

BARCLAYS PLC
Form 424B2
March 20, 2019
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The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell, nor a solicitation of an offer to buy securities in any jurisdiction where the offer or sale is not permitted

**Filed pursuant to Rule 424(b)(2)
Registration Statement No. 333-223156**

SUBJECT TO COMPLETION

PRELIMINARY PROSPECTUS SUPPLEMENT DATED MARCH 20, 2019

Prospectus Supplement to Prospectus dated April 6, 2018

**\$ % Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities
(Callable , 2024 and Every Five Years Thereafter)
Barclays PLC**

We, Barclays PLC (the Issuer or Barclays), are issuing \$ aggregate principal amount of % Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities (Callable , 2024 and Every Five Years Thereafter) (the Securities). From (and including) the Issue Date (as defined herein) to (but excluding) , 2024 (such date and each fifth (5th) anniversary date thereafter being a Reset Date), the interest rate on the Securities will be % per annum. From (and including) each Reset Date to (but excluding) the next following Reset Date, the applicable per annum interest rate will be equal to the sum, as determined by the Calculation Agent (as defined herein), of the applicable U.S. Treasury Rate (as defined herein) on the relevant Reset Determination Date (as defined herein) and %. The interest rate following any Reset Date may be less than the initial interest rate and/or the interest rate that applies immediately prior to such Reset Date. Subject to the conditions described herein, interest, if any, will be payable quarterly in arrear on , , and of each year, commencing on , 2019.

We will apply to the London Stock Exchange PLC (the LSE) for the Securities to be admitted to trading on the LSE s International Securities Market (the ISM).

The ISM is not a regulated market for the purposes of MiFID II (as defined below). **The ISM is a market designated for professional investors. Securities admitted to trading on the ISM are not admitted to the Official List of the United Kingdom Listing Authority. The LSE has not approved or verified the contents of either this prospectus**

supplement or the accompanying prospectus. Neither this prospectus supplement nor the accompanying prospectus comprises (i) a prospectus for the purposes of Part IV of the Financial Services and Markets Act 2000, as amended (the FSMA) or (ii) a prospectus for the purposes of the Prospectus Directive (as defined herein).

As described in this prospectus supplement, the terms of the Securities provide that interest on the 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. As described herein, the terms of the Securities also provide for circumstances under which the Issuer shall be restricted from making an interest payment (in whole or in part) on the Securities on an Interest Payment Date, and the interest payable in respect of any such Interest Payment Date shall be deemed cancelled (in whole or in part) and therefore not due and payable. 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 terms of the Securities and as further described herein. Any interest cancelled or deemed cancelled (in each case, in whole or in part) in accordance with the terms of the Securities and as further described herein shall not be due and shall not accumulate or be payable at any time thereafter, and holders of the Securities shall have no rights thereto or to receive any additional interest or compensation as a result of such cancellation or deemed cancellation.

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

The Securities will constitute our direct, unsecured and subordinated obligations, ranking *pari passu* without any preference among themselves, as described herein. The Securities will be in registered form in minimum denominations of \$200,000 and in integral multiples of \$1,000 in excess thereof.

As described herein, we may, at our option, redeem the Securities, in whole but not in part, on any Reset Date at 100% of their principal amount, together with any accrued but unpaid interest (which excludes any interest cancelled or deemed cancelled as described herein) to (but excluding) the date fixed for redemption.

As described herein, we may also, at our option, redeem the Securities, in whole but not in part, at any time in the event of a change in certain U.K. regulatory capital requirements or upon the occurrence of certain tax events as described herein at 100% of their principal amount, together with any accrued but unpaid interest (which excludes any interest cancelled or deemed cancelled as described herein) to (but excluding) the date fixed for redemption.

If a Capital Adequacy Trigger Event (as defined herein) occurs, then an Automatic Conversion (as defined herein) will occur on the Conversion Date (as defined herein), at which point all of the Issuer's obligations under the Securities (other than certain Issuer obligations in connection with the Conversion Shares Offer (as defined herein), if any, which are referred to herein as the CSO Obligations) shall be irrevocably and automatically released in consideration of the Issuer's issuance of the Conversion Shares (as defined herein) to the Conversion Shares Depository (as defined herein) (or other relevant recipient as described herein), and under no circumstances shall such released obligations be reinstated. 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 Securities) or the relevant recipient in accordance with the terms of Securities. As more fully described herein, the Issuer may elect, in its sole and absolute discretion, that a Conversion Shares Offer be made by the Conversion Shares Depository to all or some of the then existing shareholders of the Issuer. The realizable value of any Conversion Shares received by a holder of the Securities following an Automatic Conversion may be significantly less than the Conversion Price (as defined herein) of \$ _____ initially and/or the Conversion Shares Offer Price (as defined herein) of £ _____ initially, and holders of the Securities could lose all or part of their investment in the Securities as a result of the Automatic Conversion.

Following an Automatic Conversion, the Securities shall remain in existence until the applicable Cancellation Date (as defined herein) for the sole purpose of evidencing (a) the holder's right to receive Conversion Shares or Conversion Shares Offer Consideration (as defined herein), as applicable, from the Conversion Shares Depository and (b) the Issuer's CSO Obligations, if any. All obligations of the Issuer under the 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 other relevant recipient as described herein) on the Conversion Date.

The Securities are not intended to be offered, sold or otherwise made available and should not be offered, sold or otherwise made available to retail clients, as defined in the rules set out in the Markets in Financial Instruments Directive 2014/65/EU (as amended or replaced from time to time) and the Product Intervention (Contingent Convertible Instruments and Mutual Society Shares) Instrument 2015 (as amended or replaced from time to time) (the PI Rules). Prospective investors are referred to the section headed Prohibition on marketing and sales to retail investors on page S-1 of this prospectus supplement for further information.

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IMPORTANT PRIIPs REGULATION / PROHIBITION OF SALES TO EEA RETAIL INVESTORS. The Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (EEA). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded, the Insurance Mediation Directive), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the PRIIPs Regulation) for offering or selling the Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation. For the purposes of these provisions, the expression MiFID II means Directive 2014/65/EU, as amended.

Singapore Securities and Futures Act Product Classification Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act (Chapter 289 of Singapore) (the SFA), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Securities are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Notwithstanding any other agreements, arrangements, or understandings between us and any holder or beneficial owner of the Securities, by acquiring the Securities, each