance between the different Series of Existing T1 Securities with respect to any Exchange Offer.

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IMPORTANT

If you are a beneficial owner of Existing T1 Securities that are held by or registered in the name of a bank, broker, custodian or other nominee, and you wish to participate in the Exchange Offers, you must promptly contact your bank, broker, custodian or other nominee to instruct it to tender your Existing T1 Securities, to agree to the terms of the relevant Exchange Offer and,

with respect to the DTC-settled Dollar T1 Securities (as defined below) held through The Depository Trust Company (**DTC**), to cause the timely transmission of a message (an **Agent s Message**) by DTC on your behalf to Global Bondholder Services Corporation, in its capacity as exchange agent for the Dollar Exchange Offer (the **Dollar Exchange Agent**);

with respect to the Euroclear/Clearstream-settled Dollar T1 Securities (as defined below) held through Clearstream Banking, *société anonyme* (**Clearstream, Luxembourg**), or Euroclear Bank S.A./N.V. (**Euroclear** and together with DTC and Clearstream, Luxembourg, the **Clearing Systems**) to (a) cause Euroclear or Clearstream, Luxembourg, as the case may be, to block the position in the Euroclear/Clearstream-settled Dollar T1 Securities in accordance with the procedures of Euroclear or Clearstream, Luxembourg, as the case may be, and (b) instruct Euroclear or Clearstream, Luxembourg, as the case may be, to send the Dollar Exchange Agent an electronic message confirming: (i) the direct participant s tender instruction and (ii) that the position in the Euroclear/Clearstream-settled Dollar T1 Securities being tendered has been blocked from trading pending settlement of the offer, valid revocation of such tender instruction or termination of the Dollar Exchange Offer; or

with respect to the Sterling T1 Securities and Euro T1 Securities held through Euroclear or Clearstream, Luxembourg to (a) cause Euroclear or Clearstream, Luxembourg, as the case may be, to block the position in the Sterling T1 Securities and Euro T1 Securities in accordance with the procedures of Euroclear or Clearstream, Luxembourg, as the case may be, and (b) instruct Euroclear or Clearstream, Luxembourg, as the case may be, to send Lucid Issuer Services Limited, in its capacity as the Exchange Agent for the Sterling Exchange Offer and the Euro Exchange Offer (the **Sterling and Euro Exchange Agent** and together with the Dollar Exchange Agent, the **Exchange Agents**) an electronic message confirming: (i) the direct participant s tender instruction and (ii) that the position in the Sterling T1 Securities and Euro T1 Securities being tendered has been blocked from trading pending settlement of the offer, valid revocation of such tender instruction or termination of the Sterling Exchange Offer and the Euro Exchange Offer.

See *The Exchange Offers Procedures for Tendering DTC-settled Dollar T1 Securities*, *The Exchange Offers Procedures for Tendering Euroclear/Clearstream-settled Dollar T1 Securities*, and *The Exchange Offers Procedures for Tendering Sterling T1 Securities and Euro T1 Securities*. **You are urged to instruct your bank, broker, custodian or other nominee at least five Business Days prior to the Expiration Date in order to allow adequate processing time for your instruction.**

The Offerors (as defined below) are not providing for guaranteed delivery procedures and therefore you must allow sufficient time for the necessary tender procedures to be completed during normal business hours of DTC, Euroclear and Clearstream, Luxembourg, as applicable, prior to the Expiration Date. Tenders received by the Exchange Agents after the Expiration Date will be disregarded and of no effect.

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We are incorporating by reference into this prospectus important business and financial information that is not included in or delivered with this prospectus. See *Where You Can Find More Information About Us* below. This information is available without charge to security holders upon written or oral request. Requests should be directed to:

Barclays Treasury

Barclays PLC

1 Churchill Place

London E14 5HP

United Kingdom

Telephone: 011-44-20-7116-1000

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In order to ensure timely delivery of such documents, security holders must request this information no later than five Business Days before the date they must make their investment decision. Accordingly, any request for information should be made by 11:59 p.m., New York City time, on June 5, 2014 to ensure timely delivery of the documents prior to the Expiration Date.

You should rely only on the information contained in this prospectus. We have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not offering the New AT1 Securities in any jurisdiction where the Exchange Offers are not permitted. You should assume that the information contained in this prospectus is accurate only as of the date of the applicable document.

See *Risk Factors* beginning on page 50 of this prospectus and the information set forth under *Risk Review Risk Factors* in the 2013 Form 20-F (as defined below) for a description of certain factors relating to a decision to tender your Existing T1 Securities in the Exchange Offers, including information about our business. Neither we nor our representatives are making any representation to you regarding the legality of participation in the Exchange Offers by you under applicable investment or similar laws. You should consult with your own advisers as to legal, tax, business, financial and related aspects of a decision whether to tender your Existing T1 Securities in the Exchange Offers.

The terms of the New AT1 Securities will be substantially different from those of the Existing T1 Securities. In addition to differences in financial terms which include, among others, the interest rate and payment dates, the terms of the New AT1 Securities differ, among other things, in respect of, the identity of the obligor, redemption dates, redemption prices and redemption events and in that the New AT1 Securities will be subject to a loss absorption trigger event based on the Group's capital ratios and the ability of the Issuer to decide in its sole discretion to cancel any interest payment on the New AT1 Securities. Investors should carefully consider these differences in addition to those described under *Comparison of the Material Terms of the Preference Shares and the New AT1 Securities*, *Comparison of the Material Terms of the Tier One Notes and the New AT1 Securities* and *Comparison of the Material Terms of the Reserve Capital Instruments and the New AT1 Securities* in deciding whether to tender Existing T1 Securities for exchange in connection with the Exchange Offers. See also *Risk Factors Risks Related to the Exchange Offers There are significant differences between the Existing T1 Securities and the New AT1 Securities*.

The New AT1 Securities are perpetual and have no fixed maturity or fixed redemption date. Interest on the New AT1 Securities will be due and payable only at our sole discretion, and we may cancel (in whole or in part) any interest payment at any time. As a result, we are not required to make any payment of the principal amount of the New AT1 Securities at any time prior to our winding-up or administration and you may not receive interest on any interest payment date.

In addition, by its acquisition of the New AT1 Securities, each holder of such securities also acknowledges, agrees to be bound by, and consents to the exercise of, any U.K. Bail-in Power (as defined herein) by the relevant U.K. resolution authority (as defined herein) that may result in the cancellation of all, or a portion, of the principal amount of, or interest on, the New AT1 Securities and/or the conversion of all, or a portion, of the principal amount of, or interest on, the New AT1 Securities into shares or other securities or other obligations of the Issuer or another person, including by means of a variation to the terms of the New AT1 Securities, in each case, to give effect to the exercise by the relevant U.K. resolution authority of such U.K. Bail-in Power. See *Description of the New AT1 Securities Agreement with Respect to the Exercise of U.K. Bail-in Power*.

You should reach your own investment decision about the New AT1 Securities only after consultation with your own financial, legal and tax advisers (as you deem appropriate) about risks associated with participating in the Exchange Offers and with an investment in the New AT1 Securities and the suitability of participating in the Exchange Offers

and investing in the New AT1 Securities in light of the particular characteristics and terms of the New AT1 Securities, which are complex in structure and operation, and of your particular financial

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circumstances. The New AT1 Securities may not be a suitable investment for all investors. There is no established trading market for the New AT1 Securities and one may not develop. If a market does develop, it may not be liquid.

Unless otherwise indicated or the context otherwise requires, all references in this prospectus to the exchange of Existing T1 Securities for New AT1 Securities include all cash payments (including any Cash Payment Amount) made in connection with the exchange of those Existing T1 Securities for those New AT1 Securities. Each tendering holder of Existing T1 Securities who would otherwise be entitled to a fractional New AT1 Security will receive cash in an amount equal to such fractional entitlement in the currency of the relevant Series of New AT1 Securities (rounded to the nearest £0.01, 0.01 or \$0.01, as applicable).

The New AT1 Securities will be available initially only in book-entry form. We expect that the New AT1 Securities will be issued in the form of one or more registered global securities. The global securities will either (a) with respect to the Dollar AT1 Securities, be deposited with, or on behalf of, DTC, and registered in its name or in the name of Cede & Co., its nominee or (b) with respect to the Euro AT1 Securities and the Sterling AT1 Securities, be deposited with a common depositary for Clearstream, Luxembourg and/or Euroclear and registered in the name of such common depositary or its nominee. Securities entitlements in respect of the global securities will be shown on, and transfers of securities entitlements in respect of the global securities will be effected through, records maintained by DTC, Clearstream, Luxembourg and/or Euroclear and their respective direct and indirect participants, as applicable. See *Clearance and Settlement* for a further discussion of these matters.

THIS PROSPECTUS IS SUBJECT TO DISTRIBUTION RESTRICTIONS IN, AMONG OTHER JURISDICTIONS, THE UNITED KINGDOM, ISLE OF MAN, GUERNSEY, JERSEY, BELGIUM, FRANCE, ITALY, DENMARK, THE NETHERLANDS, THE GRAND DUCHY OF LUXEMBOURG, SINGAPORE, HONG KONG AND JAPAN. PLEASE SEE *THE EXCHANGE OFFERS CERTAIN MATTERS RELATING TO NON-U.S. JURISDICTIONS* FOR MORE INFORMATION.

SERVICE OF PROCESS AND ENFORCEMENT OF LIABILITIES

We are an English public limited company. A majority of our directors and executive officers and a number of the experts named in this document are non-residents of the United States. All or a substantial portion of the assets of those persons are located outside the United States. Most of our assets are located outside of the United States. As a result, it may not be possible for you to effect service of process within the United States upon those persons or to enforce against them judgments of U.S. courts based upon the civil liability provisions of the federal securities laws of the United States. We have been advised by our English solicitors, Clifford Chance LLP, that there is doubt as to the enforceability in the United Kingdom, in original actions or in actions for enforcement of judgments of U.S. courts, of liabilities based solely upon the federal securities laws of the United States.

Table of Contents**FORWARD-LOOKING STATEMENTS**

This document contains certain forward-looking statements with respect to certain of the Group's (as hereinafter defined) plans and its current goals and expectations relating to its future financial condition and performance. Barclays (as hereinafter defined) cautions readers that no forward-looking statement is a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking statements. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements sometimes use words such as may, will, seek, continue, aim, anticipate, expect, projected, expect, estimate, intend, plan, goal, believe, achieve or other words of similar meaning. Examples of forward-looking statements include, among others, statements regarding the Group's future financial position, income growth, assets, impairment charges and provisions, business strategy, capital, leverage and other regulatory ratios, payment of dividends (including dividend pay-out ratios), projected levels of growth in the banking and financial markets, projected costs or savings, original and revised commitments and targets in connection with the Transform Programme and the Group Strategy Update (as described in our Current Report on Form 6-K furnished to the SEC on May 9, 2014 (File No. 001-09246, Film No. 14827183) (the **May 9 6-K**)), run-down of assets and businesses within Barclays Non-Core (as such unit is described in the May 9 6-K), estimates of capital expenditures and plans and objectives for future operations, projected employee numbers and other statements that are not historical fact. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. These may be affected by changes in legislation, the development of standards and interpretations under International Financial Reporting Standards (**IFRS**), evolving practices with regard to the interpretation and application of accounting and regulatory standards, the outcome of current and future legal proceedings and regulatory investigations, future levels of conduct provisions, the policies and actions of governmental and regulatory authorities, geopolitical risks and the impact of competition. In addition, factors including (but not limited to) the following may have an effect: capital, leverage and other regulatory rules (including with regard to the future structure of the Group) applicable to past, current and future periods; U.K., United States, Africa, Eurozone and global macroeconomic and business conditions; the effects of continued volatility in credit markets; market related risks such as changes in interest rates and foreign exchange rates; effects of changes in valuation of credit market exposures; changes in valuation of issued securities; volatility in capital markets; changes in credit ratings of the Group; the potential for one or more countries exiting the Eurozone; the implementation of the Transform Programme; and the success of future acquisitions, disposals and other strategic transactions. A number of these influences and factors are beyond the Group's control. As a result, the Group's actual future results, dividend payments, and capital and leverage ratios may differ materially from the plans, goals, and expectations set forth in the Group's forward-looking statements. Additional risks and factors are identified in our filings with the U.S. Securities and Exchange Commission (**SEC**) including our Annual Report on Form 20-F for the fiscal year ended December 31, 2013 filed with the SEC on March 14, 2014 (the **2013 Form 20-F**), which is available on the SEC's website at <http://www.sec.gov> and incorporated by reference into this prospectus.

Any forward-looking statements made herein speak only as of the date they are made and it should not be assumed that they have been revised or updated in the light of new information or future events. Except as required by the Prudential Regulation Authority, the Financial Conduct Authority, the London Stock Exchange PLC (**LSE**), the SIX Swiss Exchange or applicable law, Barclays expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in Barclays' expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. The reader should, however, consult any additional disclosures that Barclays has filed or may file with the SEC.

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WHERE YOU CAN FIND MORE INFORMATION ABOUT US

We are subject to the information requirements of the U.S. Securities Exchange Act of 1934, as amended (the **Exchange Act**). Accordingly, we file jointly with Barclays Bank, reports and other information with the SEC. The SEC maintains an internet site at <http://www.sec.gov> that contains reports and other information we file electronically with the SEC. You may also inspect and copy reports and other information that we file with the SEC at the public reference facilities maintained at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Copies of such material may be obtained by mail from the Public Reference Section of the SEC at 100 F Street, N.E., Room 1580, Washington, D.C. 20549 at prescribed rates. In addition, you may inspect and copy that material at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005, on which some of our securities are listed.

The SEC allows us to incorporate by reference much of the information we file with the SEC, which means that we can disclose important information to you by referring you to those publicly available documents. The information that we incorporate by reference into this prospectus is an important part of this prospectus. The most recent information that we file with the SEC automatically updates and supersedes earlier information.

We have filed with the SEC a registration statement on Form F-4 relating to the securities covered by this prospectus. This prospectus is a part of the registration statement and omits some of the information contained in the registration statement in accordance with SEC rules and regulations. You should review the information in, and exhibits to, the registration statement for further information on us and the New AT1 Securities. Statements in this prospectus concerning any document we have filed or will file as an exhibit to the registration statement or that we have otherwise filed with the SEC are not intended to be comprehensive and are qualified in their entirety by reference to these filings. You should review the complete document to evaluate these statements. You may review a copy of the registration statement at the SEC's public reference room in Washington, D.C., as well as through the SEC's internet site, as discussed above.

We filed our 2013 Form 20-F with the SEC on March 14, 2014. We are incorporating the 2013 Form 20-F by reference into this prospectus. We are further incorporating by reference our Current Report on Form 6-K furnished to the SEC on May 6, 2014 (File No. 001-09246, Film No. 14816123) (the **May 6 6-K**) and the May 9 6-K.

In addition, we incorporate by reference into this prospectus any future documents that we may file with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act from the date of this prospectus until the offering contemplated in this prospectus is completed. Reports on Form 6-K we may furnish to the SEC after the date of this prospectus (or portions thereof) are incorporated by reference in this prospectus only to the extent that the report expressly states that it is (or such portions are) incorporated by reference in this prospectus.

We will provide to you, upon your written or oral request, without charge, a copy of any or all of the documents referred to above which we have incorporated in this prospectus by reference. You should direct your requests to Barclays Treasury, Barclays PLC, 1 Churchill Place, London E14 5HP, United Kingdom (telephone: 011-44-20-7116-1000).

For purposes of this prospectus, references to:

we, us, our, the Issuer and Barclays refer to Barclays PLC (or any successor entity), unless the context requires otherwise;

Group refers to Barclays PLC (or any successor entity) and its consolidated subsidiaries;

Barclays Bank refers to Barclays Bank PLC (or any successor entity);

Offeror refers to each of Barclays and Barclays Bank (together, the **Offerors**);

DTC, Clearstream, Luxembourg, Euroclear or the **Clearing Systems** shall include any successor clearing systems;

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PRA shall mean the Prudential Regulation Authority of the United Kingdom or such other governmental authority in the United Kingdom (or if Barclays PLC becomes domiciled in a jurisdiction other than the United Kingdom, such other jurisdiction) having primary responsibility for the prudential supervision of Barclays PLC;

£, **GBP** and **sterling** shall be to the lawful currency for the time being of the United Kingdom; references to **\$** and **U.S. dollars** shall be to the lawful currency for the time being of the United States; and references to **and euro** shall be to the currency introduced at the start of the third stage of European economic and monetary union, as defined in Article 2 of Council Regulation (EC) No. 974/98 of May 3, 1998 on the introduction of the euro;

CRD IV shall mean the legislative package consisting of Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, as the same may be amended or replaced from time to time, and the CRD IV Regulation; and

CRD IV Regulation shall mean Regulation (EU) No. 575/2013 on prudential requirements for credit institutions and investment firms of the European Parliament and of the Council of June 26, 2013, as the same may be amended or replaced from time to time.

Each series of the Sterling T1 Securities, the Euro T1 Securities and the Dollar T1 Securities is referred to as a **Series** of Existing T1 Securities. Each series of the Sterling AT1 Securities, the Euro AT1 Securities and the Dollar AT1 Securities is referred to as a **Series** of New AT1 Securities.

Table of Contents**IMPORTANT DATES**

Please take note of the following important dates and times in connection with the Exchange Offers. If one or more Exchange Offers are extended, the Expiration Date and Revocation Deadline for such extended Exchange Offers will be the latest date and time to which such Exchange Offers are extended, and the Announcement Date and Settlement Date as set out below may be modified accordingly. **If you hold your Existing T1 Securities through a Clearing System, broker, dealer, commercial bank, trust company or other nominee, you should keep in mind that such entity may require you to take action with respect to the Exchange Offers a number of days before the Expiration Date in order for such entity to tender Existing T1 Securities on your behalf at or prior to the Expiration Date.**

Date	Time and Calendar Date	Event
Commencement of the Exchange Offers.	May 15, 2014	The Exchange Offers announced. Preliminary prospectus made available to holders of Existing T1 Securities.
Expiration Date and Revocation Deadline	11:59 p.m, New York City time, June 12, 2014	Deadline for holders to validly tender Existing T1 Securities in order to qualify for the relevant Exchange Offer and to validly withdraw tenders of Existing T1 Securities.
Results Announcement Date	June 13, 2014	Announcement of the results of the Exchange Offers and acceptance of tenders by Barclays.
Settlement Date	Expected to be June 17, 2014 (three Business Days after the Expiration Date)	New AT1 Securities will be issued in exchange for any Existing T1 Securities validly

tendered prior to the
Expiration
Date and accepted by
the
Offerors.

Payment of any
applicable Cash
Payment Amount and
cash
amounts in lieu of any
fractional
New AT1 Securities.

Unless stated otherwise, announcements in connection with the Exchange Offers will be made (i) by the issue of a press release to a recognized financial news service or services (e.g. Reuters/Bloomberg) as selected by the Issuer (**Notifying News Service**), (ii) by the delivery of notices to the relevant Clearing System for communication to direct participants and (iii) through The Regulatory News Service provided by the London Stock Exchange plc (being a Regulated Information Service that is on the list of Regulated Information Services maintained by the Financial Conduct Authority) (**RNS**) and on the Luxembourg Stock Exchange's website at www.bourse.lu, and may also be found on the relevant Reuters International Insider Screen. Copies of all such announcements, press releases and notices can also be obtained from the Exchange Agents, the contact details for whom are at the end of this prospectus.

Table of Contents**SUMMARY**

*The following summary highlights selected information contained in this prospectus. It may not contain all of the information that is important to you and is qualified in its entirety by the more detailed information included or incorporated by reference in this prospectus. You should carefully consider the information contained in and incorporated by reference in this prospectus, including the information set forth under the heading *Risk Factors*, *The Exchange Offers* and *Description of the New AT1 Securities* in this prospectus and the information set forth under *Risk Review Risk Factors* in the 2013 Form 20-F.*

Barclays PLC

Barclays, including Barclays Bank and its other subsidiary undertakings, is a major global financial services provider engaged in retail banking, credit cards, corporate banking, investment banking, wealth management and investment management services. Barclays is the ultimate holding company of the Group and one of the largest financial services companies in the world by market capitalization. Barclays beneficially owns the whole of the issued ordinary share capital of Barclays Bank.

The principal executive offices of Barclays and Barclays Bank are located at 1 Churchill Place, London E14 5HP, United Kingdom and their telephone number is (01) 44-20-7116-1000.

Summary Terms of the Exchange Offers

Offerors

Barclays is the offeror with respect to (a) Sterling 6.0% Preference Shares, (b) Euro T1 Securities and (c) U.S. Dollar 6.278% Preference Shares (together, the **Preference Shares**).

Barclays Bank is the offeror with respect to (a) Sterling 6% TONs, (b) U.S. Dollar 6.86% TONs (together with Sterling 6% TONs, the **TONs**), (c) Sterling 5.3304% RCIs, (d) Sterling 6.3688% RCIs, (e) U.S. Dollar 5.926% RCIs and (f) U.S. Dollar 7.434% RCIs (together with the Sterling 5.3304% RCIs, Sterling 6.3688% RCIs and U.S. Dollar 5.926% RCIs, the **RCIs**).

Purpose of the Exchange Offers

The Offerors are inviting holders of Existing T1 Securities issued by Barclays Bank to exchange these securities into CRD IV-compliant additional tier 1 securities to be issued by Barclays as the next step in the transition of the Group's capital structure. The exchange will accelerate the transition of the Group's capital structure, contribute to the Group's leverage ratio target and manage the interest cost associated with legacy non-CRD IV-compliant securities. We note that any future decision as to the exercise of early redemption calls with respect to the Existing T1 Securities will be made with reference to the economic impact to the Group of such early redemption, prevailing market conditions and regulatory developments.

Existing T1 Securities Subject to the Exchange Offers

The Sterling T1 Securities subject to the Sterling Exchange Offer are:

£90,501,000 Sterling 6% TONs;

£81,481,000 Sterling 5.3304% RCIs;

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£94,703,000 Sterling 6.3688% RCIs; and

£750,000,000 Sterling 6.0% Preference Shares.

The Euro T1 Securities subject to the Euro Exchange Offer are:

1,400,000,000 4.75% Non-Cumulative Callable Preference Shares.

The Dollar T1 Securities subject to the Dollar Exchange Offer are:

\$681,013,000 U.S. Dollar 6.86% TONs;

\$533,064,000 U.S. Dollar 5.926% RCIs;

\$346,565,000 U.S. Dollar 7.434% RCIs; and

\$1,000,000,000 U.S. Dollar 6.278% Preference Shares.

The ISIN numbers and CUSIP numbers, as applicable, of these securities are set forth below under *The Exchange Offers*.

New AT1 Securities Offered

The Sterling AT1 Securities offered in the Sterling Exchange Offer are the GBP-denominated 7.00% Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities (Callable 2019 and Every Five Years Thereafter) to be issued by Barclays.

The Euro AT1 Securities offered in the Euro Exchange Offer are the Euro-denominated 6.50% Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities (Callable 2019 and Every Five Years Thereafter) to be issued by Barclays.

The Dollar AT1 Securities offered in the Dollar Exchange Offer are the U.S. dollar-denominated 6.625% Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities (Callable 2019 and Every Five Years Thereafter) to be issued by Barclays.

The Exchange Offers

We, or as applicable our wholly-owned subsidiary, Barclays Bank, are offering to exchange, on the terms and conditions described in this prospectus, the relevant New AT1 Securities, plus any applicable Cash Payment Amount (as described below), plus (if applicable) cash amounts in lieu of fractional New AT1 Securities, for the applicable corresponding Existing T1 Securities as set forth in the tables below.

The tables show, with respect to each Series of Existing T1 Securities, the aggregate principal amount of the relevant Series of New AT1 Securities that a holder will receive for each £1,000, 1,000 and \$1,000 principal amount, as applicable, of the relevant Existing T1 Securities validly tendered and accepted for exchange. For the avoidance of doubt, the Exchange Price columns in the tables below do not take into account any Cash Payment Amount due to holders of the Existing T1 Securities. The Cash Payment Amount will be paid to tendering holders, if applicable, as a separate cash payment.

Table of Contents*(a) Sterling Exchange Offer:*

In the Sterling Exchange Offer, we, or as applicable our wholly-owned subsidiary, Barclays Bank, are offering to exchange any and all of the Sterling T1 Securities listed in the immediately following table for the Sterling AT1 Securities described in the next following table. For each £1,000 of the Sterling T1 Securities validly tendered and accepted for exchange, holders of a particular Series will be eligible to receive a principal amount of the Sterling AT1 Securities set out in the immediately following table under Exchange Price.

Existing T1 Securities	ISIN	Interest Rate / Dividend	First Optional Call Date	Principal Amount Outstanding	Exchange Price (per £1,000 principal amount of Sterling T1 Securities)
Sterling 6% TONs	XS0150052388	6% to (but excluding) June 15, 2032. From (and including) June 15, 2032, six-month Sterling LIBOR plus 0.89% per annum.	June 15, 2032	£90,501,000	£1,040 principal amount of Sterling AT1 Securities
Sterling 5.3304% RCIs	XS0248675364	5.3304% to (but excluding) December 15, 2036. From (and including) December 15, 2036, three-month Sterling LIBOR plus 1.985%.	December 15, 2036	£81,481,000	£960 principal amount of Sterling AT1 Securities
Sterling 6.3688% RCIs	XS0305103482	6.3688% to (but excluding) December 15, 2019. From (and including) December 15, 2019, three-month Sterling LIBOR plus 1.70%.	December 15, 2019	£94,703,000	£1,050 principal amount of Sterling AT1 Securities
	XS0222208539		December 15, 2017	£750,000,000	

Sterling 6.0%
Preference Shares

6.0% to (but
excluding)
December 15,
2017. From (and
including)
December 15,
2017, three-month
Sterling LIBOR
plus 1.42% per
annum.

£1,030 principal
amount of
Sterling AT1
Securities

New AT1 Securities	ISIN	Initial Interest Rate	Reset Sterling Interest Margin	Conversion Price	First Call Date	Minimum New Issue Size
Sterling AT1 Securities	XS1068561098	7.00%	5.084%	£1.65	September 15, 2019	£150,000,000

Table of Contents*(b) Euro Exchange Offer:*

In the Euro Exchange Offer, we are offering to exchange any and all of the Euro T1 Securities listed in the immediately following table for the Euro AT1 Securities described in the next following table. For each 1,000 of the Euro T1 Securities validly tendered and accepted for exchange, holders of such securities will be eligible to receive a principal amount of the Euro AT1 Securities set out in the immediately following table under Exchange Price.

Existing T1 Securities	ISIN	Interest Rate / Dividend	First Optional Call Date	Principal Amount Outstanding	Exchange Price (per 1,000 principal amount of Euro T1 Securities)⁽¹⁾
4.75% Non-Cumulative Callable Preference Shares (referred to herein as the Euro T1 Securities)	XS0214398199	4.75% to (but excluding) March 15, 2020. From (and including) March 15, 2020, three-month EURIBOR plus 0.71% per annum.	March 15, 2020	1,400,000,000	1,000 principal amount of Euro AT1 Securities

New AT1 Securities	ISIN	Initial Interest Rate	Reset Euro Interest Margin	Conversion Price	First Call Date	Minimum New Issue Size
Euro AT1 Securities	XS1068574828	6.50%	5.875%	2.02	September 15, 2019	300,000,000

Table of Contents*(c) Dollar Exchange Offer:*

In the Dollar Exchange Offer, we, or as applicable our wholly-owned subsidiary, Barclays Bank, are offering to exchange any and all of the Dollar T1 Securities listed in the immediately following table for the Dollar AT1 Securities described in the next following table. For each \$1,000 of the Dollar T1 Securities validly tendered and accepted for exchange, holders of a particular Series will be eligible to receive a principal amount of the Dollar AT1 Securities set out in the immediately following table under Exchange Price.

Existing T1 Securities	ISIN / CUSIP	Interest Rate / Dividend	First Optional Call Date	Principal Amount Outstanding	Exchange Price (per \$1,000 principal amount of Dollar T1 Securities)
U.S. Dollar 6.86% TONs	XS0155141830; US06738CAG42 / 06738CAG4	6.86% to (but excluding) June 15, 2032. From (and including) June 15, 2032, six-month U.S. dollar LIBOR plus 1.73% per annum.	June 15, 2032	\$681,013,000	\$1,135 principal amount of Dollar AT1 Securities
U.S. Dollar 5.926% RCIs	XS0269453139; US06739FEY34 / 06739FEY3	5.926% to (but excluding) December 15, 2016. From (and including) December 15, 2016, three-month U.S. dollar LIBOR plus 1.75%.	December 15, 2016	\$533,064,000	\$1,090 principal amount of Dollar AT1 Securities
U.S. Dollar 7.434% RCIs	XS0322792010; US06739GAD16 / 06739GAD1	7.434% to (but excluding) December 15, 2017. From (and including) December 15, 2017, three-month U.S. dollar LIBOR plus 3.17%.	December 15, 2017	\$346,565,000	\$1,155 principal amount of Dollar AT1 Securities

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U.S. Dollar 6.278% Preference Shares	US06738C8284 / 06738C828	6.278% to (but excluding) December 15, 2034. From (and including) December 15, 2034, three-month U.S. dollar LIBOR plus 1.55% per annum.	December 15, 2034	\$1,000,000,000	\$1,060 principal amount of Dollar AT1 Securities
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New AT1 Securities	ISIN / CUSIP	Initial Interest Rate	Reset Dollar Interest Margin	Conversion Price	First Call Date	Minimum New Issue Size
Dollar AT1 Securities	US06738EAB11 / 06738EAB1	6.625%	5.022%	\$2.77	September 15, 2019	\$300,000,000

Cash Payment Amount

Holder's whose Existing T1 Securities are accepted for exchange will receive from the Offerors on the Settlement Date an amount paid in cash equivalent to the accrued and unpaid interest or dividends, as the case may be, on the relevant Existing T1 Security from (and including) the immediately preceding Distribution Date to (and

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excluding) the Settlement Date of the relevant Exchange Offer as part of the consideration under the relevant Exchange Offer and not, for the avoidance of doubt, as a payment of interest or a dividend on the Existing T1 Securities. As described above under *The Exchange Offers*, the Cash Payment Amount, if any, will be paid to tendering holders of Existing T1 Securities as a separate cash amount upon the Settlement Date and is not reflected in the Exchange Price columns in the tables under *The Exchange Offers*.

No Priority of Acceptance

Upon the terms and subject to the conditions of the Exchange Offers, we, or as applicable our wholly-owned subsidiary, Barclays Bank, will accept tenders for any and all Existing T1 Securities and there will be no priority of acceptance between the different Series of Existing T1 Securities with respect to any Exchange Offer.

Fractional Entitlements

No fractional New AT1 Securities will be delivered pursuant to the Exchange Offers. Instead, each tendering holder of Existing T1 Securities who would otherwise be entitled to a fractional New AT1 Security will receive cash in an amount equal to such fractional entitlement in the currency of the relevant Series of New AT1 Securities.

Interest Rates of the New AT1 Securities

The New AT1 Securities will bear interest at the rates (the **Initial Interest Rates**) set forth above under *The Exchange Offers* in respect of the period from (and including) the relevant date of issuance to (but excluding) September 15, 2019.

Expiration Date and Withdrawal Rights

Each Exchange Offer will expire at 11:59 p.m., New York City time, on June 12, 2014 (unless the Offerors extend or earlier terminate it). The term **Expiration Date** means such date and time or, if the Offerors extend one or more Exchange Offers, the latest date and time to which the Offerors extend such Exchange Offers. You may withdraw any Existing T1 Securities that you previously tendered in the Exchange Offers at any time on or prior to the Expiration Date. See *The Exchange Offers Withdrawal of Tenders*.

Minimum New Issue Size

Each Exchange Offer is subject to a Minimum New Issue Size. In particular:

the Sterling Exchange Offer is subject to the condition that a sufficient number of Sterling T1 Securities are validly tendered and not validly withdrawn by the Expiration Date such that at least £150,000,000 aggregate principal amount of the Sterling

AT1 Securities will be issued by Barclays;

the Euro Exchange Offer is subject to the condition that a sufficient number of Euro T1 Securities are validly tendered and not validly withdrawn by the Expiration Date such that at least 300,000,000 aggregate principal amount of the Euro AT1 Securities will be issued by Barclays; and

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the Dollar Exchange Offer is subject to the condition that a sufficient number of Dollar T1 Securities are validly tendered and not validly withdrawn by the Expiration Date such that at least \$300,000,000 aggregate principal amount of the Dollar AT1 Securities will be issued by Barclays.

The Exchange Offers are also subject to certain other conditions. See *The Exchange Offers Conditions of the Exchange Offers*.

Settlement Date

The **Settlement Date** for each Exchange Offer will be a date promptly following the Expiration Date. The Offerors currently expect the Settlement Date to be three Business Days after the Expiration Date for the relevant Exchange Offer.

Procedures for Tendering Existing T1 Securities

If you wish to participate in any of the Exchange Offers and your Existing T1 Securities are held by a custodial entity such as a bank, broker, dealer, trust company or other nominee, you must instruct that custodial entity to tender the Existing T1 Securities on your behalf pursuant to the procedures of the custodial entity.

(a) DTC-settled Dollar T1 Securities

DTC-settled Dollar T1 Securities means collectively, (i) the U.S. Dollar 6.278% Preference Shares and (ii) the portion of the U.S. Dollar 6.86% TONs, U.S. Dollar 5.926% RCIs and U.S. Dollar 7.434% RCIs that settle through DTC.

Each holder tendering DTC-settled Dollar T1 Securities pursuant to the Dollar Exchange Offer must arrange for the relevant Direct Participant in DTC to submit a valid instruction in accordance with the requirements of DTC. A **Direct Participant** means each person who is shown in the records of the Clearing Systems as a holder of the Existing T1 Securities. There is no separate letter of transmittal in connection with the Exchange Offers. See *The Exchange Offers Procedures for Tendering DTC-settled Dollar T1 Securities*.

If your DTC-settled Dollar T1 Securities are held of record through a broker, dealer, commercial bank, trust company or other nominee and you wish to tender or withdraw your Notes after 5:00 p.m., New York City time, on the Expiration Date, you must make arrangements with your nominee for such nominee to fax a DTC

Voluntary Offering Instructions form (in the case of a tender) or a DTC notice of withdrawal form (in the case of a withdrawal) to the Dollar Exchange Agent at its number on the back cover of this prospectus on your behalf prior to 11:59 p.m., New York City time, on the Expiration Date, in accordance with the procedures described under *The Exchange Offers Procedures for Tendering the DTC-settled Dollar T1 Securities* and *The Exchange Offers Withdrawal of Tenders*.

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(b) Euroclear/Clearstream-settled Dollar T1 Securities

Euroclear/Clearstream-settled Dollar T1 Securities means the portion of the U.S. Dollar 6.86% TONs, U.S. Dollar 5.926% RCIs and U.S. Dollar 7.434% RCIs that settle through Euroclear or Clearstream, Luxembourg.

Each holder tendering Euroclear/Clearstream-settled Dollar T1 Securities pursuant to the Exchange Offers must arrange for the relevant account holder to submit an electronic tender and blocking instruction (the **Tender and Blocking Instruction**) in the form specified in the **Deadlines and Corporate Events** or similar form of notice to be sent to account holders by each of Euroclear and Clearstream, Luxembourg on or about the date of this prospectus informing account holders of the procedures to be followed in order to participate in the Exchange Offers. See *The Exchange Offers Procedures for Tendering Euroclear/Clearstream-settled Dollar T1 Securities*.

(c) Sterling T1 Securities and Euro T1 Securities

Custodial entities that are participants in Euroclear or Clearstream, Luxembourg must comply with the procedures of Euroclear or Clearstream, Luxembourg, as applicable.

Each holder tendering Sterling T1 Securities or Euro T1 Securities through a custodial entity that is a participant in Euroclear or Clearstream, Luxembourg must submit an electronic acceptance instruction (the **Electronic Acceptance Instruction**) through Euroclear or Clearstream, Luxembourg as described in this prospectus under *The Exchange Offers Procedures for Tendering Sterling T1 Securities and Euro T1 Securities*.

We urge you to instruct your broker, dealer, commercial bank, trust company or other nominee at least five Business Days prior to the Expiration Date in order to allow adequate processing time for your instruction.

Should you have any questions as to the procedures for tendering your Existing T1 Securities, please call your broker, dealer, commercial bank, trust company or other nominee, or call the Exchange Agents at their telephone number set forth on the back cover page of this prospectus.

THE OFFERORS ARE NOT PROVIDING FOR GUARANTEED DELIVERY PROCEDURES AND THEREFORE YOU MUST ALLOW SUFFICIENT TIME FOR THE NECESSARY TENDER PROCEDURES TO BE COMPLETED DURING NORMAL BUSINESS HOURS OF DTC, EUROCLEAR OR CLEARSTREAM, LUXEMBOURG

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ON OR PRIOR TO THE EXPIRATION DATE, AS APPLICABLE. TENDERS NOT RECEIVED BY THE EXCHANGE AGENT ON OR PRIOR TO THE EXPIRATION DATE WILL BE DISREGARDED AND OF NO EFFECT.

<p>Extensions; Waivers and Amendments; Termination</p>	<p>Subject to applicable law, the Offerors reserve the right to (1) extend any or all of the Exchange Offers; (2) waive any and all conditions to or amend any or all of the Exchange Offers in any respect; or (3) terminate any or all of the Exchange Offers. Any extension, waiver, amendment or termination will be followed as promptly as practicable by a public announcement thereof, such announcement in the case of an extension to be issued no later than 9:00 a.m., New York City time, on the next Business Day after the last previously scheduled Expiration Date. See <i>The Exchange Offers Expiration Date; Extension; Termination; Amendment.</i></p>
<p>U.S. Federal Income Tax Considerations</p>	<p>For a summary of certain United States federal income tax consequences to holders of New AT1 Securities related to the Exchange Offers, see <i>Tax Considerations Certain United States Federal Income Tax Considerations.</i></p>
<p>United Kingdom Tax Considerations</p>	<p>For a summary of certain United Kingdom tax consequences to holders of New AT1 Securities related to the Exchange Offers, see <i>Tax Considerations United Kingdom Taxation Considerations.</i></p>
<p>Consequences of Failure to Exchange Existing T1 Securities</p>	<p>Depending on the amount of Existing T1 Securities of any Series that are accepted for exchange in the Exchange Offers, the trading market for the Existing T1 Securities of that Series that remain outstanding after the Exchange Offers may be more limited. A reduced trading volume may decrease the price and increase the volatility of the trading price of the Existing T1 Securities of any Series that remain outstanding following the Exchange Offers. If the relevant Exchange Offer is successful, the market price for the Existing T1 Securities subject to such Exchange Offer may be depressed and there may be a limited trading market for those Existing T1 Securities.</p>
<p>Representations and Warranties of Tendering Holders</p>	<p>Each holder tendering Existing T1 Securities shall be deemed to make the representations, warranties and undertakings specified under <i>The Exchange Offers Acknowledgements, Representations, Warranties and Undertakings,</i> including that such holder will only submit (or arrange to submit) one Exchange Instruction (as defined herein) in respect of any one Series of the Existing T1 Securities tendered by it in the relevant Exchange Offer.</p>

Brokerage Commissions

You will not be required to pay brokerage commissions to the Dealer Managers, the Exchange Agents or the Offerors in connection with the Exchange Offers. If your Existing T1 Securities are held through a

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broker or other nominee that tenders the Existing T1 Securities on your behalf, such broker or other nominee may charge you a commission for doing so. You should consult with your broker or nominee to determine whether any charges will apply.

No Appraisal or Dissenters Rights

You will have no appraisal or dissenters rights in connection with the Exchange Offers.

Dealer Managers

Barclays Capital Inc., Banco Bilbao Vizcaya Argentaria, S.A., Citigroup Global Markets Limited, Crédit Agricole Corporate and Investment Bank, Credit Suisse Securities (Europe) Limited, ING Financial Markets LLC, Lloyds Securities Inc., Merrill Lynch, Pierce Fenner & Smith Incorporated, Natixis, SMBC Nikko Capital Markets Limited, Swedbank AB (publ) and UBS Limited (each, a **Dealer Manager** and collectively, the **Dealer Managers**).

Exchange Agents

Global Bondholder Services Corporation is the Dollar Exchange Agent for the Dollar Exchange Offer, and Lucid Issuer Services Limited is the Sterling and Euro Exchange Agent for the Sterling Exchange Offer and the Euro Exchange Offer.

Further Information

If you have questions about the terms of the Exchange Offers, please contact the Dealer Managers or the Exchange Agents. Requests for additional copies of this prospectus, the documents incorporated by reference herein and the Agent's Message, Tender and Blocking Instruction or Electronic Acceptance Instruction (each, an **Exchange Instruction**) may be directed to the relevant Exchange Agent. If you have questions regarding the procedures for tendering your Existing T1 Securities, please contact the relevant Exchange Agents. The contact information for the Dealer Managers and Exchange Agents are set forth on the back cover page of this prospectus.

As required by the Securities Act of 1933, as amended, we have filed a registration statement relating to the Exchange Offers with the Securities and Exchange Commission. This prospectus is a part of that registration statement.

See also *Where You Can Find More Information About Us*.

Summary Terms of the New AT1 Securities

Please refer to Description of the New AT1 Securities on page 106 of this prospectus for more information about the New AT1 Securities.

General

The Issuer

Barclays

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The Securities Being Offered

In respect of the Sterling Exchange Offer, GBP-denominated 7.00% Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities (Callable 2019 and Every Five Years Thereafter), referred to herein as the Sterling AT1 Securities.

In respect of the Euro Exchange Offer, Euro-denominated 6.50% Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities (Callable 2019 and Every Five Years Thereafter), referred to herein as the Euro AT1 Securities.

In respect of the Dollar Exchange Offer, U.S. dollar-denominated 6.625% Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities (Callable 2019 and Every Five Years Thereafter), referred to herein as the Dollar AT1 Securities.

Each of the Sterling AT1 Securities, the Euro AT1 Securities and the Dollar AT1 Securities will constitute a series of Contingent Convertible Securities issued under the Indenture.

Perpetual Securities

The New AT1 Securities are perpetual securities and have no fixed maturity or fixed redemption date.

Terms specific to the Sterling AT1 Securities

Issue Price

100% of the nominal principal amount.

Interest Rate

From (and including) the date of issuance to (but excluding) September 15, 2019, the interest rate on the Sterling AT1 Securities will be 7.00% per annum. From (and including) each Sterling Reset Date to (but excluding) the next following Sterling Reset Date, the applicable per annum interest rate in respect of the Sterling AT1 Securities will be equal to the sum of the applicable Sterling Mid-Market Swap Rate (as defined herein) on the relevant Sterling Reset Determination Date (as defined herein) and 5.084% (the **Sterling Interest Margin**).

For a description of the circumstances under which interest may be cancelled and not paid, see *Terms common to each Series of the New AT1 Securities Interest Payments Discretionary* and *Terms common to each Series of the New AT1 Securities Restriction on Interest Payments* below.

Reset Dates

The **Sterling Reset Dates** are September 15, 2019 and each fifth anniversary date thereafter, commencing September 15, 2024.

Reset Determination Dates-

The **Sterling Reset Determination Date** is the second Payment Business Day immediately preceding each Sterling Reset Date.

Sterling Mid-Market Swap Rate

Sterling Mid-Market Swap Rate is the mid-market sterling swap rate LIBOR basis having a five-year maturity appearing on Reuters page ISDAFIX4 (or such other page as may replace such page on Reuters, or such other page as may be nominated by the person

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providing or sponsoring the information appearing on such page for purposes of displaying comparable rates) at 11:00 a.m. (London time) on the relevant Sterling Reset Determination Date, as determined by the Calculation Agent. If such swap rate does not appear on such page (or such other page or service), the Sterling Mid-Market Swap Rate shall instead be determined by the Calculation Agent on the basis of

(i) Sterling Five-year Mid-Market Swap Rate Quotations provided by the principal office of each of four major banks in the sterling swap rate market (which banks shall be selected by the Calculation Agent in consultation with the Issuer no less than 20 calendar days prior to the relevant Sterling Reset Determination Date) (the **Sterling Reference Banks**) at approximately 11:00 a.m. (London time) (or thereafter on such date, with the Calculation Agent acting on a best efforts basis) on the relevant Sterling Reset Determination Date and (ii) the arithmetic mean expressed as a percentage and rounded, if necessary, to the nearest 0.001% (0.0005% being rounded upwards) of such Sterling Five-year Mid-Market Swap Rate Quotations. If the relevant Sterling Mid-Market Swap Rate is still not determined on the relevant Sterling Reset Determination Date in accordance with the foregoing procedures, the relevant Sterling Mid-Market Swap Rate shall be the mid-market sterling swap rate LIBOR basis having a five-year maturity that appeared on the most recent Reuters page ISDAFIX4 (or such other page as may replace such page on Reuters, or such other page as may be nominated by the person providing or sponsoring the information appearing on such page for purposes of displaying comparable rates) that was last available prior to 11:00 a.m. (London time) on each Sterling Reset Determination Date, as determined by the Calculation Agent.

Sterling Five-year Mid-Market Swap Rate Quotations means the arithmetic mean of the bid and offered rates for the annual fixed leg (calculated on an Actual/365 day count basis) of a fixed-for-floating Sterling interest rate swap transaction which: (i) has a term of five years commencing on the applicable Sterling Reset Date; (ii) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market; and (iii) has a floating leg based on six-month LIBOR (calculated on an Actual/365 day count basis).

Interest Payment Dates

March 15, June 15, September 15 and December 15 of each year, commencing on September 15, 2014.

Regular Record Dates

The close of business (in the relevant Clearing System) on the Clearing System Business Day immediately preceding each interest payment date (or, if the New AT1 Securities are held in definitive form, the 15th Business Day preceding each interest payment date). The term **Clearing**

System Business Day means a day on which each of Euroclear and Clearstream, Luxembourg, to the extent any global certificate is being held with respect to either of them, is open for business.

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ISIN XS1068561098

Common Code 106856109
Swiss Security Number

Book-Entry Issuance, Denominations,
Settlement and Clearance

We will issue the Sterling AT1 Securities in fully registered form. Book-entry interests in the Sterling AT1 Securities will be issued in minimum denominations of £200,000 and integral multiples of £1,000 in excess thereof.

The Sterling AT1 Securities will be represented by one or more global certificates deposited with a common depository for Clearstream, Luxembourg and/or Euroclear and registered in the name of such common depository or its nominee. You will hold beneficial interests in the Sterling AT1 Securities through Clearstream, Luxembourg and/or Euroclear and their respective direct and indirect participants, and such direct and indirect participants will record your beneficial interest on their books.

We will not issue definitive certificated Sterling AT1 Securities except in limited circumstances set out under *Description of Certain Provisions Relating to the New AT1 Securities Special Situations When a Global Security Will Be Terminated* below. Settlement of the Sterling AT1 Securities will occur in Clearstream, Luxembourg and/or Euroclear against payment for value on the issue date. For information on the book-entry systems of the relevant Clearing Systems, see *Clearance and Settlement The Clearing Systems Clearstream, Luxembourg and Clearance and Settlement The Clearing Systems Euroclear* below.

Terms specific to the Euro AT1 Securities

Issue Price 100% of the nominal principal amount.

Interest Rates From (and including) the date of issuance to (but excluding) September 15, 2019, the interest rate on the Euro AT1 Securities will be 6.50% per annum. From (and including) each Euro Reset Date to (but excluding) the next following Euro Reset Date, the applicable per annum interest rate in respect of the Euro AT1 Securities will be equal to the sum of the applicable Euro Mid-Market Swap Rate on the relevant Euro Reset Determination Date (as defined herein) and 5.875% (the **Euro Interest Margin**).

For a description of the circumstances under which interest may be cancelled and not paid, see *Terms common to each Series of the New AT1 Securities Interest Payments Discretionary* and *Terms common to each Series of the New AT1 Securities Restriction on Interest Payments* below.

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Reset Dates	The Euro Reset Dates are September 15, 2019 and each fifth anniversary date thereafter, commencing on September 15, 2024.
Reset Determination Dates	The Euro Reset Determination Date is the second Payment Business Day immediately preceding each Euro Reset Date.
Euro Mid-Market Swap Rate	<p>The Euro Mid-Market Swap Rate is the mid-market euro swap rate EURIBOR basis having a five-year maturity appearing on Reuters page ISDAFIX2 (or such other page as may replace such page on Reuters, or such other page as may be nominated by the person providing or sponsoring the information appearing on such page for purposes of displaying comparable rates) at 11:00 a.m. (Frankfurt time) on the relevant Euro Reset Determination Date, as determined by the Calculation Agent. If such swap rate does not appear on such page (or such other page or service), the Euro Mid-Market Swap Rate shall instead be determined by the Calculation Agent on the basis of (i) Euro Five-year Mid-Market Swap Rate Quotations provided by the principal office of each of four major banks in the euro swap rate market (which banks shall be selected by the Calculation Agent in consultation with the Issuer no less than 20 calendar days prior to the relevant Euro Reset Determination Date) (the Euro Reference Banks) at approximately 11:00 a.m. (Frankfurt time) (or thereafter on such date, with the Calculation Agent acting on a best efforts basis) on the relevant Euro Reset Determination Date and (ii) the arithmetic mean expressed as a percentage and rounded, if necessary, to the nearest 0.001% (0.0005% being rounded upwards) of such Euro Five-year Mid-Market Swap Rate Quotations. If the relevant Euro Mid-Market Swap Rate is still not determined on the relevant Euro Reset Determination Date in accordance with the foregoing procedures, the relevant Euro Mid-Market Swap Rate shall be the mid-market euro swap rate EURIBOR basis having a five-year maturity that appeared on the most recent Reuters page ISDAFIX2 (or such other page as may replace such page on Reuters, or such other page as may be nominated by the person providing or sponsoring the information appearing on such page for purposes of displaying comparable rates) that was last available prior to 11:00 a.m. (Frankfurt time) on each Euro Reset Determination Date, as determined by the Calculation Agent.</p> <p>Euro Five-year Mid-Market Swap Rate Quotations means the arithmetic mean of the bid and offered rates for the annual fixed leg (calculated on a 30/360 day count basis) of a fixed-for-floating euro interest rate swap transaction which: (i) has a term of five years commencing on the applicable Euro Reset Date; (ii) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap</p>

market; and (iii) has a floating leg based on six-month EURIBOR (calculated on an Actual/360 day count basis).

Interest Payment Dates

March 15, June 15, September 15 and December 15 of each year, commencing on September 15, 2014.

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Regular Record Dates	The close of business (in the relevant Clearing System) on the Clearing System Business Day immediately preceding each interest payment date (or, if the New AT1 Securities are held in definitive form, the 15th Business Day preceding each interest payment date).
ISIN	XS1068574828
Common Code Swiss Security Number	106857482
Book-Entry Issuance, Denominations, Settlement and Clearance	<p>We will issue the Euro AT1 Securities in fully registered form. Book-entry interests in the Euro AT1 Securities will be issued in minimum denominations of 200,000 and integral multiples of 1,000 in excess thereof.</p> <p>The Euro AT1 Securities will be represented by one or more global certificates deposited with a common depository for Clearstream, Luxembourg and/or Euroclear and registered in the name of such common depository or its nominee. You will hold beneficial interests in the Euro AT1 Securities through Clearstream, Luxembourg and/or Euroclear and their respective direct and indirect participants, and such direct and indirect participants will record your beneficial interest on their books.</p> <p>We will not issue definitive certificated Euro AT1 Securities except in limited circumstances set out under <i>Description of Certain Provisions Relating to the New AT1 Securities Special Situations When a Global Security Will Be Terminated</i> below. Settlement of the Euro AT1 Securities will occur in Clearstream, Luxembourg and/or Euroclear against payment for value on the issue date. For information on the book-entry systems of the relevant Clearing Systems, see <i>Clearance and Settlement The Clearing Systems Clearstream, Luxembourg</i> and <i>Clearance and Settlement The Clearing Systems Euroclear</i> below.</p>

Terms specific to the Dollar AT1 Securities

Issue Price 100% of the nominal principal amount.

Interest Rates

From (and including) the date of issuance to (but excluding) September 15, 2019, the interest rate on the Dollar AT1 Securities will be 6.625% per annum. From (and including) each U.S. Reset Date to (but excluding) the next following U.S. Reset Date, the applicable per annum interest rate in respect of the Dollar AT1 Securities will be equal to the sum of the applicable Dollar Mid-Market Swap Rate (as defined herein) on the relevant U.S. Reset Determination Date (as defined herein) and 5.022% (the **Dollar Interest Margin**).

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For a description of the circumstances under which interest may be cancelled and not paid, see *Terms common to each Series of the New AT1 Securities Interest Payments Discretionary and Terms common to each Series of the New AT1 Securities Restriction on Interest Payments* below.

Reset Dates

The **U.S. Reset Dates** are September 15, 2019 and each fifth anniversary date thereafter, commencing September 15, 2024.

Reset Determination Dates

The **U.S. Reset Determination Date** is the second Business Day immediately preceding each U.S. Reset Date.

Dollar Mid-Market Swap Rate

The **Dollar Mid-Market Swap Rate** is the mid-market U.S. dollar swap rate LIBOR basis having a five-year maturity appearing on Bloomberg page ISDA 01 (or such other page as may replace such page on Bloomberg, or such other page as may be nominated by the person providing or sponsoring the information appearing on such page for purposes of displaying comparable rates) at 11:00 a.m. (New York time) on the relevant U.S. Reset Determination Date, as determined by the Calculation Agent. If such swap rate does not appear on such page (or such other page or service), the Dollar Mid-Market Swap Rate shall instead be determined by the Calculation Agent on the basis of (i) quotations provided by the principal office of each of four major banks in the U.S. dollar swap rate market (which banks shall be selected by the Calculation Agent in consultation with the Issuer no less than 20 calendar days prior to the relevant U.S. Reset Determination Date) (the **U.S. Reference Banks**) of the rates at which swaps in U.S. dollars are offered by it at approximately 11:00 a.m. (New York time) (or thereafter on such date, with the Calculation Agent acting on a best efforts basis) on the relevant U.S. Reset Determination Date to participants in the U.S. dollar swap rate market for a five-year period and (ii) the arithmetic mean expressed as a percentage and rounded, if necessary, to the nearest 0.001% (0.0005% being rounded upwards) of such quotations. If the relevant Dollar Mid-Market Swap Rate is still not determined on the relevant U.S. Reset Determination Date in accordance with the foregoing procedures, the relevant Dollar Mid-Market Swap Rate shall be the mid-market U.S. dollar swap rate LIBOR basis having a five-year maturity that appeared on the most recent Bloomberg page ISDA 01 (or such other page as may replace such page on Bloomberg, or such other page as may be nominated by the person providing or sponsoring the information appearing on such page for purposes of displaying comparable rates) that was last available prior to 11:00 a.m. (New York time) on each U.S. Reset Determination Date, as determined by the Calculation Agent.

Interest Payment Dates

March 15, June 15, September 15 and December 15 of each year, commencing on September 15, 2014.

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Regular Record Dates The Business Day immediately preceding each interest payment date (or, if the Dollar AT1 Securities are held in definitive form, the 15th Business Day preceding each interest payment date).

ISIN US06738EAB11

CUSIP 06738EAB1

Common Code 106966389

Swiss Security Number

Book-Entry Issuance, Denominations, Settlement and Clearance We will issue the Dollar AT1 Securities in fully registered form. Book-entry interests in the Dollar AT1 Securities will be issued in minimum denominations of \$200,000 and integral multiples of \$1,000 in excess thereof.

The Dollar AT1 Securities will be represented by one or more global certificates registered in the name of a nominee of DTC. You will hold beneficial interests in the Dollar AT1 Securities through DTC and its direct and indirect participants, including Euroclear and Clearstream, Luxembourg, and DTC and its direct and indirect participants will record your beneficial interest on their books.

We will not issue definitive certificated Dollar AT1 Securities except in limited circumstances set out under *Description of Certain Provisions Relating to the New AT1 Securities Special Situations When a Global Security Will Be Terminated* below. Settlement of the Dollar AT1 Securities will occur through DTC in same day funds. For information on the book-entry systems of DTC, see *Clearance and Settlement The Clearing Systems DTC* below.

Terms common to each Series of the New AT1 Securities

Interest Payments Discretionary Interest on the New AT1 Securities will be due and payable only at the sole discretion of the Issuer, and the Issuer shall have sole and absolute discretion at all times and for any reason to cancel (in whole or in part) any interest payment that would otherwise be payable on any interest payment date. If the Issuer does not make an interest payment on the relevant interest payment date (or if the Issuer elects to make a payment

of a portion, but not all, of such interest payment), such non-payment shall evidence the Issuer's exercise of its discretion to cancel such interest payment (or the portion of such interest payment not paid), and accordingly such interest payment (or the portion thereof not paid) shall not be due and payable.

See also *Agreement to Interest Cancellation* and *Notice of Interest Cancellation* below.

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Restriction on Interest Payments

Subject to the extent permitted in the following paragraph in respect of partial interest payments, the Issuer shall not make an interest payment on the New AT1 Securities on any interest payment date (and such interest payment shall therefore be deemed to have been cancelled and thus shall not be due and payable on such interest payment date) if:

- (a) the Issuer has an amount of Distributable Items on such interest payment date that is less than the sum of (i) all distributions or interest payments made or declared by the Issuer since the end of the last financial year and prior to such interest payment date on or in respect of any Parity Securities, the New AT1 Securities and any Junior Securities and (ii) all distributions or interest payments payable by the Issuer (and not cancelled or deemed cancelled) on such interest payment date (x) on the New AT1 Securities and (y) on or in respect of any Parity Securities, in the case of each of (i) and (ii), excluding any payments already accounted for in determining the Distributable Items; or
- (b) the Solvency Condition (as defined under *Ranking* below) is not satisfied in respect of such interest payment.

The Issuer may, in its sole discretion, elect to make a partial interest payment on any Series of the New AT1 Securities on any interest payment date, only to the extent that such partial interest payment may be made without breaching the restriction in the preceding paragraph.

Distributable Items shall have the meaning assigned to such term in CRD IV as interpreted and applied in accordance with the Capital Regulations then applicable to the Issuer, but amended so that for so long as there is any reference therein to before distributions to holders of own funds instruments it shall be read as a reference to before distributions to holders of Parity Securities, the New AT1 Securities or any Junior Securities. Under CRD IV, as at the date hereof, distributable items means the amount of the profits at the end of the latest financial year plus any profits brought forward and reserves available for that purpose before distributions to holders of own funds instruments less any losses

brought forward, profits which are non-distributable pursuant to provisions in legislation or the institution's by-laws and sums placed to non-distributable reserves in accordance with applicable national law or the statutes of the institution, those losses and reserves being determined on the basis of the individual accounts of the institution and not on the basis of the consolidated accounts.

Junior Securities means any ordinary shares, securities or other obligations (including any guarantee, credit support or similar undertaking) of the Issuer ranking, or expressed to rank, junior to the New AT1 Securities in a winding-up or administration of the Issuer.

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Parity Securities means any preference shares, securities or other obligations (including any guarantee, credit support or similar undertaking) of the Issuer ranking, or expressed to rank, *pari passu* with the New AT1 Securities in a winding-up or administration of the Issuer.

See also *Agreement to Interest Cancellation* and *Notice of Interest Cancellation* below.

Agreement to Interest Cancellation

By acquiring the New AT1 Securities, holders of the New AT1 Securities acknowledge and agree that:

- (a) interest is payable solely at the discretion of the Issuer, and no amount of interest shall become due and payable in respect of the relevant interest period to the extent that it has been (x) cancelled (in whole or in part) by us at our sole discretion and/or (y) deemed cancelled (in whole or in part) as a result of us having insufficient Distributable Items or failing to satisfy the Solvency Condition; and
- (b) a cancellation or deemed cancellation of interest (in each case, in whole or in part) in accordance with the terms of the Indenture shall not constitute a default in payment or otherwise under the terms of the New AT1 Securities.

Interest will only be due and payable on an interest payment date to the extent it is not cancelled or deemed cancelled in accordance with the provisions described under *Interest Payments Discretionary* and *Restriction on Interest Payments* above. Any interest cancelled or deemed cancelled (in each case, in whole or in part) in the circumstances described above shall not be due and shall not accumulate or be payable at any time thereafter, and holders of the New AT1 Securities shall have no rights thereto or to receive any additional interest or compensation as a result of such cancellation or deemed cancellation.

Notice of Interest Cancellation

If practicable, we shall provide notice of any cancellation or deemed cancellation of interest (in whole or in part) to the holders of the relevant

Series of New AT1 Securities through the Clearing Systems (or, if the relevant Series of New AT1 Securities are held in definitive form, to the holders at their addresses shown on the register for the relevant Series of New AT1 Securities) and to the trustee directly on or prior to the relevant interest payment date. If practicable, we shall endeavor to provide such notice at least five (5) Business Days prior to the relevant interest payment date. Failure to provide such notice will not have any impact on the effectiveness of, or otherwise invalidate, any such cancellation or deemed cancellation of interest, or give holders of the relevant Series of New AT1 Securities any rights as a result of such failure.

Ranking

Each Series of New AT1 Securities will constitute our direct, unsecured and subordinated obligations, ranking equally without any

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preference among themselves. The rights and claims of the holders of each Series of New AT1 Securities in respect of or arising from such New AT1 Securities (including any damages (if payable)) will be subordinated to the claims of Senior Creditors.

If:

- (a) an order is made, or an effective resolution is passed, for the winding-up of the Issuer (except in any such case for a solvent winding-up solely for the purpose of a merger, reconstruction or amalgamation); or
- (b) following the appointment of an administrator of the Issuer, the administrator gives notice that it intends to declare and distribute a dividend,

then, (1) if such events specified in (a) or (b) above occur before the date on which a Capital Adequacy Trigger Event occurs, there shall be payable by the Issuer in respect of each New AT1 Security (in lieu of any other payment by the Issuer) such amount, if any, as would have been payable to a holder of New AT1 Securities if, on the day prior to the commencement of the winding-up or such administration and thereafter, such holder of New AT1 Securities were the holder of the most senior class of preference shares in the capital of the Issuer, having an equal right to a return of assets in the winding-up or such administration to, and so ranking *pari passu* with, the holders of such class of preference shares (if any) from time to time issued by the Issuer that has a preferential right to a return of assets in the winding-up or such administration, and so ranking ahead of the holders of all other classes of issued shares for the time being in the capital of the Issuer, but ranking junior to the claims of Senior Creditors, and on the assumption that the amount that such holder of New AT1 Securities was entitled to receive in respect of such preference shares, on a return of assets in such winding-up or such administration, was an amount equal to the principal amount of the relevant New AT1 Security, together with any damages (if payable) and (2) if such events specified in (a) or (b) above occur on or after the date on which a Capital Adequacy Trigger Event occurs but before the Conversion Date, then for purposes of determining the claim of a holder of New AT1 Securities in such winding-up or such administration, the Conversion Date in respect of an Automatic Conversion shall be deemed to have occurred immediately before the occurrence of such events specified in (a) or (b) above.

Senior Creditors means creditors of the Issuer (i) who are unsubordinated creditors; (ii) whose claims are, or are expressed to be, subordinated (whether only in the event of the winding-up or administration of the Issuer or otherwise) to the claims of unsubordinated creditors of the Issuer but not further or otherwise; or (iii) whose claims are, or are expressed to be, junior to the claims of

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other creditors of the Issuer, whether subordinated or unsubordinated, other than those whose claims rank, or are expressed to rank, *pari passu* with, or junior to, the claims of the holders of the New AT1 Securities.

Furthermore, other than in the event of a winding-up or administration of the Issuer referred to above, payments in respect of or arising from the New AT1 Securities are conditional upon the Issuer being solvent at the time of payment by the Issuer and that no sum in respect of or arising from the New AT1 Securities may fall due and be paid except to the extent that the Issuer could make such payment and still be solvent immediately thereafter (such condition referred to herein as the **Solvency Condition**). The Issuer shall be considered to be solvent at a particular point in time if (i) it is able to pay its debts owed to Senior Creditors as they fall due and (ii) the Balance Sheet Condition has been met.

Any payment of interest not due by reason of the provisions described above shall be deemed cancelled as described under *Restriction on Interest Payments*.

The **Balance Sheet Condition** shall be satisfied in relation to the Issuer if the value of its assets is at least equal to the value of its liabilities (taking into account its contingent and prospective liabilities), according to the criteria that would be applied by the High Court of Justice of England and Wales (or the relevant authority of such other jurisdiction in which the Issuer may be organized) in determining whether the Issuer is unable to pay its debts under section 123(2) of the U.K. Insolvency Act 1986 or any amendment or re-enactment thereof (or in accordance with the corresponding provisions of the applicable laws of such other jurisdiction in which the Issuer may be organized).

In addition, see *Risk Factors Risks Relating to the New AT1 Securities The Issuer is a holding company, which means that its right to participate in the assets of any of its subsidiaries upon the liquidation of such subsidiaries may be subject to prior claims of some of such subsidiary s creditors and preference shareholders.*

No Set-off

Subject to applicable law, no holder of New AT1 Securities may exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by the Issuer arising under, or in connection with, the New AT1 Securities and each holder of New AT1 Securities shall, by virtue of its holding of any New AT1 Securities, be deemed to have waived all such rights of set-off, compensation or retention. Notwithstanding the above, if any amounts due and payable to

any holder of the New AT1 Securities by the Issuer in respect of, or arising under, the New AT1 Securities are discharged by set-off, such holder shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer (or, in the event of its winding-up or administration, the liquidator or administrator of the Issuer, as the case may be) and, until

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such time as payment is made, shall hold an amount equal to such amount in trust for the Issuer (or the liquidator or administrator of the Issuer, as the case may be) and, accordingly, any such discharge shall be deemed not to have taken place.

Optional Redemption

We may, at our option, redeem any or all Series of the New AT1 Securities, in whole but not in part, on any Reset Date applicable to such Series at 100% of their principal amount, together with any accrued but unpaid interest (which excludes any interest cancelled or deemed cancelled as described under *Interest Payments Discretionary* or *Restriction on Interest Payments* above) to (but excluding) the date fixed for redemption. Any optional redemption will be subject to the provisions described under *Notice of Redemption* and *Condition to Redemption* below.

Regulatory Event Redemption

If there is a change in the regulatory classification of any Series of the New AT1 Securities that occurs on or after the issue date of the New AT1 Securities and that does, or would be likely to, result in: (a) the whole of the outstanding aggregate principal amount of such Series of New AT1 Securities; or (b) subject to the proviso below, any part of the outstanding aggregate principal amount of such Series of New AT1 Securities, ceasing to be included in, or counting towards, the Group's Tier 1 Capital (a **Regulatory Event**), we may, at our option, at any time, redeem such Series of New AT1 Securities, in whole but not in part, at a redemption price equal to 100% of their principal amount, together with any accrued but unpaid interest (which excludes any interest cancelled or deemed cancelled as described under *Interest Payments Discretionary* or *Restriction on Interest Payments* above) to (but excluding) the date fixed for redemption; *provided that*, if the inclusion of the Issuer's right to redeem the New AT1 Securities pursuant to paragraph (b) in the terms of the New AT1 Securities is at any time not in accordance with the Capital Regulations applicable to instruments intended to qualify as additional tier 1 capital, then the Issuer shall be deemed not to have, at that time, the right to exercise its right to redeem the New AT1 Securities in accordance with paragraph (b) above and the terms of the New AT1 Securities shall be construed accordingly. Any redemption upon the occurrence of a Regulatory Event will be subject to the provisions described under *Notice of Redemption* and *Condition to Redemption* below.

Tier 1 Capital means Tier 1 capital for the purposes of the Capital Regulations (as defined herein).

Tax Redemption

We may, at our option, at any time, redeem any or all Series of the New AT1 Securities, in whole but not in part, if we determine that as a result of a change in, or amendment to, the laws or regulations of a taxing jurisdiction, including any treaty to which the relevant taxing jurisdiction is a party, or a change in an official application or interpretation of those laws or regulations on or after the issue date of the New AT1 Securities, including a decision of any court or tribunal which becomes effective on

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or after the issue date of the New AT1 Securities (and, in the case of a successor entity, which becomes effective on or after the date of that entity's assumption of our obligations):

- (a) we will or would be required to pay holders Additional Amounts (as defined herein);
- (b) we would not be entitled to claim a deduction in respect of any payments in computing our taxation liabilities or the amount of the deduction would be materially reduced;
- (c) we would not, as a result of the relevant Series of New AT1 Securities being in issue, be able to have losses or deductions set against the profits or gains, or profits or gains offset by the losses or deductions, of companies with which we are or would otherwise be so grouped for applicable United Kingdom tax purposes (whether under the group relief system current as at the date of issue of the New AT1 Securities or any similar system or systems having like effect as may from time to time exist); or
- (d) we would, in the future, have to bring into account a taxable credit if the principal amount of any Series of New AT1 Securities were written down or such Series of New AT1 Securities were converted into Conversion Shares

(each such change in tax law or regulation or the official application or interpretation thereof, a **Tax Event**), at a price equal to 100% of their principal amount, together with any accrued but unpaid interest (which excludes any interest cancelled or deemed cancelled as described under *Interest Payments Discretionary* or *Restriction on Interest Payments* above) to (but excluding) the date fixed for redemption; *provided that* in the case of each Tax Event, the consequences of the Tax Event cannot be avoided by us taking reasonable measures available to us. Any redemption as a result of a Tax Event will also be subject to the provisions described under *Notice of Redemption* and *Condition to Redemption* below.

Notice of Redemption

Any redemption of any Series of the New AT1 Securities shall be subject to our giving not less than thirty (30) days, nor more than sixty (60) days, prior notice to the holders of such Series of the New AT1 Securities via each of the Clearing Systems (or, if the relevant Series of New AT1

Securities are held in definitive form, to the holders at their addresses shown on the register for such Series of New AT1 Securities) (such notice being irrevocable except in the limited circumstances described in the following paragraph) specifying our election to redeem the relevant Series of New AT1 Securities and the date fixed for such redemption. Notice by the Clearing Systems to participating institutions and by these participants to street name holders of beneficial interests in the relevant Series of New AT1 Securities will be made according to arrangements among them and may be subject to statutory or regulatory requirements.

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If the Issuer has elected to redeem any Series of the New AT1 Securities but the Solvency Condition is not satisfied in respect of the relevant redemption payment on the applicable redemption date, the relevant redemption notice shall be automatically rescinded and shall be of no force and effect and no payment of the redemption amount will be due and payable. In addition, if the Issuer has elected to redeem any Series of the New AT1 Securities but prior to the payment of the redemption amount with respect to such redemption a Capital Adequacy Trigger Event occurs, the relevant redemption notice shall be automatically rescinded and shall be of no force and effect, no payment of the redemption amount will be due and payable and an Automatic Conversion shall occur as described under *Automatic Conversion Upon Capital Adequacy Trigger Event* below.

If the Issuer has elected to redeem any Series of the New AT1 Securities but prior to the payment of the redemption amount with respect to such redemption the relevant U.K. resolution authority exercises its U.K. Bail-in Power with respect to the Issuer, the relevant redemption notice shall be automatically rescinded and shall be of no force and effect, and no payment of the redemption amount will be due and payable.

Condition to Redemption

Notwithstanding any other provision, we may redeem any or all Series of the New AT1 Securities (and give notice thereof to the holders of the relevant Series of New AT1 Securities) only if we have obtained the PRA's prior consent (if such consent is required by the Capital Regulations) for the redemption of such New AT1 Securities. For more information, see *Description of the New AT1 Securities Redemption Condition to Redemption* below.

Condition to Repurchase

The Issuer or any member of the Group may purchase or otherwise acquire any of the outstanding New AT1 Securities at any price in the open market or otherwise in accordance with the Capital Regulations applicable to the Group in force at the relevant time, and subject to the prior consent of the PRA (if such consent is required by the Capital Regulations) and to applicable law and regulation.

Capital Adequacy Trigger Event

A **Capital Adequacy Trigger Event** shall occur in respect of each Series of New AT1 Securities if the fully loaded CET1 Ratio (as defined below) as of any Quarterly Financial Period End Date (as defined below) or Extraordinary Calculation Date (as defined below), as the case may be, is less than 7.00% on such date.

Conversion Price

The **Conversion Price** means the Sterling AT1 Conversion Price, the Euro AT1 Conversion Price, or the Dollar AT1 Conversion Price, as applicable.

The conversion price applicable to the Sterling AT1 Securities is fixed at £1.65 per Conversion Share (the **Sterling AT1 Conversion Price**).

The conversion price applicable to the Euro AT1 Securities is fixed at 2.02 per Conversion Share (the **Euro AT1 Conversion Price**). On

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the date of issue of the Euro AT1 Securities, the Euro AT1 Conversion Price shall be equivalent to the Conversion Shares Offer Price translated into euro at an exchange rate of £1.00 = 1.2231.

The conversion price applicable to the Dollar AT1 Securities is fixed at \$2.77 per Conversion Share, (the **Dollar AT1 Conversion Price**). On the date of issue of the Dollar AT1 Securities, the Dollar AT1 Conversion Price shall be equivalent to the Conversion Shares Offer Price translated into U.S. dollars at an exchange rate of £1.00 = \$1.6769.

The Conversion Price is subject to certain anti-dilution adjustments, as described under *Description of the New AT1 Securities Anti-Dilution* below.

Automatic Conversion Upon Capital Adequacy Trigger Event

If a Capital Adequacy Trigger Event occurs as of any Quarterly Financial Period End Date or Extraordinary Calculation Date, as the case may be, then an Automatic Conversion will occur on the Conversion Date, as described under *Description of the New AT1 Securities Automatic Conversion Upon Capital Adequacy Trigger Event Automatic Conversion Procedure* below, at which point all of the Issuer's obligations under the New AT1 Securities (other than the CSO Obligations, if any) shall be irrevocably and automatically released in consideration of the Issuer's issuance of the Conversion Shares to the Conversion Shares Depository (or to the relevant recipient in accordance with the terms of the New AT1 Securities) on the Conversion Date, and under no circumstances shall such released obligations be reinstated. The Automatic Conversion shall occur without delay upon the occurrence of a Capital Adequacy Trigger Event.

The Conversion Shares shall initially be registered in the name of the Conversion Shares Depository (which shall hold the Conversion Shares on behalf of the holders of the New AT1 Securities) or the relevant recipient in accordance with the terms of the New AT1 Securities and each holder of the New AT1 Securities shall be deemed to have irrevocably directed the Issuer to issue the Conversion Shares corresponding to the conversion of its holding of New AT1 Securities to the Conversion Shares Depository (or to such other relevant recipient).

The Issuer shall immediately inform the PRA of the occurrence of a Capital Adequacy Trigger Event and shall deliver an Automatic Conversion Notice to holders of the New AT1 Securities as described under *Description of the New AT1 Securities Automatic Conversion Upon Capital Adequacy Trigger Event Automatic Conversion*

Procedure below.

Following an Automatic Conversion, no holder of the New AT1 Securities will have any rights against us with respect to the repayment of the principal amount of the New AT1 Securities or the

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payment of interest or any other amount on or in respect of such New AT1 Securities, which liabilities of the Issuer shall be automatically released and, accordingly, the principal amount of the New AT1 Securities shall equal zero at all times thereafter. Any interest in respect of an interest period ending on any interest payment date falling between the date of a Capital Adequacy Trigger Event and the Conversion Date shall be deemed to have been cancelled upon the occurrence of such Capital Adequacy Trigger Event and shall not be due and payable.

Provided that the Issuer issues the Conversion Shares to the Conversion Shares Depository (or to the relevant recipient as described herein) in accordance with the terms of the New AT1 Securities as described herein, with effect from the Conversion Date, holders of the New AT1 Securities shall have recourse only to the Conversion Shares Depository (or to such other relevant recipient, as applicable) for the delivery to them of Conversion Shares or, if the Issuer elects that a Conversion Shares Offer be made as described under *Conversion Shares Offer* below, of any Conversion Shares Offer Consideration to which such holders are entitled as described herein.

Following the issuance of the Conversion Shares to the Conversion Shares Depository (or to the relevant recipient in accordance with the terms of the New AT1 Securities, as applicable) on the Conversion Date, the New AT1 Securities shall remain in existence until the applicable Cancellation Date for the sole purpose of evidencing (a) the holder's right to receive Conversion Shares or Conversion Shares Offer Consideration, as applicable, from the Conversion Shares Depository (or such other relevant recipient) and (b) the Issuer's CSO Obligations, if any. The Issuer currently expects that beneficial interests in the New AT1 Securities will be transferrable until the Suspension Date and that any trades in the New AT1 Securities would clear and settle through the Clearing Systems until such date. However, there is no guarantee that an active trading market will exist for the New AT1 Securities following the Automatic Conversion. The New AT1 Securities will cease to be admitted to trading on the SIX Swiss Exchange after the Suspension Date.

Subject to the conditions described under *Description of the New AT1 Securities Automatic Conversion Upon Capital Adequacy Trigger Event Settlement Procedure* below, (a) the Conversion Shares or Conversion Share component, if any, of any Conversion Shares Offer Consideration, as applicable, will be delivered to holders of the New AT1 Securities on the applicable Conversion Share Settlement Date, (b) the cash component, if any, of any Conversion Shares Offer Consideration will be delivered to holders of the New AT1 Securities on

or around the date on which the Conversion Shares Offer Period ends and (c) the New AT1 Securities shall be cancelled on the applicable Cancellation Date.

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The New AT1 Securities are not convertible into Conversion Shares at the option of the holders at any time.

Notwithstanding any other provision herein, by its acquisition of the New AT1 Securities, each holder shall (i) agree to all the terms and conditions of the New AT1 Securities, including, without limitation, those related to (x) the occurrence of a Capital Adequacy Trigger Event and any related Automatic Conversion and (y) the appointment of the Conversion Shares Depository, the issuance of the Conversion Shares to the Conversion Shares Depository (or to the relevant recipient in accordance with the terms of the New AT1 Securities) and the potential sale of the Conversion Shares pursuant to a Conversion Shares Offer, (ii) agree that effective upon, and following, an Automatic Conversion, no amount shall be due and payable to the holders under the New AT1 Securities and the liability of the Issuer to pay any such amounts (including the principal amount of, or any interest in respect of, the New AT1 Securities) shall be automatically released, and the holders shall not have the right to give a direction to the trustee with respect to the Capital Adequacy Trigger Event and any related Automatic Conversion and (iii) waive, to the extent permitted by the Trust Indenture Act, any claim against the trustee arising out of its acceptance of its trusteeship for the New AT1 Securities, including, without limitation, claims related to or arising out of or in connection with a Capital Adequacy Trigger Event and/or any Automatic Conversion.

Automatic Conversion Procedure

If a Capital Adequacy Trigger Event has occurred as of any Quarterly Financial Period End Date or Extraordinary Calculation Date, as the case may be, we shall deliver an Automatic Conversion Notice to the trustee and to the holders of the New AT1 Securities via each of the Clearing Systems:

(i) in the case of a Capital Adequacy Trigger Event that has occurred as of any Quarterly Financial Period End Date, on or within five (5) Business Days after the relevant Ordinary Reporting Date; and

(ii) in the case of a Capital Adequacy Trigger Event that has occurred as of any Extraordinary Calculation Date, on or as soon as practicable after such Extraordinary Calculation Date.

The date on which the Automatic Conversion Notice shall be deemed to have been given shall be the date on which it is dispatched by the Issuer

to each of the Clearing Systems (or if the New AT1 Securities are held in definitive form, to the trustee).

Promptly following its receipt of the Automatic Conversion Notice, pursuant to DTC's procedures currently in effect, DTC will post the Automatic Conversion Notice to its Reorganization Inquiry for Participants System, and within two (2) Business Days of its receipt of the Automatic Conversion Notice, the trustee shall transmit the

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Automatic Conversion Notice to the direct participants of DTC holding the Dollar AT1 Securities at such time.

Additionally, promptly following its receipt of the Automatic Conversion Notice, pursuant to the applicable rules and operating procedures of Clearstream, Luxembourg and Euroclear currently in effect, each of Clearstream, Luxembourg and Euroclear shall transmit the Automatic Conversion Notice to the direct participants of such Clearing System holding the Euro AT1 Securities and the Sterling AT1 Securities at such time.

The Automatic Conversion shall occur on the Conversion Date and all of the Issuer's obligations under the New AT1 Securities (other than the CSO Obligations, if any) shall be irrevocably and automatically released in consideration of the Issuer's issuance of the Conversion Shares to the Conversion Shares Depository (or to the relevant recipient in accordance with the terms of the New AT1 Securities) and the principal amount of the New AT1 Securities shall equal zero at all times thereafter (although the Tradable Amount (as hereinafter defined) shall remain unchanged) as a result of the Automatic Conversion.

Within ten (10) Business Days following the Conversion Date, the Issuer shall deliver a Conversion Shares Offer Notice to the trustee directly and to the holders of the New AT1 Securities via each of the Clearing Systems.

The Conversion Shares Depository (or the relevant recipient in accordance with the terms of the New AT1 Securities, as applicable) shall hold the Conversion Shares on behalf of the holders of the New AT1 Securities, who shall be entitled to direct the Conversion Shares Depository or such other recipient, as applicable, to exercise on their behalf all rights of an ordinary shareholder (including voting rights and rights to receive dividends) except that holders shall not be able to sell or otherwise transfer the Conversion Shares until such time as they have been delivered to holders in accordance with the procedures set forth under *Description of the New AT1 Securities Automatic Conversion Upon Capital Adequacy Trigger Event Settlement Procedure* below.

Once we have delivered the Automatic Conversion Notice to each of the Clearing Systems following the occurrence of a Capital Adequacy Trigger Event (or following an Automatic Conversion (if sooner)), (a) the holders shall have no rights whatsoever under the Indenture or the New AT1 Securities to instruct the trustee to take any action whatsoever

and (b) as of the date of the Automatic Conversion Notice, except for any indemnity and/or security provided by any holder in such direction or related to such direction, any direction previously given to the trustee by any holders shall cease automatically and shall be null and void and of no further effect,

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except in each case of (a) and (b), with respect to any rights of holders with respect to any payments under the New AT1 Securities that were unconditionally due and payable prior to the date of the Automatic Conversion Notice or unless the trustee is instructed in writing by us to act otherwise.

Conversion Shares Offer

In respect of each Series of New AT1 Securities, the Issuer may, in its sole and absolute discretion, elect that the Conversion Shares Depository make an offer of all or some of the Conversion Shares to all or some of the Issuer's ordinary shareholders at such time at a cash price per Conversion Share equal to the Conversion Shares Offer Price, subject as provided below (the **Conversion Shares Offer**). The Issuer may, on behalf of the Conversion Shares Depository, appoint a Conversion Shares Offer Agent to act as placement or other agent to facilitate the Conversion Shares Offer. The Issuer will deliver a Conversion Shares Offer Notice to the trustee directly and to the holders of the New AT1 Securities via each of the Clearing Systems within ten (10) Business Days following the Conversion Date specifying whether or not it has elected that a Conversion Shares Offer be conducted. If so elected, the Conversion Shares Offer Period, during which the Conversion Shares Offer may be made, shall end no later than forty (40) Business Days after the delivery of the Conversion Shares Offer Notice.

Any Conversion Shares Offer shall be made subject to applicable laws and regulations in effect at the relevant time and shall be conducted, if at all, only to the extent that the Issuer, in its sole and absolute discretion, determines that the Conversion Shares Offer is practicable. The Issuer or the purchasers of the Conversion Shares sold in any Conversion Shares Offer shall bear the costs and expenses of any Conversion Shares Offer (other than the taxes referred to in the definition of Conversion Shares Offer Consideration), including the fees of the Conversion Shares Offer Agent, if any. If a prospectus or other offering document is required to be prepared in connection with a Conversion Shares Offer, the Issuer will facilitate the preparation of such prospectus or other offering document, and the Issuer and/or its directors will take responsibility for such prospectus or other offering document, in each case, if and to the extent then required by applicable laws and regulations then in effect. In addition, if so requested by the Conversion Shares Depository as offeror, the Issuer shall indemnify the Conversion Shares Depository for any losses incurred in connection with any Conversion Shares Offer.

Upon completion of the Conversion Shares Offer, the Issuer or the Conversion Shares Depository will provide notice to the holders of the New AT1 Securities of the composition of the Conversion Shares Offer Consideration (and of the deductions to the cash component, if any, of

the Conversion Shares Offer Consideration (as set out in the definition of Conversion Shares Offer Consideration)) per \$1,000, 1,000 or £1,000 Tradable Amount of the New AT1 Securities, as

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applicable. The Conversion Shares Offer Consideration will be delivered to holders of the New AT1 Securities pursuant to the procedures set forth under *Description of the New AT1 Securities Automatic Conversion Upon Capital Adequacy Trigger Event Settlement Procedure* below. The Issuer reserves the right, in its sole and absolute discretion, to terminate the Conversion Shares Offer at any time during the Conversion Shares Offer Period by providing at least three (3) Business Days notice to the trustee directly and to holders of the New AT1 Securities via each of the Clearing Systems, and, if it does so, the Issuer may, in its sole and absolute discretion, take steps (including changing the Suspension Date) to deliver to holders of the New AT1 Securities the Conversion Shares at a time that is earlier than the time at which they would have otherwise received the Conversion Shares Offer Consideration had the Conversion Shares Offer been completed.

By its acquisition of the New AT1 Securities, each holder of the New AT1 Securities acknowledges and agrees that if the Issuer elects, in its sole and absolute discretion, that a Conversion Shares Offer be made by the Conversion Shares Depository, such holder shall be deemed to have:

- (i) consented to any Conversion Shares Offer and to the Conversion Shares Depository using the Conversion Shares to settle any Conversion Shares Offer in accordance with the terms of the New AT1 Securities,
- (ii) consented to the transfer of the beneficial interest it holds in the Conversion Shares to the Conversion Shares Depository in connection with the Conversion Shares Offer in accordance with the terms of the New AT1 Securities, (iii) irrevocably agreed that the Issuer, the Conversion Shares Depository and the Conversion Shares Offer Agent, if any, may take any and all actions necessary to conduct the Conversion Shares Offer in accordance with the terms of the New AT1 Securities, and (iv) agreed that none of the Issuer, the trustee, the Conversion Shares Depository, if any, or the Conversion Shares Offer Agent, if any, shall, to the extent permitted by applicable law, incur any liability to the holders in respect of the Conversion Shares Offer (except for the obligations of the Conversion Shares Depository in respect of the holders' entitlement to any Conversion Shares Offer Consideration).

In the Barclays Notice of Annual General Meeting dated March 13, 2014, the Issuer informed its shareholders of its intention to give shareholders the opportunity to purchase the ordinary shares created on conversion of any equity conversion securities (such as the New AT1 Securities) on a *pro rata* basis, where practicable and subject to applicable laws and regulations. The Conversion Shares Offer may be conducted at the election of the Issuer, in its sole and absolute discretion, on the terms described above. The Issuer currently expects that in determining whether or not a Conversion Shares Offer shall be conducted and, if one is to be conducted, how and to whom such

Conversion Shares Offer shall be made, the directors of the Issuer would, in accordance with their duties, have regard to a variety of

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matters, including, without limitation, the interests of the Issuer's shareholders, taken as a whole, and the potential impact of a Conversion Shares Offer on the Issuer's financial stability. Further, neither the occurrence of a Capital Adequacy Trigger Event nor, following the occurrence of a Capital Adequacy Trigger Event, the election (if any) by the Issuer to undertake a Conversion Shares Offer on the terms set out herein, shall preclude the Issuer from undertaking a rights issue at any time on such terms as the Issuer deems appropriate, at its sole discretion, including for the avoidance of doubt the offer of ordinary shares at or below the Conversion Shares Offer Price.

Certain Definitions related to the Automatic Conversion and Conversion Shares Offer For the purposes of these provisions:

Automatic Conversion means the irrevocable and automatic release of all of the Issuer's obligations under the New AT1 Securities (other than the CSO Obligations, if any) in consideration of the Issuer's issuance of the Conversion Shares at the Conversion Price to the Conversion Shares Depository (on behalf of the holders of the New AT1 Securities) or to the relevant recipient, all in accordance with the terms of the New AT1 Securities.

Automatic Conversion Notice means the written notice to be delivered by us to the trustee directly and to the holders of the New AT1 Securities via each of the Clearing Systems (or, if the New AT1 Securities are held in definitive form, by us to the trustee directly and to the holders at their addresses shown on the register for the New AT1 Securities) specifying (i) that a Capital Adequacy Trigger Event has occurred, (ii) the Conversion Date or expected Conversion Date, (iii) the Conversion Price, (iv) that we have the option, at our sole and absolute discretion, to elect that a Conversion Shares Offer be conducted and that we will issue a Conversion Shares Offer Notice via each of the Clearing Systems within ten (10) Business Days following the Conversion Date notifying holders of our election and (v) that the New AT1 Securities shall remain in existence for the sole purpose of evidencing (a) the holder's right to receive Conversion Shares or Conversion Shares Offer Consideration, as applicable, from the Conversion Shares Depository and (b) the Issuer's CSO Obligations, if any, and that the New AT1 Securities may continue to be transferable until the Suspension Date, which shall be specified in the Conversion Shares Offer Notice.

Cancellation Date means (i) with respect to any New AT1 Security for which a Conversion Shares Settlement Notice is received by the Conversion Shares Depository on or before the Notice Cut-off Date, the

applicable Conversion Share Settlement Date and (ii) with respect to any New AT1 Security for which a Conversion Shares Settlement Notice is not received by the Conversion Shares Depository on or before the Notice Cut-off Date, the Final Cancellation Date.

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Capital Regulations means, at any time, the laws, regulations, requirements, standards, guidelines and policies relating to capital adequacy for credit institutions of either (i) the PRA and/or (ii) any other national or European authority, in each case then in effect in the United Kingdom (or in such other jurisdiction in which the Issuer may be organized or domiciled) and applicable to the Group.

CET1 Capital means, as of any Quarterly Financial Period End Date or Extraordinary Calculation Date, the sum, expressed in pounds sterling, of all amounts that constitute common equity tier 1 capital of the Group as of such date, less any deductions from common equity tier 1 capital required to be made as of such date, in each case as calculated by the Issuer on a consolidated basis in accordance with the Capital Regulations applicable to the Group on such Quarterly Financial Period End Date or Extraordinary Calculation Date, as the case may be (which calculation shall be binding on the trustee and the holders). For the purposes of this definition, the term common equity tier 1 capital shall have the meaning assigned to such term in CRD IV as interpreted and applied in accordance with the Capital Regulations then applicable to the Group.

Conversion Date means the date on which the Automatic Conversion shall take place, or has taken place, as applicable.

Conversion Shares means ordinary shares of the Issuer to be issued to the Conversion Shares Depository (or to the relevant recipient in accordance with the terms of the New AT1 Securities) following an Automatic Conversion, which ordinary shares shall be in such number as is determined by dividing the aggregate principal amount of each Series of the New AT1 Securities outstanding immediately prior to the Automatic Conversion on the Conversion Date by the Conversion Price applicable to such Series rounded down, if necessary, to the nearest whole number of ordinary shares.

Conversion Shares Depository means a financial institution, trust company, depository entity, nominee entity or similar entity to be appointed by the Issuer on or prior to any date when a function ascribed to the Conversion Shares Depository in the Indenture is required to be performed, to perform such functions and which, as a condition of such appointment, will be required to undertake, for the benefit of the holders of the New AT1 Securities, to hold the Conversion Shares (and any Conversion Shares Offer Consideration) on behalf of such holders of the New AT1 Securities in one or more segregated accounts, unless

otherwise required for the purposes of the Conversion Shares Offer and, in any event, on terms consistent with the Indenture.

Conversion Shares Offer Agent means the agent(s), if any, to be appointed on behalf of the Conversion Shares Depository by the

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Issuer, in its sole and absolute discretion, to act as placement or other agent of the Conversion Shares Depository to facilitate a Conversion Shares Offer.

Conversion Shares Offer Consideration means in respect of each Series of New AT1 Securities (i) if all of the Conversion Shares are sold in the Conversion Shares Offer, the pro rata share of the cash proceeds from the sale of the Conversion Shares attributable to such Series of New AT1 Securities in sterling, in the case of Sterling AT1 Securities or, in the case of Dollar AT1 Securities or Euro AT1 Securities, translated from sterling into U.S. dollars or euro, as applicable, at a then-prevailing exchange rate (less any foreign exchange transaction costs), (ii) if some but not all of the Conversion Shares are sold in the Conversion Shares Offer, (x) the *pro rata* share of the cash proceeds from the sale of the Conversion Shares attributable to such Series of New AT1 Securities in sterling, in the case of Sterling AT1 Securities or, in the case of Dollar AT1 Securities or Euro AT1 Securities, translated from sterling into U.S. dollars or euro, as applicable, at a then-prevailing exchange rate (less any foreign exchange transaction costs) and (y) the *pro rata* share of the Conversion Shares not sold pursuant to the Conversion Shares Offer attributable to such Series of New AT1 Securities rounded down to the nearest whole number of Conversion Shares, and (iii) if no Conversion Shares are sold in a Conversion Shares Offer, the relevant Conversion Shares attributable to such Series of New AT1 Securities rounded down to the nearest whole number of Conversion Shares, subject in the case of (i) and (ii)(x) above to deduction from any such cash proceeds of an amount equal to the *pro rata* share of any stamp duty, stamp duty reserve tax, or any other capital, issue, transfer, registration, financial transaction or documentary tax that may arise or be paid as a consequence of the transfer of any interest in the Conversion Shares to the Conversion Shares Depository as a consequence of the Conversion Shares Offer.

Conversion Shares Offer Notice means the written notice to be delivered by us to the trustee directly and to the holders of the New AT1 Securities via each of the Clearing Systems (or, if the New AT1 Securities are held in definitive form, by us to the trustee directly and to the holders at their addresses shown on the register for the New AT1 Securities) specifying (i) whether or not the Issuer has elected that a Conversion Shares Offer be made and, if so, the Conversion Shares Offer Period, (ii) the Suspension Date, (iii) details of the Conversion Shares Depository and (iv) if the Issuer has been unable to appoint a Conversion Shares Depository, such other arrangements for the issuance and/or delivery of the Conversion Shares or the Conversion Shares Offer Consideration, as applicable, to the holders of the New AT1 Securities as it shall consider reasonable in the circumstances.

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Conversion Shares Offer Period means the period during which the Conversion Shares Offer may occur, which period shall end no later than forty (40) Business Days after the delivery of the Conversion Shares Offer Notice.

Conversion Shares Offer Price shall mean £1.65 per Conversion Share (subject in each case to certain anti-dilution adjustments, as described under *Description of the New AT1 Securities Anti-Dilution* below).

Conversion Share Settlement Date means (i) with respect to any New AT1 Security in relation to which a Conversion Shares Settlement Notice is received by the Conversion Shares Depository on or before the Notice Cut-off Date, the later of (a) the date that is two (2) Business Days after the end of the relevant Conversion Shares Offer Period and (b) the date that is two (2) Business Days after the date on which such Conversion Shares Settlement Notice has been received by the Conversion Shares Depository and (ii) with respect to any New AT1 Security in relation to which a Conversion Shares Settlement Notice is not received by the Conversion Shares Depository on or before the Notice Cut-off Date, the date on which the Conversion Shares Depository delivers the relevant Conversion Shares or Conversion Share component, if any, of any Conversion Shares Offer Consideration, as applicable.

Conversion Shares Settlement Notice means a written notice to be delivered by a holder to the Conversion Shares Depository (or to the relevant recipient in accordance with the terms of the New AT1 Securities), with a copy to the trustee, no earlier than the Suspension Date containing the following information: (i) the name of the holder, (ii) the Tradable Amount of the book-entry interests in the New AT1 Securities held by such holder on the date of such notice, (iii) the name to be entered in the Issuer's share register, (iv) the details of the CREST or other clearing system account or, if the Conversion Shares are not a participating security in CREST or another clearing system, the address to which the Conversion Shares (or the Conversion Share component, if any, of any Conversion Shares Offer Consideration) and/or cash (if not expected to be delivered through the Clearing Systems) should be delivered and (v) such other details as may be required by the Conversion Shares Depository.

Conversion Shares Settlement Request Notice means the written notice to be delivered by us to the trustee directly and to the holders of the New AT1 Securities via each of the Clearing Systems (or, if the New

AT1 Securities are held in definitive form, by us to the trustee directly and to the holders at their registered addresses as shown on the register for the New AT1 Securities) on the Suspension Date requesting that holders complete a Conversion Shares Settlement Notice and specifying (i) the Notice Cut-off Date and (ii) the Final Cancellation Date.

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CSO Obligations means the obligations of the Issuer under the New AT1 Securities that may arise in connection with a Conversion Shares Offer to: (i) facilitate the preparation of a prospectus or other offering document, if applicable, and (ii) take responsibility for such prospectus or other offering document, which obligations (and any claims relating to a failure to facilitate the preparation of, or take responsibility for, such prospectus or other offering document) shall terminate in the event of the winding-up or administration of the Issuer.

Extraordinary Calculation Date means any Business Day (other than a Quarterly Financial Period End Date) on which the fully loaded CET1 Ratio is calculated upon the instruction of the PRA or at the Issuer's discretion.

Final Cancellation Date means the date on which the New AT1 Securities in relation to which no Conversion Shares Settlement Notice has been received by the Conversion Shares Depository on or before the Notice Cut-off Date shall be cancelled, which date may be up to twelve (12) Business Days following the Notice Cut-off Date.

fully loaded means, in relation to a measure that is presented or described as being on a fully loaded basis, that such measure is calculated without applying the transitional provisions set out in Part Ten of the CRD IV Regulation.

fully loaded CET1 Ratio means, as of any Quarterly Financial Period End Date or Extraordinary Calculation Date, as the case may be, the ratio of CET1 Capital as of such date to the Risk Weighted Assets as of the same date, expressed as a percentage and on the basis that all measures used in such calculation shall be calculated on a fully loaded basis.

Notice Cut-off Date means the date specified as such in the Conversion Shares Settlement Request Notice, which date shall be at least forty (40) Business Days following the Suspension Date.

Ordinary Reporting Date means each Business Day on which Quarterly Financial Information is published by the Issuer.

Quarterly Financial Information means the financial information of the Group in respect of a fiscal quarter that is contained in the principal financial report for such fiscal quarter published by the Issuer. As of the date of this prospectus, the principal financial reports published by the Issuer with respect to each fiscal quarter are: (i) the Q1 Interim Management Statement in respect of the first fiscal quarter, (ii) the Interim Results Announcement in respect of the first half of the year (including the second fiscal quarter), (iii) the Q3 Interim Management Statement in respect of the first nine months of

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the year (including the third fiscal quarter) and (iv) the Results Announcement in respect of the full year (including the fourth fiscal quarter).

Quarterly Financial Period End Date means the last day of each fiscal quarter.

Risk Weighted Assets means, as of any Quarterly Financial Period End Date or Extraordinary Calculation Date, as the case may be, the aggregate amount, expressed in pounds sterling, of the risk weighted assets of the Group as of such date, as calculated by the Issuer on a consolidated basis in accordance with the Capital Regulations applicable to the Group on such date (which calculation shall be binding on the trustee and the holders). For the purposes of this definition, the term **risk weighted assets** means the risk weighted assets or total risk exposure amount, as calculated by the Issuer in accordance with the Capital Regulations applicable to the Group.

Suspension Date means, with respect to each Clearing System, the date specified in the Conversion Shares Offer Notice as the date on which such Clearing System shall suspend all clearance and settlement of transactions in the New AT1 Securities in accordance with its rules and procedures, which date shall be no later than thirty-eight (38) Business Days after the delivery of the Conversion Shares Offer Notice to such Clearing System (and, if the Issuer elects that a Conversion Shares Offer be made, such date shall be at least two (2) Business Days prior to the end of the relevant Conversion Shares Offer Period).

See *Description of the New AT1 Securities Automatic Conversion Upon Capital Adequacy Trigger Event* for more information.

Agreement with Respect to the Exercise of U.K. Bail-in Power

The PRA has requested us to address in the terms of the New AT1 Securities the requirements in Article 55 of the European Union directive establishing a framework for the recovery and resolution of credit institutions and investment firms adopted by the EU Council on May 6, 2014 (the **Bank Recovery and Resolution Directive** or **BRRD**), and we have accordingly included the following two paragraphs in the terms of the New AT1 Securities:

By its acquisition of the New AT1 Securities, each holder of the New AT1 Securities acknowledges, agrees to be bound by, and consents to the exercise of, any U.K. Bail-in Power (as defined below) by the relevant

U.K. resolution authority (as defined below) that may result in the cancellation of all, or a portion, of the principal amount of, or interest on, the New AT1 Securities and/or the conversion of all, or a portion, of the principal amount of, or interest on, the New AT1 Securities into shares or other securities or other obligations of the Issuer or another person, including by means of a variation to the

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terms of the New AT1 Securities, in each case, to give effect to the exercise by the relevant U.K. resolution authority of such U.K. Bail-in Power. Each holder of the New AT1 Securities further acknowledges and agrees that the rights of the holders of the New AT1 Securities are subject to, and will be varied, if necessary, so as to give effect to, the exercise of any U.K. Bail-in Power by the relevant U.K. resolution authority. For the avoidance of doubt, the potential conversion of the New AT1 Securities into shares, other securities or other obligations in connection with the exercise of any U.K. Bail-in Power by the relevant U.K. resolution authority is separate and distinct from an Automatic Conversion following a Capital Adequacy Trigger Event.

For these purposes, a **U.K. Bail-in Power** is any statutory write-down and/or conversion power existing from time to time under any laws, regulations, rules or requirements relating to the resolution of banks, banking group companies, credit institutions and/or investment firms incorporated in the United Kingdom in effect and applicable in the United Kingdom to the Issuer or other members of the Group, including but not limited to any such laws, regulations, rules or requirements that are implemented, adopted or enacted within the context of a European Union directive or regulation of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms and/or within the context of a U.K. resolution regime under the U.K. Banking Act 2009, as amended (the **U.K. Banking Act**), or otherwise, pursuant to which obligations of a bank, banking group company, credit institution or investment firm or any of its affiliates can be reduced, cancelled and/or converted into shares or other securities or obligations of the obligor or any other person (and a reference to the relevant U.K. resolution authority is to any authority with the ability to exercise a U.K. Bail-in Power).

Repayment of Principal and Payment of Interest After Exercise of U.K. Bail-In Power

No repayment of the principal amount of the New AT1 Securities or payment of interest on the New AT1 Securities shall become due and payable after the exercise of any U.K. Bail-in Power by the relevant U.K. resolution authority unless such repayment or payment would be permitted to be made by the Issuer under the laws and regulations of the United Kingdom and the European Union applicable to the Issuer.

Enforcement Events and Remedies

Winding-up

If a Winding-up Event occurs before the occurrence of a Capital Adequacy Trigger Event, subject to the subordination provisions, the principal amount of the New AT1 Securities will become immediately due and payable. For the avoidance of doubt, as the principal amount of

the New AT1 Securities will become immediately due and payable upon a Winding-up Event that occurs

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before the occurrence of a Capital Adequacy Trigger Event, neither the trustee nor the holders of the New AT1 Securities are required to declare such principal amount to be due and payable.

A **Winding-up Event** with respect to the New AT1 Securities shall result if (i) a court of competent jurisdiction in England (or such other jurisdiction in which we may be organized) makes an order for our winding-up which is not successfully appealed within 30 days of the making of such order, (ii) our shareholders adopt an effective resolution for our winding-up (other than, in the case of either (i) or (ii) above, under or in connection with a scheme of reconstruction, merger or amalgamation not involving a bankruptcy or insolvency) or (iii) following the appointment of an administrator of the Issuer, the administrator gives notice that it intends to declare and distribute a dividend.

Non-payment

If we fail to pay any amount that has become due and payable under the New AT1 Securities and the failure continues for 14 days, the trustee may give us notice of such failure. If within a period of 14 days following the provision of such notice, the failure continues and has not been cured nor waived, the trustee may at its discretion and without further notice to us institute proceedings in England (or such other jurisdiction in which we may be organized) (but not elsewhere) for our winding-up and/or prove in our winding-up and/or claim in our liquidation or administration. For the avoidance of doubt, no interest will be due and payable if such interest has been cancelled or is deemed cancelled (in each case, in whole or in part) as described under *Agreement to Interest Cancellation* above. Accordingly, no default in payment under the New AT1 Securities will have occurred or be deemed to have occurred in such circumstances.

Limited remedies for breach of obligations (other than non-payment)

In addition to the remedies for non-payment provided above, the trustee may, without further notice, institute such proceedings against the Issuer as the trustee may think fit to enforce any term, obligation or condition binding on the Issuer under the New AT1 Securities or the Indenture (other than any payment obligation of the Issuer under or arising from the New AT1 Securities or the Indenture, including, without limitation, payment of any principal or interest) (a **Performance Obligation**); *provided always that*, the trustee (acting on behalf of the holders of the New AT1 Securities) and the holders of the New AT1 Securities may not enforce, and may not be entitled to enforce or otherwise claim, against

the Issuer any judgment or other award given in such proceedings that requires the payment of money by the Issuer, whether by way of damages or otherwise (a **Monetary Judgment**), except by proving such Monetary Judgment in a winding-up of the Issuer and/or by claiming such Monetary Judgment in an administration of the Issuer.

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For the avoidance of doubt, the sole and exclusive manner by which the trustee (acting on behalf of the holders of the New AT1 Securities) and the holders of the New AT1 Securities may seek to enforce or otherwise claim a Monetary Judgment against the Issuer in connection with the Issuer's breach of a Performance Obligation shall be by proving such Monetary Judgment in a winding-up of the Issuer and/or by claiming such Monetary Judgment in an administration of the Issuer. By its acquisition of the New AT1 Securities, each holder of the New AT1 Securities acknowledges and agrees that such holder will not seek to enforce or otherwise claim, and will not direct the trustee (acting on behalf of the holders of the New AT1 Securities) to enforce or otherwise claim, a Monetary Judgment against the Issuer in connection with the Issuer's breach of a Performance Obligation, except by proving such Monetary Judgment in a winding-up of the Issuer and/or by claiming such Monetary Judgment in an administration of the Issuer. See *Risk Factors - Risks Relating to the New AT1 Securities - Holders of the New AT1 Securities will have limited remedies.*

No other remedies

Other than the limited remedies specified herein under *Enforcement Events and Remedies* above and subject to *Trust Indenture Act remedies* below, no remedy against us will be available to the trustee (acting on behalf of the holders of the New AT1 Securities) or the holders of the New AT1 Securities whether for the recovery of amounts owing in respect of such New AT1 Securities or under the Indenture or in respect of any breach by us of any of our obligations under or in respect of the terms of such New AT1 Securities or under the Indenture in relation thereto; *provided, however*, that such limitation shall not apply to our obligations to pay the fees and expenses of, and to indemnify, the trustee (including fees and expenses of trustee's counsel) and the trustee's rights to apply money collected to first pay its fees and expenses shall not be subject to the subordination provisions set forth in the Indenture.

Trust Indenture Act remedies

Notwithstanding the limitation on remedies specified herein under *Enforcement Events and Remedies* above, (1) the trustee will have such powers as are required to be authorized to it under the Trust Indenture Act in respect of the rights of the holders of the New AT1 Securities under the provisions of the Indenture and (2) nothing shall impair the right of a holder of the New AT1 Securities under the Trust Indenture Act, absent such holder's consent, to sue for any payment due but unpaid with respect to the New AT1 Securities; *provided* that, in the case of each of (1) and (2) above, any payments in respect of, or arising from, the New AT1 Securities, including any payments or amounts resulting or

arising from the enforcement of any rights under the Trust Indenture Act in respect of the New AT1 Securities, are subject to the subordination provisions set forth in the Indenture.

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An Automatic Conversion will not constitute a default under the Indenture.

Under the terms of the Indenture, the exercise of the U.K. Bail-in Power by the relevant U.K. resolution authority with respect to the New AT1 Securities is not a Winding-up Event or a default in payment.

Conflicts of Interest

Barclays Capital Inc., which will be participating in the Exchange Offers in the United States as Lead Dealer Manager, is an affiliate of Barclays and, as such, has a conflict of interest in this offering within the meaning of the Financial Industry Regulatory Authority (**FINRA**) Rule 5121 (or any successor rule thereto) (**Rule 5121**). Consequently, this offering is being conducted in compliance with the provisions of Rule 5121, which requires that a qualified independent underwriter participate in the preparation of this prospectus and will discharge the responsibilities of a qualified independent underwriter contemplated in the FINRA Rules. For more information, see *The Exchange Offers Dealer Managers*. Merrill Lynch, Pierce, Fenner & Smith Incorporated (**Merrill Lynch**) will act as qualified independent underwriter in respect of the Exchange Offers. Barclays Capital Inc. is not permitted to cause an account over which it exercises discretionary authority to participate in any of the Exchange Offers without the prior specific written approval of the account holder.

Business Day

Business Day means, with respect to the Sterling AT1 Securities and the Euro AT1 Securities, any weekday, other than one on which banking institutions are authorized or obligated by law to close in London, United Kingdom, and, with respect to the Dollar AT1 Securities, any weekday, other than one on which banking institutions are authorized or obligated by law or executive order to close in London, United Kingdom, or in New York City.

Tradable Amount

The **Tradable Amount** of each book-entry interest for each Series of New AT1 Securities is equal to the denomination of such book-entry interest.

Listing and Trading

The New AT1 Securities are expected to be provisionally admitted to trading on the main standard segment of the SIX Swiss Exchange from the Settlement Date. Application will be made to the SIX Swiss Exchange for listing of the New AT1 Securities. Any Series of New AT1 Securities will cease to be admitted to trading on the SIX Swiss Exchange after the third dealing day prior to the date on which such Series of New AT1 Securities is or are fully redeemed or after the Suspension Date, as applicable, in accordance with the terms of any

Series of the New AT1 Securities, as applicable.

Trustee and Principal Paying Agent

The Bank of New York Mellon, London Branch, One Canada Square, London E14 5AL, United Kingdom, will act as the trustee and initial principal paying agent for the New AT1 Securities.

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Swiss Paying Agent	BNP Paribas Securities Services, Paris, Zurich branch, will act as Swiss paying agent with respect to the New AT1 Securities. The Swiss paying agent will not have a role in facilitating or making payments under the New AT1 Securities. The Swiss paying agent is being appointed solely to fulfil the listing requirements of the SIX Swiss Exchange.
Calculation Agent	The Bank of New York Mellon, London Branch, or its successor appointed by the Issuer. All determinations and any calculations made by the Calculation Agent for the purposes of calculating the applicable Mid-Market Swap Rate shall be conclusive and binding on the holders of the New AT1 Securities, the Issuer and the trustee, absent manifest error. The Calculation Agent shall not be responsible to the Issuer, holders of the New AT1 Securities or any third party for any failure of the Reference Banks to provide quotations as requested of them or as a result of the Calculation Agent having acted on any quotation or other information given by any Reference Bank which subsequently may be found to be incorrect or inaccurate in any way.
Further Issues	We may, at our sole discretion, without the consent of the holders of any Series of the New AT1 Securities, following the Exchange Offers, offer and issue for cash additional New AT1 Securities having the same ranking and same interest rate, interest cancellation terms, redemption terms, Conversion Price and other terms as such Series of the New AT1 Securities as described in this prospectus, except for the price to the public and issue date. Any such additional New AT1 Securities, together with the existing New AT1 Securities of that Series offered by this prospectus, will constitute a single series of the relevant New AT1 Securities of that Series under the Indenture. There is no limitation on the amount of New AT1 Securities that we may issue under the Indenture.
Use of Proceeds	The Issuer will not receive any cash proceeds from the Exchange Offers.
Governing Law	The Indenture and the New AT1 Securities will be governed by, and construed in accordance with, the laws of the State of New York, except for the subordination provisions and waiver of set-off provisions in Article V of the Third, Fourth and Fifth Supplemental Indentures, which will be governed by English law.
Risk Factors	Investing in the Securities offered under this prospectus involves risk. For a discussion of certain risks that should be considered in connection with an investment in the Securities, see <i>Risk Factors</i> beginning on page 50 of this prospectus, <i>Risk Review Risk factors</i> beginning on page 108 of our 2013 Form 20-F, which is incorporated by reference herein.

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You should carefully consider the risks described below and all of the information contained and incorporated by reference in this document before you decide whether to participate in the Exchange Offers.

Tendering your Existing T1 Securities in exchange for the New AT1 Securities offered under this prospectus involves significant risks. You should reach your own investment decision only after consultation with your own financial, legal and tax advisers (as you deem appropriate) about risks associated with participating in the Exchange Offers and with an investment in the New AT1 Securities and the suitability of participating in the Exchange Offers and investing in the New AT1 Securities in light of the particular characteristics and terms of the New AT1 Securities and of your particular financial circumstances. As part of making an investment decision, you should make sure you thoroughly understand the New AT1 Securities terms, such as the provisions governing an Automatic Conversion (including, in particular, the circumstances under which a Capital Adequacy Trigger Event may occur), the agreement by you to be bound by the exercise of any U.K. Bail-in Power by the relevant U.K. resolution authority, that interest is due and payable only at the sole discretion of the Issuer, and that there is no scheduled repayment date for the principal of the New AT1 Securities. You should also carefully consider the risk factors and the other information contained in this prospectus, our 2013 Form 20-F and the other information included and incorporated by reference in this prospectus before deciding to invest in the New AT1 Securities and you should evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect an investment in the New AT1 Securities and your ability to bear the loss of all or a portion of your investment. If any of the risks described herein materializes, our business, financial condition and results of operations could suffer, the New AT1 Securities could be subject to Automatic Conversion and/or the U.K. Bail-in Power, and the trading price and liquidity of the New AT1 Securities and/or our ordinary shares could decline, in which case you could lose some or all of the value of your investment.

Risks Related to the Exchange Offers

The Offerors have not obtained a third-party determination that the Exchange Offers are fair to holders of the Existing T1 Securities.

None of the Offerors, the trustee, the Dealer Managers or the Exchange Agents makes any recommendation as to whether you should exchange your Existing T1 Securities in the relevant Exchange Offer. The Offerors have not retained, and do not intend to retain, any unaffiliated representative to act on behalf of the holders of the Existing T1 Securities for purposes of negotiating the terms of the Exchange Offers, preparing a report concerning the fairness of the Exchange Offers to you or to the Offerors or determining that the total consideration offered in relevant Exchange Offer represents a fair valuation of either the Existing T1 Securities or the New AT1 Securities. If you tender your Existing T1 Securities, you may ultimately receive less value than if you choose to keep them. You must make your own independent decision regarding your participation in the relevant Exchange Offer.

The consummation of the Exchange Offers is subject to certain conditions, including a Minimum New Issue Size condition, and may not occur or may be delayed. Failure to complete any Exchange Offer could negatively affect the price of the Existing T1 Securities subject to such Exchange Offer.

The Offerors are not obligated to complete any or all of the Exchange Offers. Several conditions must be satisfied or waived in order to complete the Exchange Offers, including among others, that there has been no change or development that would or might, in the reasonable judgment of the Offerors, be expected to prohibit, prevent, restrict or delay the Exchange Offers or impair the Offerors from realizing the anticipated benefits of the Exchange Offers. See *The Exchange Offers Conditions of the Exchange Offers*. In addition, each Exchange Offer is subject to the

condition that the relevant Minimum New Issue Size is satisfied. In particular:

- (a) the Sterling Exchange Offer is subject to the condition that a sufficient number of Sterling T1 Securities are validly tendered and not validly withdrawn by the Expiration Date such that at least £150,000,000 aggregate principal amount of the Sterling AT1 Securities will be issued by Barclays;

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- (b) the Euro Exchange Offer is subject to the condition that a sufficient number of Euro T1 Securities are validly tendered and not validly withdrawn by the Expiration Date such that at least 300,000,000 aggregate principal amount of the Euro AT1 Securities will be issued by Barclays; and
- (c) the Dollar Exchange Offer is subject to the condition that a sufficient number of Dollar T1 Securities are validly tendered and not validly withdrawn by the Expiration Date such that at least \$300,000,000 aggregate principal amount of the Dollar AT1 Securities will be issued by Barclays.

The foregoing conditions may not be satisfied, and if not satisfied or waived, the relevant Exchange Offer may not occur or may be delayed. The Offerors may also extend or otherwise amend any or all of the Exchange Offers at the Offerors' sole discretion. Even if an Exchange Offer is completed, it may not be completed on the schedule described in this prospectus or any subsequent notices of extension. Accordingly, holders of Existing T1 Securities participating in the relevant Exchange Offer may have to wait longer than expected to receive their New AT1 Securities, during which time those holders of Existing T1 Securities will not be able to effect transfers of their Existing T1 Securities tendered in that Exchange Offer. In addition, if an Exchange Offer is not completed or is delayed, the market price of the applicable Existing T1 Securities may decline to the extent that the current market price of the Existing T1 Securities reflects a market assumption that such Exchange Offer has been or will be completed.

The Offerors may not accept all Existing T1 Securities tendered in the Exchange Offers.

If the specified Minimum New Issue Size for any Exchange Offer is not satisfied, the Offerors will not accept any of the relevant Existing T1 Securities tendered for exchange into the relevant corresponding New AT1 Securities and the Existing T1 Securities that you tender will be returned to you. You will not be able to effect transfers of your Existing T1 Securities tendered in the Exchange Offers unless and until any such securities are returned to you. See *The Exchange Offers Terms of the Exchange Offers*.

Late deliveries of Existing T1 Securities and other required documents could prevent a holder from exchanging its Existing T1 Securities.

Holders are responsible for complying with all Exchange Offer procedures. The issuance of New AT1 Securities in exchange for Existing T1 Securities will only occur upon completion of the procedures described in this prospectus under *The Exchange Offers*. Therefore, holders of Existing T1 Securities who wish to exchange them for New AT1 Securities should allow sufficient time for timely completion of the exchange procedure. Neither the Offerors nor the Exchange Agents are obligated to extend the offer or notify you of any failure to follow the proper procedure.

If you hold your Existing T1 Securities through a broker, dealer, commercial bank, trust company or other nominee, you should keep in mind that such entity may require you to take action with respect to the Exchange Offers a number of days before the Expiration Date in order for such entity to tender Existing T1 Securities on your behalf at or prior to the Expiration Date.

The Existing T1 Securities could increase in value following the Exchange Offers.

The trading prices of the Existing T1 Securities may be affected by a number of factors, including, among others, the results, financial condition and credit ratings of Barclays Bank or the Group. Barclays Bank's and the Group's results, financial condition or credit ratings could improve following the Exchange Offers. The value of the Existing T1 Securities not tendered in the Exchange Offers may increase in value after the Exchange Offers relative to the New AT1 Securities.

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Subsequent to the Exchange Offers, the Offerors may purchase, repay or call any Existing T1 Securities not tendered in the Exchange Offers on terms that could be more favorable to holders of Existing T1 Securities than the terms of the Exchange Offers.

The Offerors may, at any time to the extent permitted by applicable law, purchase Existing T1 Securities in the open market, in privately negotiated transactions, through subsequent tender or exchange offers or otherwise. Any other purchases may be made on the same terms or on terms which are more favorable to holders than the terms of the Exchange Offers. The Offerors also reserve the right to repay any Existing T1 Securities not tendered. The Offerors may also from time to time call the Existing T1 Securities subject to their terms. Holders that tender Existing T1 Securities in the Exchange Offers will not, in respect of such tendered Existing Securities accepted for exchange, be able to participate in any subsequent repurchase, repayment or call, which may be made on terms that are more favorable than those of the Exchange Offers. Any future decision as to the exercise of early redemption calls with respect to the Existing T1 Securities will be made with reference to the economic impact to the Group of such early redemption, prevailing market conditions and regulatory developments.

If you tender your Existing T1 Securities in the Exchange Offers, you will be unable to sell or otherwise transfer such securities until they are returned to you following withdrawal or non-acceptance.

When considering whether to tender Existing T1 Securities in the Exchange Offers, you should take into account that you will not be able to sell or otherwise transfer any tendered securities after the time of such tender. If you withdraw or the Offerors do not accept all or a portion of your tender, these transfer restrictions will continue to apply until your Existing T1 Securities are returned to you.

Each Exchange Offer may be extended, amended, limited, terminated or withdrawn at any time, subject to applicable law, and any such action may adversely affect any perceived benefits of the relevant Exchange Offer.

Completion of each Exchange Offer is conditional upon the satisfaction or waiver of the conditions to the relevant Exchange Offer set out herein. In addition, subject as provided herein, the Offerors may, subject to applicable law, extend, amend, terminate or withdraw any Exchange Offer at any time prior to the announcement of whether it accepts valid tenders of the relevant Existing T1 Securities. For details, see *The Exchange Offers Expiration Date; Extension; Termination; Amendment*.

You may not receive New AT1 Securities in the Exchange Offers if the procedures for the Exchange Offers are not followed.

Subject to the terms and conditions of the Exchange Offers, including satisfaction of the Minimum New Issue Size, we will issue New AT1 Securities in exchange for your Existing T1 Securities only if you validly tender the Existing T1 Securities and deliver a properly completed and duly executed Exchange Instruction and other required documents before the Expiration Date. The Offerors are not providing for guaranteed delivery procedures and therefore you must allow sufficient time for the necessary tender procedures to be completed during normal business hours of DTC, Euroclear and Clearstream, Luxembourg, as applicable, prior to the Expiration Date. None of the Offerors, the trustee, the Dealer Managers or the Exchange Agents is under any duty to give notification of defects or irregularities with respect to the tenders of Existing T1 Securities for exchange. If you are the beneficial owner of Existing T1 Securities that are registered in the name of your broker, dealer, commercial bank, trust company or other nominee, and you wish to tender in the Exchange Offers, you should promptly contact the person in whose name your Existing T1 Securities are registered and instruct that person to tender your Existing T1 Securities on your behalf.

There are significant differences between the Existing T1 Securities and the New AT1 Securities.

The terms of the New AT1 Securities will be substantially different from those of the Existing T1 Securities. In addition to differences in financial terms which include, among others, the interest rate and payment dates, the

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terms of the New AT1 Securities differ, among other things, in respect of, the identity of the obligor, redemption dates, redemption prices and redemption events and in that the New AT1 Securities will be subject to a loss absorption trigger event based on the Group's capital ratios and the ability of the Issuer to decide in its sole discretion to cancel any interest payment on the New AT1 Securities. In contrast, certain Series of the Existing T1 Securities provide that Barclays Bank, as issuer, may elect to defer, rather than cancel, interest payments except in certain limited circumstances, and the Existing T1 Securities are not subject to a loss-absorption trigger event based on the Group's capital ratios. In addition, the New AT1 Securities are obligations of Barclays, whereas the Existing T1 Securities are obligations of Barclays Bank. If Barclays or Barclays Bank were wound up, liquidated or dissolved, the holders of the New AT1 Securities would have no right to proceed against the assets of Barclays Bank unlike the holders of the Existing T1 Securities who would, in a winding up, liquidation or dissolution of Barclays Bank, have a claim against the assets of Barclays Bank. For more information, see *Risks Relating to the New AT1 Securities The Issuer is a holding company, which means that its right to participate in the assets of any of its subsidiaries upon the liquidation of such subsidiaries may be subject to prior claims of some of such subsidiary's creditors and preference shareholders.*

Investors should carefully consider the differences described in the preceding paragraph in addition to those described under *Comparison of the Material Terms of the Preference Shares and the New AT1 Securities*, *Comparison of the Material Terms of the Tier One Notes and the New AT1 Securities* and *Comparison of the Material Terms of the Reserve Capital Instruments and the New AT1 Securities* in deciding whether to tender Existing T1 Securities for exchange in connection with the Exchange Offers.

Legality of purchase.

None of the Offerors, the Dealer Managers or any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the New AT1 Securities by a prospective investor of the New AT1 Securities, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective investor with any law, regulation or regulatory policy applicable to it.

A holder's failure to consult its own advisers may result in it suffering adverse tax, accounting, financial or legal consequences.

Holders should consult their own tax, accounting, financial and legal advisers as they may deem appropriate regarding the suitability to themselves of the tax, accounting, financial and legal consequences of participating or declining to participate in the Exchange Offers and an investment in the New AT1 Securities. In particular, due to the number of different jurisdictions where tax laws may apply to a holder and except as set out under *Tax Considerations*, this prospectus does not discuss the tax consequences for holders arising from the exchange of their Existing T1 Securities in the Exchange Offers and the receipt of New AT1 Securities. Holders are urged to consult their own professional advisers regarding the possible tax consequences under the laws of the jurisdictions that apply to them. Holders are liable for their own taxes and have no recourse to Barclays, the Dealer Managers or the Exchange Agents with respect to taxes arising in connection with the Exchange Offers.

Risks to Holders of Existing T1 Securities Not Tendered or Not Accepted for Exchange

After the Exchange Offers, there may no longer be a trading market for one or more Series of the Existing T1 Securities, the market price for the Existing T1 Securities may be depressed and there may be a limited trading market for the Existing T1 Securities.

Depending on the amount of Existing T1 Securities of any Series that are accepted for exchange in the Exchange Offers, the trading market for the Existing T1 Securities of that Series that remain outstanding after the Exchange Offers may be more limited. The trading market for Existing T1 Securities that are not exchanged could therefore become more limited than the existing trading market for the Existing T1 Securities and could cease to exist altogether due to the reduction in the principal amount of the Existing T1 Securities outstanding

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upon consummation of the Exchange Offers. A reduced trading volume may decrease the liquidity and trading price and increase the volatility of the trading price of the Existing T1 Securities of any Series that remain outstanding following the Exchange Offers. If a market for Existing T1 Securities that are not exchanged exists or develops, the Existing T1 Securities may trade at a discount to the price at which they would trade if the principal amount outstanding were not reduced. There can be no assurance that an active market in the Existing T1 Securities of any Series will exist, develop or be maintained, or as to the prices at which the Existing T1 Securities may trade, whether or not the Exchange Offers are consummated. Therefore, if your Existing T1 Securities are not exchanged for New AT1 Securities in the Exchange Offers because you do not participate in the Exchange Offers, it may become more difficult for you to sell or otherwise transfer your Existing T1 Securities.

If you tender some but not all of a Series of Existing T1 Securities you hold such that after the Exchange Offers you will retain less than the minimum denomination of such Series of Existing T1 Securities, your ability to trade such Series of the Existing T1 Securities may be limited.

The Clearing Systems limit the ability of holders to trade principal amounts of Existing T1 Securities that are lower than their relevant minimum denominations. Therefore, your ability to trade a Series of the Existing T1 Securities following the expiration of the Exchange Offers may be limited if you tender some but not all of such Series of Existing T1 Securities you hold such that you will retain less than the minimum denomination of such Series of Existing T1 Securities.

If your Preference Shares are not exchanged for New AT1 Securities in the Exchange Offers because you do not participate in the Exchange Offers, they may be subject to the implementation of certain proposals by the U.K. Government.

In April 2014, the U.K. Department for Business Innovation and Skills published the U.K. Government's response to its Discussion Paper "Transparency & Trust: Enhancing the transparency of UK company ownership and increasing trust in UK business" (published in July 2013). The response confirms the U.K. Government's intention to proceed with the majority of its proposals including (i) the creation of a central registry of beneficial ownership of companies and limited liability partnerships; (ii) a ban on the creation of new bearer shares, the compulsory surrender of existing bearer shares for conversion to registered shares and cancellation of any remaining shares; and (iii) a ban on the use of corporate directors (subject to certain exemptions).

Assuming legislation is implemented in line with the current proposals, then in respect of these proposals relating to bearer shares:

- (a) two months after Royal Assent in the United Kingdom the prohibition against issuing new bearer shares will come into force;
- (b) four months after Royal Assent in the United Kingdom bearer shareholders will be prevented from voting, receiving dividends or transferring the bearer share warrant (or their beneficial interest in it);
- (c) there will be an 11 month period after Royal Assent in the United Kingdom during which issuers will be able to arrange for shareholders to surrender their existing bearer share warrants and convert these to the registered shares specified in the warrant, notwithstanding any prohibition in the company's articles to the

contrary; and

(d) companies with bearer shares remaining at the end of the 11 month period commencing from Royal Assent will have a further three months during which the company will be required to apply to court to cancel the remaining shares. Bearer shareholders will no longer be able to surrender their share warrants at this stage. If the proposals are implemented in their current form, they are expected to extend to all of Barclays Bank's outstanding series of preference shares. If any holder fails to surrender their bearer preference shares for registered preference shares within the relevant time frame, there is a risk that such holder could lose their right

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to dividends and ultimately have their holding of bearer preference shares cancelled. The current timetable for the proposals remain unclear although the aim of the U.K. Government is to progress the relevant legislation as soon as time in the U.K. Parliament allows. There can be no assurance that the final proposals will be implemented in their current form.

Risks Relating to the New AT1 Securities***There may not be any trading market for the New AT1 Securities.***

The New AT1 Securities are a new issue of securities and have no established trading market. Although application will be made to have the New AT1 Securities admitted to listing and to trading on the SIX Swiss Exchange, there can be no assurance that an active trading market will develop. Even if an active trading market does develop, it may not be liquid and may not continue. The liquidity and the market prices for the New AT1 Securities can be expected to vary with changes in market and economic conditions, our financial condition and prospects and other factors that generally influence the market prices of securities. If the secondary market for the New AT1 Securities is limited, there may be few buyers for the New AT1 Securities and this may reduce the relevant market price of the New AT1 Securities.

A downgrade, suspension or withdrawal of the rating assigned by any rating agency to the New AT1 Securities could cause the liquidity or market value of the New AT1 Securities to decline.

Upon issuance, it is expected that the New AT1 Securities will be rated by nationally recognized statistical ratings organizations and may in the future be rated by additional rating agencies. However, we are under no obligation to ensure the New AT1 Securities are rated by any rating agency and any rating initially assigned to the New AT1 Securities may be lowered or withdrawn entirely by a rating agency if, in that rating agency's judgment, circumstances relating to the basis of the rating, such as adverse changes to our business, so warrant. In addition, the ratings may not reflect the potential impact of all risks related to the New AT1 Securities. If the Issuer determines to no longer maintain one or more ratings, or if any rating agency lowers or withdraws its rating, such event could reduce the liquidity or market value of the New AT1 Securities.

The New AT1 Securities are not investment grade and are subject to the risks associated with non-investment grade New AT1 Securities.

The New AT1 Securities, upon issuance, will not be considered to be investment grade securities, and as such will be subject to a higher risk of price volatility than higher-rated securities. Furthermore, increases in leverage or deteriorating outlooks for the Issuer, or volatile markets, could lead to a significant deterioration in market prices of below-investment grade rated securities such as the New AT1 Securities.

The New AT1 Securities have no scheduled maturity and you do not have the right to cause the New AT1 Securities to be redeemed or otherwise accelerate the repayment of the principal amount of the New AT1 Securities except in very limited circumstances.

The New AT1 Securities are perpetual securities and have no fixed maturity date or fixed redemption date. Accordingly, we are under no obligation to repay all or any part of the principal amount of the New AT1 Securities, we have no obligation to redeem the New AT1 Securities at any time and you have no right to call for their redemption or otherwise accelerate the repayment of the principal amount of the New AT1 Securities (except in the very limited circumstances of automatic acceleration following a Winding-up Event as described under *Description of the New AT1 Securities Enforcement Events and Remedies* below).

Interest on the New AT1 Securities will be due and payable only at our sole and absolute discretion, and we may cancel interest payments (in whole or in part) at any time. Cancelled interest shall not be due and shall not accumulate or be payable at any time thereafter and you shall have no rights thereto.

Interest on the New AT1 Securities will be due and payable only at our sole discretion, and we shall have sole and absolute discretion at all times and for any reason to cancel (in whole or in part) any interest payment

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that would otherwise be payable on any interest payment date. Interest will only be due and payable on an interest payment date to the extent it is not cancelled in accordance with the terms of the New AT1 Securities. If we do not make an interest payment on the relevant interest payment date (or if we elect to make a payment of a portion, but not all, of such interest payment), such non-payment shall evidence the exercise of our discretion to cancel such interest payment (or the portion of such interest payment not paid), and accordingly such interest payment (or the portion thereof not paid) shall not be due and payable.

Because the New AT1 Securities are intended to qualify as additional tier 1 capital under CRD IV, we may cancel (in whole or in part) any interest payment on the New AT1 Securities at our discretion and may pay dividends on our ordinary or preference shares notwithstanding such cancellation. In addition, we may without restriction use funds that could have been applied to make such cancelled payments to meet our other obligations as they become due.

Cancelled interest shall not be due and shall not accumulate or be payable at any time thereafter, and holders of the New AT1 Securities shall have no rights thereto or to receive any additional interest or compensation as a result of such cancellation. Furthermore, no cancellation of interest in accordance with the terms of the Indenture shall constitute a default in payment or otherwise under the terms of the New AT1 Securities. If practicable, we shall provide notice of any cancellation of interest to the holders of the New AT1 Securities through the relevant Clearing Systems on or prior to the relevant interest payment date. If practicable, we shall endeavor to provide such notice at least five (5) Business Days prior to the relevant interest payment date. However, failure to provide such notice will not have any impact on the effectiveness of, or otherwise invalidate, any such cancellation of interest, or give holders of the New AT1 Securities any rights as a result of such failure. Barclays' current dividend policy provides that in determining any proposed dividend and the appropriate payout ratio, our Board of Directors will consider, among other things, the expectation of servicing more senior securities. The New AT1 Securities are senior in rank to ordinary shares. It is the Board of Directors' current intention that, whenever exercising its discretion to declare ordinary share dividends, or its discretion to cancel interest on the New AT1 Securities, the Board will take into account the relative ranking of these instruments in our capital structure. However, the Board may at any time depart from this policy at its sole discretion.

In addition to our right to cancel (in whole or in part) interest payments at any time, the terms of the New AT1 Securities also restrict us from making interest payments on the New AT1 Securities in certain circumstances, in which case such interest shall be deemed to have been cancelled. Interest that is deemed cancelled shall not be due and shall not accumulate or be payable at any time thereafter and you shall have no rights thereto.

Subject to the extent permitted in the following paragraph in respect of partial interest payments, the Issuer shall not make an interest payment on the New AT1 Securities on any interest payment date (and such interest payment shall therefore be deemed to have been cancelled and thus shall not be due and payable on such interest payment date) if:

- (a) the Issuer has an amount of Distributable Items on such interest payment date that is less than the sum of
 - (i) all distributions or interest payments made or declared by the Issuer since the end of the last financial year and prior to such interest payment date on or in respect of any Parity Securities, the New AT1 Securities and any Junior Securities and
 - (ii) all distributions or interest payments payable by the Issuer (and not cancelled or deemed cancelled) on such interest payment date (x) on the New AT1 Securities and (y) on or in respect of any Parity Securities, in the case of each of (i) and (ii), excluding any payments already accounted for in determining the Distributable Items; or

(b) the Solvency Condition is not satisfied in respect of such interest payment. Although the Issuer may, in its sole discretion, elect to make a partial interest payment on the New AT1 Securities on any interest payment date, it may only do so to the extent that such partial interest payment may be

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made without breaching the restriction in the preceding paragraph. In addition, the Issuer may elect to make a full or partial interest payment with respect to a Parity Security without making an interest payment on any or all of the New AT1 Securities on any interest payment date.

We will be responsible for determining compliance with this restriction, and neither the trustee nor any agent will be required to monitor such compliance or to perform any calculations in connection therewith.

Any interest deemed cancelled on any relevant interest payment date shall not be due and shall not accumulate or be payable at any time thereafter, and holders of the New AT1 Securities shall have no rights thereto or to receive any additional interest or compensation as a result of such deemed cancellation. Furthermore, no cancellation of interest in accordance with the terms of the Indenture shall constitute a default in payment or otherwise under the terms of the New AT1 Securities. If practicable, we shall provide notice of any deemed cancellation of interest to the holders of the New AT1 Securities through the relevant Clearing Systems on or prior to the relevant interest payment date. If practicable, we shall endeavor to provide such notice at least five (5) Business Days prior to the relevant interest payment date. However, failure to provide such notice will not have any impact on the effectiveness of, or otherwise invalidate, any such cancellation of interest, or give holders of the New AT1 Securities any rights as a result of such failure.

As a holding company, the level of the Issuer's Distributable Items is affected by a number of factors, and insufficient Distributable Items may restrict the Issuer's ability to make interest payments on the New AT1 Securities.

As a holding company, the level of the Issuer's Distributable Items is affected by a number of factors, principally its ability to receive funds, directly or indirectly, from its operating subsidiaries in a manner which creates Distributable Items for the Issuer. Consequently, the Issuer's future Distributable Items, and therefore its ability to make interest payments, are a function of its existing Distributable Items, future Group profitability and the ability to distribute or dividend profits from its operating subsidiaries up the Group structure to the Issuer. In addition, the Group's Distributable Items may also be adversely affected by the servicing of more senior instruments.

The ability of the Group's subsidiaries to pay dividends and the Issuer's ability to receive distributions and other payments from its investments in other entities is subject to applicable local laws and other restrictions, including their respective regulatory, capital and leverage requirements, statutory reserves, financial and operating performance and applicable tax laws. These laws and restrictions could limit the payment of dividends, distributions and other payments to the Issuer by its subsidiaries, which could in time restrict the Issuer's ability to fund other operations or to maintain or increase its Distributable Items.

The level of the Issuer's Distributable Items may be further affected by changes to regulation or the requirements and expectations of applicable regulatory authorities. Any such potential changes, in particular the consequences of the implementation of section 165 of the Dodd-Frank Act and requirements for funding intermediate holding companies in the United States or similar local capital or ring fencing requirements in other jurisdictions, could adversely affect the Issuer's Distributable Items in the future.

Further, the Issuer's Distributable Items, and therefore its ability to make interest payments, may be adversely affected by the performance of the Group's business in general, factors affecting its financial position (including capital and leverage), the economic environment in which the Group operates and other factors outside of the Issuer's control. In addition, adjustments to earnings, as determined by the Board, may fluctuate significantly and may materially adversely affect Distributable Items. The Issuer shall not make an interest payment on the New AT1 Securities on any interest payment date (and such interest payment shall therefore be deemed to have been cancelled and thus shall not

be due and payable on such interest payment date) if the level of Distributable Items is insufficient to fund that payment, as discussed in the risk factor *In addition to our right to cancel (in whole or in part) interest payments at any time, the terms of the New AT1 Securities also*

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restrict us from making interest payments on the New AT1 Securities in certain circumstances, in which case such interest shall be deemed to have been cancelled. Interest that is deemed cancelled shall not be due and shall not accumulate or be payable at any time thereafter and you shall have no rights thereto above.

CRD IV introduces capital requirements that are in addition to the minimum capital ratio. These additional capital requirements will restrict our ability to make discretionary distributions in certain circumstances, in which case we may reduce or cancel interest payments on the New AT1 Securities.

Under CRD IV, institutions will be required to hold a minimum amount of regulatory capital of 8% of risk weighted assets (of which at least 4.5% (4% in 2014) must be CET1 capital and at least 6% (5.5% in 2014) must be tier 1 capital). In addition to this minimum own funds requirement, CRD IV also introduces capital buffer requirements that are additive to the own funds requirement and required to be met with common equity tier 1 capital. CRD IV introduces five new capital buffers: (i) the capital conservation buffer, (ii) the institution-specific counter-cyclical buffer, (iii) the global systemically important institutions buffer, (iv) the other systemically important institutions buffer and (v) the systemic risk buffer. Subject to a transitional period, the capital conservation buffer shall apply to the Group and some or all of the other buffers may be applicable to the Group from time to time as determined by a designated authority in the United Kingdom (see *Implementation of Basel III/CRD IV and additional PRA supervisory expectations*).

In addition, national supervisors may require additional capital to be held by an institution to cover its idiosyncratic risks which the supervisor assesses are not fully captured by the minimum own funds requirement. This capital guidance, referred to as Pillar 2A, is a point in time assessment which, in respect of U.K. firms, is made by the PRA, at least annually, and is expected to vary over time in accordance with individual capital guidance. The PRA has stated in its supervisory statement SS5/13, that it expects U.K. firms to meet their Pillar 2A requirement by January 1, 2015 with at least 56% common equity tier 1 capital. It has also stated that capital that firms use to meet their minimum requirements (**own funds** and **Pillar 2A**) cannot be counted towards meeting the combined buffer requirement (which is described below), meaning that the combined buffer requirement will effectively be applied above the common equity tier 1 component of both the minimum own funds and Pillar 2A requirements. The PRA is continuing to develop proposals to reform its Pillar 2 framework and, as noted in PS7/13 (PRA Policy Statement on strengthening capital standards, published in December 2013), it expects to consult on those proposals during the course of 2014. The European Banking Authority (the **EBA**) is also developing guidelines on the Supervisory Review and Evaluation Process (**SREP**) and on Pillar 2 capital, which are likely to affect how the PRA approaches Pillar 2.

Under Article 141 (*Restrictions on distributions*) of the Directive that is part of CRD IV, member states of the European Union must require that institutions that fail to meet the combined buffer requirement (broadly, as implemented in the U.K., the combination of the capital conservation buffer, the institution-specific counter-cyclical buffer and the higher of (depending on the institution), the systemic risk buffer and the global systemically important institutions buffer, in each case as applicable to the institution) will be subject to restricted discretionary payments (which are defined broadly by CRD IV as payments relating to common equity Tier 1, variable remuneration and payments on additional tier 1 instruments).

The combined buffer requirement, and the associated restrictions under Article 141 (*Restrictions on distributions*) of the Directive that is part of CRD IV, are scheduled to transition in from January 1, 2016 at a rate of 25% per annum. In the event of a breach of the combined buffer requirement, the restrictions under Article 141 will be scaled according to the extent of the breach of the combined buffer requirement and calculated as a percentage of the profits of the institution since the last decision on the distribution of profits or discretionary payment of the institution. Such calculation will result in a maximum distributable amount in each relevant period. As an example, the scaling is such that in the bottom quartile of the combined buffer requirement, no discretionary distributions will be permitted to be

paid. As a consequence, in the event of breach of the combined buffer requirement it may be necessary to reduce discretionary payments, including potentially exercising our discretion to cancel (in whole or in part) interest payments in respect of the New AT1 Securities.

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In addition to the minimum own funds requirement, the CRD IV buffers and the Pillar 2A requirement described above, there are additional tools that the PRA and other relevant authorities in the U.K. have, or are expected to have, available to them to require U.K. firms to hold additional capital to address micro-prudential or macro-prudential risks as assessed by the relevant authorities in the U.K. These include: Pillar 2B, which may be assessed by the PRA to cover risks over a forward-looking planning horizon, including with regard to firm-specific stresses; and sectoral capital requirements, which is a macro-prudential tool proposed to be available to the Financial Policy Committee of the Bank of England in the U.K. as a means for the Financial Policy Committee temporarily to increase firms' capital requirements on exposures to specific sectors. These and other measures remain subject to on-going consultation and review and there remains, therefore, considerable uncertainty as to how the additional capital requirements could be applied, including with respect to their interaction with the combined buffer requirement and Article 141 of the Directive that is part of CRD IV.

The PRA implementation of Article 141 (*Restrictions on distributions*) of the Directive that is part of CRD IV was published on April 30, 2014 in the Policy Statement PS 3/14 (*Implementing CRD IV: Capital buffers*). However, the interaction of such restriction with the capital requirements, buffers and macro-prudential tools referred to above, remains uncertain in many respects. Such uncertainty is expected to subsist while the relevant authorities in the E.U. and the U.K. continue to consult on and develop their proposals and provide guidance on the application of the rules.

The Group's capital requirements are, by their nature, calculated by reference to a number of factors any one of which or combination of which may not be easily observable or capable of calculation by investors. Holders of the New AT1 Securities may not be able to predict accurately the proximity of the risk of discretionary payments on the New AT1 Securities being prohibited from time to time as a result of the operation of Article 141 (*Restrictions on distributions*) of the Directive that is part of CRD IV.

The New AT1 Securities may be traded with accrued interest, but under certain circumstances described above, such interest may be cancelled and not paid on the relevant interest payment date.

The New AT1 Securities may trade, and/or the prices for the New AT1 Securities may appear, on the SIX Swiss Exchange and in other trading systems with accrued interest. If this occurs, purchasers of New AT1 Securities in the secondary market will pay a price that includes such accrued interest upon purchase of the New AT1 Securities. However, if a payment of interest on any interest payment date is cancelled or deemed cancelled (in each case, in whole or in part) as described herein and thus is not due and payable, purchasers of such New AT1 Securities will not be entitled to that interest payment (or if the Issuer elects to make a payment of a portion, but not all, of such interest payment, the portion of such interest payment not paid) on the relevant interest payment date.

The interest rate on the New AT1 Securities will reset on each applicable Reset Date.

The interest rate on the Sterling AT1 Securities will initially be 7.00% per annum; the interest rate on the Euro AT1 Securities will initially be 6.50% per annum; and the interest rate on the U.S. Dollar AT1 Securities will initially be 6.625% per annum. However, the interest rate will be reset on each applicable Reset Date such that from (and including) each such Reset Date, the applicable per annum interest rate will be equal to the sum of the applicable Mid-Market Swap Rate on the relevant Reset Determination Date immediately preceding the applicable Reset Date and the applicable Interest Margin, which may be different for different Series of the New AT1 Securities. The interest rate on any Series of the New AT1 Securities following any Reset Date applicable to such Series may be less than the initial interest rate with respect to that Series and/or the interest rate that applies immediately prior to such Reset Date, which could affect the amount of any interest payments under the New AT1 Securities and so the market value of the New AT1 Securities.

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The New AT1 Securities may be subject to an Automatic Conversion and upon the occurrence of such an event you could lose all or part of the value of your investment in the New AT1 Securities.

A Capital Adequacy Trigger Event will occur if the Group's fully loaded CET1 Ratio, as of certain specified dates, falls below 7.00%. Upon the occurrence of a Capital Adequacy Trigger Event, an Automatic Conversion will occur on the Conversion Date, at which point all of the Issuer's obligations under the New AT1 Securities (other than the CSO Obligations, if any) shall be irrevocably and automatically released in consideration of the Issuer's issuance of the Conversion Shares to the Conversion Shares Depository to be held on your behalf (or to the relevant recipient in accordance with terms of the New AT1 Securities), and under no circumstances shall such released obligations be reinstated. As a result, you could lose all or part of the value of your investment in the New AT1 Securities, as, following an Automatic Conversion, you will receive only (i) the Conversion Shares (if the Issuer does not elect that a Conversion Shares Offer be made) or (ii) the Conversion Shares Offer Consideration, which shall comprise Conversion Shares and/or cash depending on the results of the Conversion Shares Offer (if the Issuer elects that a Conversion Shares Offer be made), and the realizable value of any Conversion Shares received may be significantly less than (x) the Conversion Price, in the case of the Sterling AT1 Securities, or the sterling equivalent of the Conversion Price, in the case of the Euro AT1 Securities and the Dollar AT1 Securities, and/or (y) the Conversion Shares Offer Price. See *Description of the New AT1 Securities Automatic Conversion Upon Capital Adequacy Trigger Event* for more information. See also *Holders may receive Conversion Shares Offer Consideration instead of Conversion Shares upon a Capital Adequacy Trigger Event and would not know the composition of any Conversion Shares Offer Consideration until the end of the Conversion Shares Offer Period* and *As the Conversion Price is fixed at the time of issue of the New AT1 Securities, holders will bear the risk of fluctuations in the market price of the Conversion Shares and the risk of depreciation of sterling against the U.S. dollar or the euro, as applicable.*

Furthermore, upon the occurrence of an Automatic Conversion, you will not be entitled to any compensation in the event of any improvement in the Group's fully loaded CET1 Ratio after the Conversion Date.

For more information, see *The circumstances surrounding or triggering an Automatic Conversion are unpredictable, and there are a number of factors that could affect the Group's fully loaded CET1 Ratio, Regulatory action in the event of a bank failure could materially adversely affect the value of the New AT1 Securities* and *Implementation of Basel III / CRD IV and additional PRA supervisory expectations.*

As the Conversion Price is fixed at the time of issue of the New AT1 Securities, holders will bear the risk of fluctuations in the market price of the Conversion Shares and, in respect of the Dollar AT1 Securities and the Euro AT1 Securities, the risk of depreciation of sterling against the U.S. dollar or the euro, as applicable.

Because a Capital Adequacy Trigger Event will only occur at a time when the Group's fully loaded CET1 Ratio has deteriorated significantly, a Capital Adequacy Trigger Event may be accompanied by a deterioration in the market price of the Issuer's ordinary shares, which may be expected to continue after the occurrence of the Capital Adequacy Trigger Event. Therefore, following a Capital Adequacy Trigger Event, the realizable value of the Conversion Shares may be below the Conversion Price, in the case of the Sterling AT1 Securities, or the sterling equivalent of the Conversion Price in the case of the Euro AT1 Securities and the Dollar AT1 Securities. The Conversion Price is fixed at the time of issue of the New AT1 Securities at \$2.77 and 2.02 per Conversion Share for the Dollar AT1 Securities and the Euro AT1 Securities, respectively, and at £1.65 per Conversion Share for the Sterling AT1 Securities, and is subject to certain anti-dilution adjustments, as described under *Holders do not have anti-dilution protection in all circumstances* below. As a result, the Conversion Price may not reflect the market price of ordinary shares of the Issuer, which could be significantly lower than the Conversion Price.

Moreover, as our ordinary shares are denominated and trade in sterling, the U.S. dollar and euro values of our ordinary shares, may fluctuate depending on the exchange rate between sterling and U.S. dollar and the euro, as applicable. For example, if sterling depreciates relative to the U.S. dollar and/or the euro, the U.S. dollar and/or euro value of our ordinary shares will decrease. Because the Conversion Price for the Dollar AT1 Securities

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and the Euro AT1 Securities is denominated in U.S. dollars or in euro, respectively, depreciation of sterling against the U.S. dollar or the euro may result in the U.S. dollar or euro value of any Conversion Shares received by a holder of such Series of New AT1 Securities following an Automatic Conversion being significantly less than the price implied by the Conversion Price. In addition, in respect of the Dollar AT1 Securities and the Euro AT1 Securities, if a Conversion Shares Offer is made, the sterling cash consideration received for any Conversion Shares sold in such Conversion Shares Offer will be translated from sterling into U.S. dollars or euro, as applicable, at a then-prevailing exchange rate (less any foreign exchange transaction costs). Accordingly, a decline in the value of sterling relative to the U.S. dollar and/or the euro between the issue date of the Euro AT1 Securities and the Dollar AT1 Securities and the Conversion Date will also result in the Conversion Shares Offer Price for such New AT1 Securities being less than the sterling equivalent of the Conversion Price at the Conversion Date.

In addition, there may be a delay in a holder receiving its Conversion Shares following a Capital Adequacy Trigger Event (in particular if we elect that a Conversion Shares Offer be conducted, as the Conversion Shares Offer Period may last up to forty (40) Business Days after the delivery of the Conversion Shares Offer Notice), during which time the market price of the ordinary shares of the Issuer or the exchange rate of sterling against the U.S. dollar and/or the euro may further decline. As a result, the realizable value in U.S. dollars or euro of certain of the Conversion Shares received upon a Capital Adequacy Trigger Event could be substantially lower than that implied by the U.S. dollar or euro price paid for the New AT1 Securities at the time of their issuance.

No interest or other compensation is payable in the event of a loss by a holder of New AT1 Securities due to foreign currency conversions.

Issuance of the Conversion Shares to the Conversion Shares Depository shall constitute a complete, irrevocable and automatic release of all of the Issuer's obligations in respect of the New AT1 Securities (other than the CSO Obligations, if any).

Upon an Automatic Conversion, the Issuer shall issue the Conversion Shares to the Conversion Shares Depository, which will hold the Conversion Shares on behalf of the holders of the New AT1 Securities. Issuance of the Conversion Shares to the Conversion Shares Depository shall constitute a complete, irrevocable and automatic release of all of the Issuer's obligations in respect of the New AT1 Securities (other than the CSO Obligations, if any). Provided that the Issuer issues the Conversion Shares to the Conversion Shares Depository in accordance with the terms of the New AT1 Securities as described herein, with effect from the Conversion Date, holders of the New AT1 Securities shall have recourse only to the Conversion Shares Depository for the delivery to them of Conversion Shares or, if the Issuer elects that a Conversion Shares Offer be made as described under *Description of the New AT1 Securities Automatic Conversion Upon Capital Adequacy Trigger Event Conversion Shares Offer* below, of any Conversion Shares Offer Consideration to which such holders are entitled as described herein.

In addition, we have not yet appointed a Conversion Shares Depository and we may not be able to appoint a Conversion Shares Depository if an Automatic Conversion occurs. In such a scenario, we would inform holders of the New AT1 Securities via each of the Clearing Systems or the trustee or otherwise, as practicable, of any alternative arrangements in connection with the issuance and/or delivery of the Conversion Shares and such arrangements may be disadvantageous to, and more restrictive on, the holders of the New AT1 Securities. For example, such arrangements may involve holders of the New AT1 Securities having to wait longer to receive their Conversion Shares than would be the case under the arrangements expected to be entered into with a Conversion Shares Depository. Under these circumstances, the Issuer's issuance of the Conversion Shares to the relevant recipient in accordance with these alternative arrangements shall constitute a complete, irrevocable and automatic release of all of the Issuer's obligations in respect of the New AT1 Securities (other than the CSO Obligations, if any).

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Holders may receive Conversion Shares Offer Consideration instead of Conversion Shares upon a Capital Adequacy Trigger Event and would not know the composition of any Conversion Shares Offer Consideration until the end of the Conversion Shares Offer Period.

Holders may not ultimately receive Conversion Shares upon a Capital Adequacy Trigger Event because the Issuer may elect, in its sole and absolute discretion, that a Conversion Shares Offer be conducted by the Conversion Shares Depository in respect of one or more Series of the New AT1 Securities.

If all of the Conversion Shares are sold in the Conversion Shares Offer, holders shall be entitled to receive, in respect of each New AT1 Security, the *pro rata* share of the cash proceeds from the sale of the Conversion Shares attributable to such New AT1 Security, in the case of Sterling AT1 Securities, in sterling, or in the case of Dollar AT1 Securities or Euro AT1 Securities, translated from sterling into U.S. dollars or euro, as applicable, at a then-prevailing exchange rate (less any foreign exchange transaction costs). If some but not all of the Conversion Shares are sold in the Conversion Shares Offer, holders shall be entitled to receive, in respect of each New AT1 Security, (a) the *pro rata* share of the cash proceeds from the sale of the Conversion Shares attributable to such New AT1 Security (in the case of the Euro AT1 Securities and the Dollar AT1 Securities, translated from sterling into U.S. dollars or euro, as applicable, at a then-prevailing exchange rate (less any foreign exchange transaction costs)) together with (b) the *pro rata* share of the Conversion Shares not sold pursuant to the Conversion Shares Offer attributable to such New AT1 Security rounded down to the nearest whole number of Conversion Shares. In each case, the cash component of any Conversion Shares Offer Consideration shall be subject to deduction of an amount equal to the *pro rata* share of any stamp duty, stamp duty reserve tax, or any other capital, issue, transfer, registration, financial transaction or documentary tax that may arise or be paid as a consequence of the transfer of Conversion Shares to the Conversion Shares Depository as a consequence of the Conversion Shares Offer.

No interest or other compensation is payable in respect of the period elapsed from the Conversion Date to the date of delivery of cash sums or Conversion Shares in the circumstances described above.

Furthermore, the Issuer or the Conversion Shares Depository will provide notice of the results of any Conversion Shares Offer only at the end of the Conversion Shares Offer Period. Accordingly, holders of the New AT1 Securities would not know the composition of the Conversion Shares Offer Consideration to which they may be entitled until the end of the Conversion Shares Offer Period.

Following an Automatic Conversion, the New AT1 Securities will remain in existence until the applicable Cancellation Date for the sole purpose of evidencing the holder's right to receive Conversion Shares or Conversion Shares Offer Consideration, as applicable, from the Conversion Shares Depository and the Issuer's CSO Obligations, if any, and the rights of the holders of the New AT1 Securities will be limited accordingly.

Following an Automatic Conversion, the New AT1 Securities will remain in existence until the applicable Cancellation Date for the sole purpose of evidencing (a) the holder's right to receive Conversion Shares or Conversion Shares Offer Consideration, as applicable, from the Conversion Shares Depository and (b) the Issuer's CSO Obligations, if any. All obligations of the Issuer under the New AT1 Securities (except for the CSO Obligations, if any) shall be irrevocably and automatically released in consideration of the Issuer's issuance of the Conversion Shares to the Conversion Shares Depository (or to the relevant recipient in accordance with the terms of the New AT1 Securities) on the Conversion Date, and under no circumstances shall such released obligations be reinstated. The New AT1 Securities shall be cancelled on the applicable Cancellation Date.

Although we currently expect that beneficial interests in the New AT1 Securities will be transferrable between the Conversion Date and the Suspension Date, there is no guarantee that an active trading market will exist for any of the

New AT1 Securities following the Automatic Conversion. Accordingly, the price received for the sale of any beneficial interest under a New AT1 Security during this period may not reflect the market price

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of such New AT1 Security or the Conversion Shares. Furthermore, transfers of beneficial interests in the New AT1 Securities may be restricted following the Conversion Date, for example if the clearance and settlement of transactions in the New AT1 Securities is suspended by a Clearing System at an earlier time than currently expected. In such a situation it may not be possible to transfer beneficial interests in the New AT1 Securities in such Clearing System and trading in the New AT1 Securities may cease through such Clearing System.

In addition, we have been advised by each of the Clearing Systems that they will suspend all clearance and settlement of transactions in the New AT1 Securities on the Suspension Date. As a result, holders of the New AT1 Securities will not be able to settle the transfer of any New AT1 Securities through such Clearing System following the Suspension Date, and any sale or other transfer of the New AT1 Securities that a holder of the New AT1 Securities may have initiated prior to the Suspension Date with respect to such Clearing System that is scheduled to match or settle after the Suspension Date will be rejected by such Clearing System and will not be matched or settled through such Clearing System.

The New AT1 Securities will cease to be admitted to trading on the SIX Swiss Exchange after the Suspension Date.

Moreover, although the holders will become beneficial owners of the Conversion Shares upon the issuance of such Conversion Shares to the Conversion Shares Depository and the Conversion Shares will be registered in the name of the Conversion Shares Depository (or the relevant recipient in accordance with the terms of the New AT1 Securities), no holder will be able to sell or otherwise transfer any Conversion Shares until such time as they are finally delivered to such holder and registered in their name.

Holders will have to submit a Conversion Shares Settlement Notice in order to receive delivery of the Conversion Shares or the Conversion Share Component, if any, of any Conversion Shares Offer Consideration, as applicable.

In order to obtain delivery of the relevant Conversion Shares or the Conversion Share component, if any, of any Conversion Shares Offer Consideration, as applicable, a holder must deliver a Conversion Shares Settlement Notice (and the relevant New AT1 Securities, if applicable) to the Conversion Shares Depository. The Conversion Shares Settlement Notice must contain certain information, including the holder's CREST account details. Accordingly, holders of New AT1 Securities (or their nominee, custodian or other representative) will have to have an account with CREST in order to receive the Conversion Shares or Conversion Share component, if any, of any Conversion Shares Offer Consideration, as applicable. If a holder of the New AT1 Securities fails to properly complete and deliver a Conversion Shares Settlement Notice on or before the Notice Cut-off Date, the Conversion Shares Depository shall continue to hold the relevant Conversion Shares or Conversion Share component, if any, of any Conversion Shares Offer Consideration until a Conversion Shares Settlement Notice (and the relevant New AT1 Securities, if applicable) is or are so delivered. However, the relevant New AT1 Securities shall be cancelled on the Final Cancellation Date and any holder of New AT1 Securities delivering a Conversion Shares Settlement Notice after the Notice Cut-off Date will have to provide evidence of its entitlement to the relevant Conversion Shares (or the relevant Conversion Shares component, if any, of any Conversion Shares Offer Consideration) satisfactory to the Conversion Shares Depository in its sole and absolute discretion in order to receive delivery of such Conversion Shares (or Conversion Share component of any Conversion Shares Offer Consideration).

Holders do not have anti-dilution protection in all circumstances.

The number of Conversion Shares to be issued to the Conversion Shares Depository upon an Automatic Conversion will be the aggregate principal amount of the New AT1 Securities outstanding immediately prior to the Automatic Conversion on the Conversion Date divided by the Conversion Price (rounded down to the nearest whole number of Conversion Shares). The Conversion Price will be adjusted if there is a consolidation, reclassification or subdivision

of the Issuer's ordinary shares, an issuance of ordinary shares in certain

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circumstances by way of capitalization of profits or reserves, a rights issue, an Extraordinary Dividend or a Qualifying Takeover Event (but only in the situations and only to the extent provided in *Description of the New AT1 Securities Anti-Dilution*). There is no requirement that there should be an adjustment for every corporate or other event that may affect the market price of the Conversion Shares. In particular, there will be no adjustment to the Conversion Price if a Takeover Event occurs that is not a Qualifying Takeover Event (because the Acquirer is not an Approved Entity or the New Conversion Condition is not satisfied). Furthermore, the adjustment events that are included are less extensive than those often included in the terms of convertible securities. Accordingly, the occurrence of events in respect of which no adjustment to the Conversion Price is made may adversely affect the value of the New AT1 Securities.

If a Takeover Event occurs, the New AT1 Securities may be convertible into shares in an entity other than the Issuer or into unlisted shares.

If a Takeover Event is a Qualifying Takeover Event, then following an Automatic Conversion the New AT1 Securities shall become convertible or exchangeable into the Approved Entity Shares of the Acquirer at the New Conversion Price as more fully described under *Description of the New AT1 Securities Anti-Dilution Qualifying Takeover Event* below. There can be no assurance as to the nature of any such Acquirer, or of the risks associated with becoming an actual or potential shareholder in such Acquirer and, accordingly, a Qualifying Takeover Event may have an adverse effect on the value of the New AT1 Securities.

If the Issuer's ordinary shares become delisted following a Takeover Event which is not a Qualifying Takeover Event or otherwise, there shall be no automatic adjustment to the terms of the New AT1 Securities and the New AT1 Securities will remain convertible into unlisted ordinary shares upon an Automatic Conversion. Unlisted shares may be more illiquid than listed shares and may have little or no resale value. In addition, if a Takeover Event is not a Qualifying Takeover Event because the Acquirer is a Governmental Entity, there can be no assurance as to whether the New AT1 Securities would be convertible into, or exchangeable for, any securities or other instruments of the Acquirer or any other person or entity. Accordingly, a Takeover Event that is not a Qualifying Takeover Event is likely to have an adverse effect on holders or the value of the New AT1 Securities.

In addition, the Issuer has considerable discretion in determining whether a Qualifying Takeover Event has occurred. A Qualifying Takeover Event requires the New Conversion Condition to be satisfied. For the New Conversion Condition to be satisfied, among other requirements, the Issuer must determine, in its sole and absolute discretion, that the arrangements to deliver Approved Entity Shares following an Automatic Conversion are in place and that such arrangements would be in the best interest of the Issuer and its shareholders taken as a whole having regard to the interests of its stakeholders (including, but not limited to, the holders of the New AT1 Securities) and are consistent with applicable law and regulation (including, but not limited to, the guidance of any applicable regulatory body). Therefore, the Issuer may consider factors other than the interests of holders of the New AT1 Securities in determining whether the New Conversion Condition is satisfied.

Further, a Takeover Event shall occur only where the right to cast more than 50% of the votes which may ordinarily be cast on a poll at a general meeting of the Issuer has or will become unconditionally vested in an Acquirer (together with any associate). There can be no assurance that the acquisition by an Acquirer of the right to cast 50% or less of the votes which may ordinarily be cast on a poll at a general meeting of the Issuer will not have an adverse effect on the value of the New AT1 Securities.

Holders may be subject to disclosure obligations, take-over requirements and/or may need approval from the Issuer's regulator under certain circumstances.

As the holders of the New AT1 Securities may receive Conversion Shares if a Capital Adequacy Trigger Event occurs, an investment in the New AT1 Securities may result in holders having to comply with certain disclosure, take-over and/or regulatory approval requirements pursuant to applicable laws and regulations following an Automatic Conversion. For example, pursuant to Chapter 5 of the Disclosure Rules and Transparency Rules Sourcebook of the FCA Handbook, the Issuer (and the U.K. Financial Conduct Authority

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(the FCA) must be notified by a person when the percentage of voting rights in the Issuer controlled by that person (together with its concert parties), by virtue of direct or indirect holdings of shares aggregated with direct or indirect holdings of certain financial instruments, reaches or crosses 3% and every percentage point thereafter.

Furthermore, as Conversion Shares represent voting securities of a parent undertaking of a number of regulated group entities, under the laws of the United Kingdom, the United States and other jurisdictions, ownership of the New AT1 Securities themselves (or the Conversion Shares) above certain levels may require the holder of the voting securities to obtain regulatory approval or subject the holder to additional regulation.

Non-compliance with such disclosure and/or approval requirements may lead to the incurrence of substantial fines or other criminal and/or civil penalties and/or suspension of voting rights associated with the Conversion Shares. Accordingly, each potential investor should consult its legal advisers as to the terms of the New AT1 Securities, in respect of its existing shareholding and the level of holding it would have if it receives Conversion Shares following a Capital Adequacy Trigger Event.

 Holders will bear the risk of changes in the fully loaded CET1 Ratio.

The market price of the New AT1 Securities is expected to be affected by changes in the fully loaded CET1 Ratio. Changes in the fully loaded CET1 Ratio may be caused by changes in the amount of CET1 Capital and/or Risk Weighted Assets (each of which shall be calculated by the Issuer on a fully loaded and consolidated basis and such calculation shall be binding on the trustee and the holders), as well as changes to their respective definition and interpretation under the Capital Regulations. See *The circumstances surrounding or triggering an Automatic Conversion are unpredictable, and there are a number of factors that could affect the Group's fully loaded CET1 Ratio.*

We currently only publicly report the Group's fully loaded CET1 Ratio quarterly as of the period end, and therefore during the quarterly period there is no published updating of the fully loaded CET1 Ratio and there may be no prior warning of adverse changes in the Group's fully loaded CET1 Ratio. However, any indication that the fully loaded CET1 Ratio is moving towards the level of a Capital Adequacy Trigger Event may have an adverse effect on the market price of the New AT1 Securities. A decline or perceived decline in the fully loaded CET1 Ratio may significantly affect the trading price of the New AT1 Securities.

The circumstances surrounding or triggering an Automatic Conversion are unpredictable, and there are a number of factors that could affect the Group's fully loaded CET1 Ratio.

The occurrence of a Capital Adequacy Trigger Event is inherently unpredictable and depends on a number of factors, including those discussed in greater detail in the following paragraphs, any of which may be outside our control. Although we currently publicly report the Group's fully loaded CET1 Ratio only as of each quarterly period end, the PRA, as part of its supervisory activity, may instruct us to calculate such ratio as of any date, including if we are subject to recovery and resolution actions by the relevant U.K. resolution authority, or we might otherwise determine to calculate such ratio in our own discretion. Moreover, the relevant U.K. resolution authority is likely to allow a Capital Adequacy Trigger Event to occur rather than to resort to the use of public funds. A Capital Adequacy Trigger Event could occur at any time if the Group's fully loaded CET1 Ratio is below 7.00% as of any such calculation date.

The Group's fully loaded CET1 Ratio may fluctuate during a quarterly period. The calculation of such ratio could be affected by one or more factors, including, among other things, changes in the mix of the Group's business, major events affecting our earnings, dividend payments by the Issuer, regulatory changes (including changes to definitions and calculations of regulatory capital ratios and their components, including CET1 Capital and Risk Weighted Assets)

and the Group's ability to manage Risk Weighted Assets in both its ongoing businesses and those which it may seek to exit. In addition, the Group has capital resources and risk weighted assets denominated in foreign currencies, and changes in foreign exchange rates will result in changes in the pound sterling equivalent value of foreign currency denominated capital resources and risk weighted assets. As a result, the fully loaded CET1 Ratio is exposed to foreign currency movements.

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The calculation of the Group's fully loaded CET1 Ratio may also be affected by changes in applicable accounting rules, or by changes to regulatory adjustments which modify the regulatory capital impact of accounting rules. Moreover, even if changes in applicable accounting rules, or changes to regulatory adjustments which modify accounting rules, are not yet in force as of the relevant calculation date, the PRA could require us to reflect such changes in any particular calculation of the Group's fully loaded CET1 Ratio.

Accordingly, accounting changes or regulatory changes may have a material adverse impact on the Group's calculations of regulatory capital, including CET1 Capital and Risk Weighted Assets, and the Group's fully loaded CET1 Ratio.

Because of the inherent uncertainty regarding whether a Capital Adequacy Trigger Event will occur, it will be difficult to predict when, if at all, an Automatic Conversion may occur. Accordingly, the trading behavior of the New AT1 Securities is not necessarily expected to follow the trading behavior of other types of security. Any indication that a Capital Adequacy Trigger Event (and subsequent Automatic Conversion) may occur can be expected to have a material adverse effect on the market price of the New AT1 Securities.

The Group's fully loaded CET1 Ratio will be affected by our business decisions and, in making such decisions, our interests may not be aligned with those of the holders of the New AT1 Securities.

As discussed in *The circumstances surrounding or triggering an Automatic Conversion are unpredictable, and there are a number of factors that could affect the Group's fully loaded CET1 Ratio* above, the Group's fully loaded CET1 Ratio could be affected by a number of factors. It will also depend on the Group's decisions relating to its businesses and operations, as well as the management of its capital position. We will have no obligation to consider the interests of the holders of the New AT1 Securities in connection with our strategic decisions, including in respect of our capital management. Holders of the New AT1 Securities will not have any claim against us or any other member of the Group relating to decisions that affect the business and operations of the Group, including the Group's capital position, regardless of whether they result in the occurrence of a Capital Adequacy Trigger Event. Such decisions could cause holders of the New AT1 Securities to lose all or part of the value of their investment in the New AT1 Securities.

Implementation of Basel III / CRD IV and additional PRA supervisory expectations.***Introduction***

The rules applicable to the capital of financial institutions are being changed across the European Union in order to implement the Basel III measures issued by the Basel Committee on Banking Supervision. The European legislative package consists of a fourth capital requirements Directive and a new capital requirements Regulation, collectively known as CRD IV. The CRD IV entered into force in the United Kingdom on January 1, 2014.

CRD IV introduces significant changes in the prudential regulatory regime applicable to banks, including: increased minimum capital ratios; changes to the definition of capital and the calculation of risk weighted assets; and the introduction of new measures relating to leverage, liquidity and funding. CRD IV permits a transitional period for certain of the enhanced capital requirements and certain other measures, such as the CRD IV leverage ratio, which are not expected to be finally implemented until 2018. For the avoidance of doubt, the common equity tier 1 capital ratio trigger for Automatic Conversion is calculated without taking into account any such transitional arrangements (is therefore described as fully loaded). Ahead of the anticipated CRD IV timetable (and as indicated by the PRA's statements of intent set out in its CP5/13 consultation paper described below and as set out in the PRA's supervisory statement SS3/13 released on November 29, 2013), the PRA's supervisory expectation is for the Group to meet certain capital and leverage ratio targets within certain prescribed timeframes. The Group met the PRA's expectation to have

an adjusted fully loaded common equity tier 1 capital ratio of at least 7% by December 31, 2013 and will be expected to meet a PRA leverage ratio of 3% by June 30, 2014, where adjusted is a reference to certain adjustments applied by the PRA. As at March 31, 2014, the Group's estimated PRA leverage ratio was 3.1%.

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CRD IV requirements adopted in the United Kingdom may change, whether as a result of further changes to CRD IV agreed by EU legislators, binding regulatory technical standards to be developed by the EBA or changes to the way in which the PRA interprets and applies these requirements to U.K. banks (including as regards individual model approvals granted under CRD II and III). For example, further guidelines published by the Basel Committee in January 2014 regarding the calculation of the leverage ratio are expected to be incorporated into EU and U.K. law during 2014. In addition the Financial Policy Committee of the Bank of England has legal powers, where this is required to protect financial stability, to make recommendations about the application of prudential requirements, and has, or may be given, other powers including powers to direct the PRA and FCA to adjust capital requirements through sectoral capital requirements. Directions would apply to all U.K. banks and building societies, rather than to the Group specifically.

Such changes, either individually and/or in aggregate, may lead to further unexpected enhanced requirements in relation to the Group's CRD IV capital, leverage, liquidity and funding ratios or alter the way such ratios are calculated. The PRA's policy statement PS 7/13 released on December 19, 2013 sets out, among other things, changes to the PRA rules in order to implement certain aspects of CRD IV in the U.K. Nonetheless, if the PRA rules, guidance or expectations in relation to capital or leverage were to be amended in the future in a manner other than as set out in the statements, and depending on the content of final binding regulatory technical standards developed by the EBA, it could be materially more difficult for the Group to maintain compliance with prudential requirements. This may result in a need for further management actions to meet the changed requirements, such as: increasing capital, reducing leverage and risk weighted assets, modifying legal entity structure (including with regard to issuance and deployment of capital and funding for the Group) and changing the Group's business mix or exiting other businesses and/or undertaking other actions to strengthen the Issuer's capital position.

Fully loaded CET1 Ratio: CRD IV introduces a new calculation of common equity tier 1 capital and risk weighted assets. Future regulatory changes to the calculation of common equity tier 1 capital and/or risk weighted assets may negatively affect the Group's fully loaded CET1 Ratio and thus increase the risk of a Capital Adequacy Trigger Event, which will lead to an Automatic Conversion, as a result of which you could lose all or part of the value of your investment in the New AT1 Securities.

Under CRD IV, we will be required to calculate the Group's capital resources for regulatory purposes on the basis of common equity tier 1 capital instead of core tier 1 capital and calculate the Group's risk weighted assets or total risk exposure amount, which represent the Group's assets adjusted for their associated risk, on a different basis than we did prior to CRD IV. The CRD IV legislation sets out a minimum pace of introduction of these enhanced capital requirements (the **Transitional Provisions**). The Transitional Provisions are designed to implement certain CRD IV requirements in stages over a prescribed period; however, each of the European Union Member States has the discretion to accelerate that minimum pace of transition.

In the United Kingdom, the PRA accelerated the introduction of certain of the enhanced capital requirements under CRD IV and, in accordance with the PRA's rules and supervisory statements of December 19, 2013, the PRA requires the Group to meet certain capital targets within certain prescribed timeframes, without having regard to any Transitional Provisions in that respect. Therefore, for the purposes of the New AT1 Securities, we will calculate the Group's CET1 Capital and Risk Weighted Assets without applying the Transitional Provisions and will instead calculate the Group's CET1 Ratio on a so-called 'fully loaded' basis, which is a more stringent basis than under the CRD IV regime and will lead to the CET1 Ratio as defined for purposes of the New AT1 Securities to be lower than it would be were we to calculate the common equity tier 1 ratio applying the Transitional Provisions to our calculation of common equity tier 1 capital and risk weighted assets.

The Group's fully loaded CET1 Ratio as of March 31, 2014 was estimated to be approximately 9.6%. We calculate the Group's fully loaded CET1 Ratio without applying the Transitional Provisions and assuming all of

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CRD IV is applied in the form that we currently expect it to apply. The Group's interpretation of CRD IV and the basis of its calculation of the fully loaded CET1 Ratio may be different from those of other financial institutions. For more information on how this ratio is calculated, see pages 178-179 of our 2013 Form 20-F and incorporated by reference into this prospectus.

Any changes that may occur in the application of the CRD IV rules in the United Kingdom subsequent to the date of this prospectus and/or any subsequent changes to such rules and other variables may individually and/or in the aggregate negatively affect the Group's fully loaded CET1 Ratio and thus increase the risk of a Capital Adequacy Trigger Event, which will lead to an Automatic Conversion, as a result of which you could lose all or part of the value of your investment in the New AT1 Securities.

We may redeem any or all Series of the New AT1 Securities at our option in certain situations.

We may, at our option, at any time, redeem any or all Series of the New AT1 Securities, in whole but not in part, at a price equal to 100% of the principal amount of such Series, together with any accrued but unpaid interest (which excludes any interest cancelled or deemed cancelled as described under *Description of the New AT1 Securities Interest Cancellation* below) to (but excluding) the date fixed for redemption, if a Regulatory Event or a Tax Event has occurred with respect to such Series, as more particularly described under *Description of the New AT1 Securities Redemption Regulatory Event Redemption* and *Description of the New AT1 Securities Redemption Tax Redemption*, respectively. In addition, we may, at our option, redeem any or all Series of the New AT1 Securities, in whole but not in part, on each Reset Date applicable to such Series at a redemption price equal to 100% of their principal amount, together with any accrued but unpaid interest (which excludes any interest cancelled or deemed cancelled as described under *Description of the New AT1 Securities Interest Cancellation* below) to (but excluding) the date fixed for redemption. If we redeem any Series of the New AT1 Securities, you may not be able to reinvest the redemption proceeds in securities offering a comparable yield. In addition, any early redemption of the New AT1 Securities is subject to receipt of the PRA's prior consent, regardless of whether such redemption would be favorable or unfavorable to you. Furthermore, you have no right to require us to redeem the New AT1 Securities.

Our obligations under the New AT1 Securities will be unsecured and subordinated, and the rights of the holders of Conversion Shares will be further subordinated.

Our obligations under the New AT1 Securities will be unsecured and subordinated to all of the Issuer's existing and future obligations to Senior Creditors. In addition, payment of principal or interest in respect of the New AT1 Securities cannot be made in respect of the New AT1 Securities except to the extent that the Issuer could make such payment and still satisfy the Solvency Condition (as defined under *Description of the New AT1 Securities Ranking* below) immediately thereafter.

If (a) an order is made, or an effective resolution is passed, for the winding-up of the Issuer (except in any such case for a solvent winding-up solely for the purpose of a merger, reconstruction or amalgamation); or (b) following the appointment of an administrator of the Issuer, the administrator gives notice that it intends to declare and distribute a dividend, then, (1) if such events specified in (a) or (b) above occur before the date on which a Capital Adequacy Trigger Event occurs, there shall be payable by the Issuer in respect of each New AT1 Security (in lieu of any other payment by the Issuer) such amount, if any, as would have been payable to a holder of New AT1 Securities if, on the day prior to the commencement of the winding-up or such administration and thereafter, such holder of New AT1 Securities were the holder of the most senior class of preference shares in the capital of the Issuer, having an equal right to a return of assets in the winding-up or such administration to, and so ranking pari passu with, the holders of such class of preference shares (if any) from time to time issued by the Issuer that has a preferential right to a return of assets in the winding-up or such administration, and so ranking ahead of the holders of all other classes of issued

shares for the time being in the capital of the Issuer, but ranking junior to the claims of Senior Creditors (as defined under *Description of the New AT1 Securities Ranking* below), and on the assumption that the amount that such holder of New AT1 Securities was entitled to receive in

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respect of such preference shares, on a return of assets in such winding-up or such administration, was an amount equal to the principal amount of the relevant New AT1 Security, together with any damages (if payable) and (2) if such events specified in (a) or (b) above occur on or after the date on which a Capital Adequacy Trigger Event occurs but before the Conversion Date, then for the purposes of determining the claim of a holder of New AT1 Securities in such winding-up or such administration, the Conversion Date in respect of an Automatic Conversion shall be deemed to have occurred immediately before the occurrence of such events specified in (a) or (b) above.

Therefore, if Barclays were to be wound up or placed into administration, the Barclays liquidator or administrator would first apply assets of Barclays to satisfy all rights and claims of Senior Creditors. If Barclays does not have sufficient assets to settle claims of such Senior Creditors in full, the claims of the holders of the New AT1 Securities will not be settled and, as a result, the holders will lose the entire amount of their investment in the New AT1 Securities. The New AT1 Securities will share equally in payment with claims under Parity Securities (or, with claims in respect of ordinary shares, in the event of a winding-up or administration occurring in the intervening period between a Capital Adequacy Trigger Event and the Conversion Date) if Barclays does not have sufficient funds to make full payments on all of them, as applicable. In such a situation, holders could lose all or part of their investment.

In addition, holders should be aware that, upon the occurrence of an Automatic Conversion, all of the Issuer's obligations under the New AT1 Securities (other than the CSO Obligations, if any) shall be irrevocably and automatically released in consideration of the Issuer's issuance of the Conversion Shares to the Conversion Shares Depository (or to the relevant recipient in accordance with the terms of the New AT1 Securities), and each holder will be effectively further subordinated due to the change in their status on a winding-up or administration after the Conversion Date from being the holder of a debt instrument ranking ahead of holders of ordinary shares to being the holder of ordinary shares of the Issuer or the beneficial owner of ordinary shares of the Issuer as evidenced by the New AT1 Security. As a result, upon the occurrence of an Automatic Conversion, the holders could lose all or part of their investment in the New AT1 Securities irrespective of whether the Issuer has sufficient assets available to settle what would have been the claims of the holders of the New AT1 Securities or other securities subordinated to the same extent as the New AT1 Securities, in winding-up proceedings or otherwise. Therefore, even if other securities that rank *pari passu* with the New AT1 Securities are paid in full, following the Conversion Date in respect of an Automatic Conversion, the holders will have no rights to the repayment of the principal amount of the New AT1 Securities or the payment of interest on the New AT1 Securities and will rank as holders of ordinary shares of the Issuer (or beneficial owners of ordinary shares of the Issuer).

The Issuer is a holding company, which means that its right to participate in the assets of any of its subsidiaries upon the liquidation of such subsidiaries may be subject to prior claims of some of such subsidiary's creditors and preference shareholders.

The Issuer is a holding company that currently has no significant assets other than its investment in Barclays Bank. As a holder of ordinary shares in Barclays Bank (or any of its subsidiaries), the Issuer's right to participate in the assets of Barclays Bank (or any other subsidiary) if such subsidiary is liquidated will be subject to the prior claims of such subsidiary's creditors and preference shareholders, except in the limited circumstance where the Issuer is a creditor with claims that are recognized to be ranked ahead of or *pari passu* with such claims of other of the subsidiary's creditors and/or preference shareholders against such subsidiary. Accordingly, if Barclays Bank or any of the Issuer's other subsidiaries were to be wound up, liquidated or dissolved, (i) the holders of the New AT1 Securities would have no right to proceed against the assets of Barclays Bank or such other subsidiary, and (ii) the liquidator of Barclays Bank or such other subsidiary would first apply the assets of Barclays Bank or such other subsidiary to settle the claims of the creditors of Barclays Bank or such other subsidiary, including holders (which may include the Issuer) of preference shares and other Tier 1 capital instruments of Barclays Bank or such other subsidiary, before the Issuer, to the extent it is as an ordinary shareholder of Barclays Bank or such other subsidiary, would be entitled to receive any

distributions from Barclays Bank or such other subsidiary.

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There is no restriction on the amount or type of further securities or indebtedness that we or our subsidiaries may issue, incur or guarantee.

Subject to complying with applicable regulatory requirements in respect of the Group's leverage and capital ratios, there is no restriction on the amount or type of further securities or indebtedness that we or our subsidiaries may issue, incur or guarantee, as the case may be, that rank senior to, or *pari passu* with, the New AT1 Securities offered hereby. The issue or guaranteeing of any such further securities or indebtedness may reduce the amount recoverable by holders of the New AT1 Securities on a liquidation or winding-up of Barclays and may limit our ability to meet our obligations under the New AT1 Securities. In addition, the New AT1 Securities do not contain any restriction on Barclays issuing securities that may have preferential rights to the New AT1 Securities or securities with similar or different provisions to those described herein.

Holders of the New AT1 Securities will have limited remedies.

Payment of principal on the New AT1 Securities shall be accelerated only in the event of certain events of a winding-up or administration involving us that constitute a Winding-up Event before the occurrence of a Capital Adequacy Trigger Event. Under the terms of the Indenture, a Winding-up Event results if either (i) a court of competent jurisdiction in England (or such other jurisdiction in which we may be organized) makes an order for our winding-up which is not successfully appealed within 30 days of the making of such order, (ii) our shareholders adopt an effective resolution for our winding-up (other than, in the case of either (i) or (ii) above, under or in connection with a scheme of reconstruction, merger or amalgamation not involving a bankruptcy or insolvency) or (iii) following the appointment of an administrator, the administrator gives notice that it intends to declare and distribute a dividend. There is no right of acceleration in the case of non-payment of principal or interest on the New AT1 Securities or of our failure to perform any of our obligations under or in respect of the New AT1 Securities.

The sole remedy against us available for recovery of amounts owing in respect of any non-payment of any amount that has become due and payable under the New AT1 Securities is, subject to certain conditions and to the provisions set forth in *Description of the New AT1 Securities Enforcement Events and Remedies Trust Indenture Act remedies*, for the trustee to institute proceedings in England (or such other jurisdiction in which we may be organized) (but not elsewhere) for our winding-up and/or prove in our winding-up and/or claim in our liquidation or administration.

Although the trustee may institute such proceedings against us as it may think fit to enforce any term, obligation or condition binding on us under the New AT1 Securities or the Indenture (other than any payment obligation of the Issuer under or arising from the New AT1 Securities or the Indenture, including, without limitation, payment of any principal or interest) (referred to herein as Performance Obligations), provided always that the trustee (acting on behalf of the holders of the New AT1 Securities) and the holders of the New AT1 Securities may not enforce, and may not be entitled to enforce or otherwise claim, against the Issuer any judgment or other award given in such proceedings that requires the payment of money by the Issuer, whether by way of damages or otherwise (a **Monetary Judgment**), except by proving such Monetary Judgment in a winding-up of the Issuer and/or by claiming such Monetary Judgment in an administration of the Issuer.

For the avoidance of doubt, the sole and exclusive manner by which the trustee (acting on behalf of holders of the New AT1 Securities) and the holders of the New AT1 Securities may seek to enforce or otherwise claim a Monetary Judgment against the Issuer in connection with the Issuer's breach of a Performance Obligation shall be by proving such Monetary Judgment in a winding-up of the Issuer and/or by claiming such Monetary Judgment in an administration of the Issuer. By its acquisition of the New AT1 Securities, each holder of the New AT1 Securities acknowledges and agrees that such holder will not seek to enforce or otherwise claim, and will not direct the trustee (acting on behalf of the holders of the New AT1 Securities) to enforce or otherwise claim, a Monetary Judgment

against the Issuer in connection with the Issuer's breach of a Performance Obligation, except by proving such Monetary Judgment in a winding-up of the Issuer and/or by claiming such Monetary Judgment in an administration of the Issuer.

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The remedies under the New AT1 Securities are more limited than those typically available to our unsubordinated creditors.

No interest will be due and payable if such interest has been cancelled or deemed cancelled (in each case, in whole or in part) as described under *Description of the New AT1 Securities Interest Cancellation* below. Accordingly, no default in payment or otherwise under the New AT1 Securities will have occurred or be deemed to have occurred in such circumstances.

Following the occurrence of an Automatic Conversion, all of the Issuer's obligations under the New AT1 Securities (other than the CSO Obligations, if any) shall be irrevocably and automatically released in consideration of the Issuer's issuance of the Conversion Shares to the Conversion Shares Depository (or to the relevant recipient in accordance with the terms of the New AT1 Securities) on the Conversion Date, and no principal or interest can become due and payable after such date. An Automatic Conversion will not constitute a default or a Winding-up Event under the Indenture.

Under the terms of the Indenture, the exercise of the U.K. Bail-in Power by the relevant U.K. resolution authority with respect to the New AT1 Securities is not a Winding-up Event or a default in payment or otherwise.

For further detail regarding the limited remedies of the trustee and the holders of the New AT1 Securities, see *Description of the New AT1 Securities Enforcement Events and Remedies* and *Description of the New AT1 Securities Trustee's Duties* in this prospectus.

Regulatory action in the event of a bank failure could materially adversely affect the value of the New AT1 Securities.

European resolution regime and loss absorption at the point of non-viability.

On May 6, 2014, the EU Council adopted the BRRD. The BRRD is yet to be published in the Official Journal of the European Union; it is expected to enter into force before January 1, 2015 (the expected implementation dates are set out below). The stated aim of the BRRD is to provide supervisory authorities, including the relevant U.K. resolution authority, with common tools and powers to address banking crises pre-emptively in order to safeguard financial stability and minimize taxpayers' exposure to losses.

The powers to be granted to supervisory authorities under the BRRD include (but are not limited to) the introduction of a statutory write-down and conversion power and a bail-in power, which will give the relevant U.K. resolution authority the power to cancel all or a portion of the principal amount of, or interest on, certain unsecured liabilities (which could include the New AT1 Securities) of a failing financial institution and/or to convert certain debt claims (which could include the New AT1 Securities) into another security, including ordinary shares of the surviving Group entity, if any. The majority of measures set out in the BRRD (including the write-down and conversion powers relating to Tier 1 capital instruments, such as the New AT1 Securities, and Tier 2 capital instruments) will need to be implemented with effect from January 1, 2015, with the bail-in power for other eligible liabilities to apply from January 1, 2016 at the latest. However, as noted above, the BRRD has not been published in the Official Journal of the European Union. Moreover, as discussed under *Bail-in option in the U.K. Banking Act* below, the amendments to the U.K. Banking Act are likely to accelerate the implementation timeframe of some or all of these resolution powers in the United Kingdom. See also *Under the terms of the New AT1 Securities, you have agreed to be bound by the exercise of any U.K. Bail-in Power by the relevant U.K. resolution authority.*

In addition to a write-down and conversion power and a bail-in power, the powers currently proposed to be granted to the relevant U.K. resolution authority under the BRRD include the power to (i) direct the sale of the relevant financial institution or the whole or part of its business on commercial terms without requiring the consent of the shareholders or complying with the procedural requirements that would otherwise apply, (ii) transfer all or part of the business of the relevant financial institution to a bridge bank (a publicly controlled

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entity) and (iii) transfer the impaired or problem assets of the relevant financial institution to an asset management vehicle to allow them to be managed over time. In addition, among the broader powers to be granted to the relevant resolution authority under the BRRD, the BRRD will provide powers to the relevant resolution authority to amend the maturity date and/or any interest payment date of debt instruments or other eligible liabilities of the relevant financial institution and/or impose a temporary suspension of payments.

The BRRD contains safeguards for shareholders and creditors in respect of the application of the write down and conversion and bail-in powers which aim to ensure that they do not incur greater losses than they would have incurred had the relevant financial institution been wound up under normal insolvency proceedings.

Until fully implemented, it is not possible to assess the full impact of the BRRD on the Issuer, the Group and on holders of the New AT1 Securities, and there can be no assurance that, once it is implemented, the manner in which it is implemented or the taking of any actions by the relevant U.K. resolution authority currently contemplated in the BRRD would not adversely affect the rights of holders of the New AT1 Securities, the price or value of an investment in the New AT1 Securities and/or our ability to satisfy our obligations under the New AT1 Securities.

Recital 45 and Article 518 of the CRD IV Regulation state that if measures of the type included in the BRRD are not adopted by December 31, 2015, the European Commission should review and report whether the CRD IV Regulation should be amended so as to include write-down and conversion powers in order to ensure that relevant capital instruments fully absorb losses at the point of non-viability of the issuing institution and before any other resolution action is taken. Given the adoption of the BRRD, it is likely that no such amendment to the CRD IV Regulation would be necessary. However, there is a risk that should such an amendment be necessary, it would result in any New AT1 Securities being used to absorb losses on the occurrence of a non-viability event.

The exercise of any such power or any suggestion of such exercise could, therefore, materially adversely affect the value of any New AT1 Securities subject to the BRRD and could lead to the holders of the New AT1 Securities losing some or all of their investment in the New AT1 Securities.

U.K. resolution regime.

In the United Kingdom, the U.K. Banking Act provides for a regime (the **resolution regime**) to allow the Bank of England (or, in certain circumstances, U.K. HM Treasury (the **U.K. Treasury**)) to resolve failing banks in the United Kingdom, in consultation with the PRA, the FCA and U.K. Treasury, as appropriate. Under the U.K. Banking Act, these authorities are given powers, including (a) the power to make share transfer orders pursuant to which all or some of the securities issued by a U.K. bank may be transferred to a commercial purchaser or the U.K. government; and (b) the power to transfer all or some of the property, rights and liabilities of a U.K. bank to a commercial purchaser or Bank of England entity. A share transfer order can extend to a wide range of securities, including shares and bonds issued by a U.K. bank (including Barclays Bank) or its holding company (the Issuer) and warrants for such shares and bonds. Certain of these powers have been extended to companies within the same group as a U.K. bank.

The U.K. Banking Act also gives the authorities powers to override events of default or termination rights that might be invoked as a result of the exercise of the resolution powers. The U.K. Banking Act powers apply regardless of any contractual restrictions and compensation may be payable in the context of both share transfer orders and property appropriation.

The U.K. Banking Act also gives the Bank of England the power to override, vary or impose contractual obligations between a U.K. bank, its holding company and its group undertakings for reasonable consideration, in order to enable any transferee or successor bank to operate effectively. There is also power for the U.K. Treasury to amend the law

(excluding provisions made by or under the U.K. Banking Act) for the purpose of enabling it to use the regime powers effectively, potentially with retrospective effect.

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If these powers were to be exercised in respect of the Issuer (or any member of the Group), there could be a material adverse effect on the rights of holders of New AT1 Securities, including through a material adverse effect on the price of the New AT1 Securities.

Bail-in option in the U.K. Banking Act.

On December 18, 2013, the Financial Services (Banking Reform) Act 2013 (the **U.K. Banking Reform Act**) became law in the United Kingdom. Among the changes introduced by the U.K. Banking Reform Act, the U.K. Banking Act is amended to insert a bail-in option as part of the powers of the U.K. resolution authority. The bail-in option will come into force when stipulated by the U.K. Treasury. On March 13, 2014, the U.K. Treasury published a consultation on three statutory instruments relating to the bail-in powers, which closed on May 7, 2014. In its consultation, the U.K. Government noted that in order to complete the legislation and commence the bail-in powers in the U.K. Banking Reform Act, a number of pieces of secondary legislation are to be made.

The bail-in option is being introduced as an additional power available to the U.K. resolution authority, to enable it to recapitalize a failed institution by allocating losses to its shareholders and unsecured creditors in a manner that ought to respect the hierarchy of claims in an insolvency of a relevant financial institution, consistent with shareholders and creditors of financial institutions not receiving less favorable treatment than they would have done in insolvency. The bail-in option includes the power to cancel a liability or modify the terms of contracts for the purposes of reducing or deferring the liabilities of the bank under resolution and the power to convert a liability from one form to another. The conditions for use of the bail-in option are, in summary, that (i) the regulator determines that the bank is failing or likely to fail, (ii) it is not reasonably likely that (ignoring the other stabilization powers under the U.K. Banking Act) any other action can be taken to avoid the bank's failure and (iii) the U.K. resolution authority determines that it is in the public interest to exercise the bail-in power.

The U.K. Government has stated that the bail-in powers introduced by the U.K. Banking Reform Act will require some minor modifications in order to fully transpose the BRRD requirements; however, the U.K. Government's view is that such amendments will not change the fundamental characteristic of the bail-in power.

The exercise of any bail-in power as set out in the U.K. Banking Act or any suggestion of any such exercise could materially adversely affect the value of any New AT1 Securities and could lead to holders of the New AT1 Securities losing some or all of the value of their investment in the New AT1 Securities.

In addition, the U.K. Banking Act may be amended and/or other legislation may be introduced in the United Kingdom to amend the resolution regime that would apply in the event of a bank failure or to provide regulators with other resolution powers.

For more information on changes in law, see *Other changes in law may adversely affect the rights of holders of the New AT1 Securities.*

Under the terms of the New AT1 Securities, you have agreed to be bound by the exercise of any U.K. Bail-in Power by the relevant U.K. resolution authority.

By its acquisition of the New AT1 Securities, each holder of the New AT1 Securities acknowledges, agrees to be bound by, and consents to the exercise of, any U.K. Bail-in Power by the relevant U.K. resolution authority that may result in the cancellation of all, or a portion, of the principal amount of, or interest on, the New AT1 Securities and/or the conversion of all or a portion of the principal amount of, or interest on, the New AT1 Securities into shares or other securities or other obligations of the Issuer or another person, including by means of a variation to the terms of

the New AT1 Securities to give effect to the exercise by the relevant U.K. resolution authority of such bail-in power. Each holder of the New AT1 Securities further acknowledges and agrees that the rights of the holders of the New AT1 Securities are subject to, and will be varied, if necessary, so as to give effect to, the exercise of any U.K. Bail-in Power by the relevant U.K. resolution authority. Accordingly, any U.K. Bail-

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in Power may be exercised in such a manner as to result in you and other holders of the New AT1 Securities losing all or a part of the value of your investment in the New AT1 Securities or receiving a different security from the New AT1 Securities, which may be worth significantly less than the New AT1 Securities and which may have significantly fewer protections than those typically afforded to debt securities. Moreover, the relevant U.K. resolution authority may exercise its authority to implement the U.K. Bail-in Power without providing any advance notice to the holders of the New AT1 Securities. For more information, see *Description of the New AT1 Securities Agreement with Respect to the Exercise of U.K. Bail-in Power*. See also *Regulatory action in the event of a bank failure could materially adversely affect the value of the New AT1 Securities*.

The circumstances under which the relevant U.K. resolution authority would exercise its proposed U.K. Bail-in Power are currently uncertain.

Despite there being proposed pre-conditions for the exercise of the U.K. Bail-in Power, there remains uncertainty regarding the specific factors which the relevant U.K. resolution authority would consider in deciding whether to exercise the U.K. Bail-in Power with respect to the relevant financial institution and/or securities, such as the New AT1 Securities, issued by that institution.

Moreover, as the final criteria that the relevant U.K. resolution authority would consider in exercising any U.K. Bail-in Power are expected to provide it with considerable discretion, holders of the New AT1 Securities may not be able to refer to publicly available criteria in order to anticipate a potential exercise of any such U.K. Bail-in Power and consequently its potential effect on the Group and the New AT1 Securities.

The rights of holders of the New AT1 Securities to challenge the exercise of any U.K. Bail-in Power by the relevant U.K. resolution authority are likely to be limited.

There is some uncertainty as to the extent of any due process rights or procedures that will be provided to holders of securities (including the New AT1 Securities) subject to the U.K. Bail-in Power and to the broader resolution powers of the relevant U.K. resolution authority when the BRRD is implemented in the United Kingdom. Holders of the New AT1 Securities may have only limited rights to challenge and/or seek a suspension of any decision of the relevant U.K. resolution authority to exercise its U.K. Bail-in Power or to have that decision reviewed by a judicial or administrative process or otherwise.

Other changes in law may adversely affect the rights of holders of the New AT1 Securities.

Changes in law after the date hereof may affect the rights of holders as well as the market value of the New AT1 Securities. Such changes in law may include changes in statutory, tax and regulatory regimes during the life of the New AT1 Securities, which may have an adverse effect on an investment in the New AT1 Securities.

In addition, any change in law or regulation that triggers a Regulatory Event or a Tax Event would entitle us, at our option (subject to a requirement to obtain the PRA's prior consent), to redeem any relevant Series of the New AT1 Securities, in whole but not in part, as more particularly described under *Description of the New AT1 Securities Redemption Regulatory Event Redemption* and *Description of the New AT1 Securities Redemption Tax Redemption*, respectively. See also *We may redeem any or all Series of the New AT1 Securities at our option in certain situations*.

Such legislative and regulatory uncertainty could also affect an investor's ability to accurately value the New AT1 Securities and, therefore, affect the trading price of the New AT1 Securities given the extent and impact on the New AT1 Securities that one or more regulatory or legislative changes, including those described above, could have on the

New AT1 Securities.

The financial services industry continues to be the focus of significant regulatory reforms which may adversely affect the Group's business, financial performance and capital plans.

A number of regulators are currently proposing, considering or implementing legislation and rule making that could have a significant impact on the future legal entity structure, business mix and management of the

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Group. These initia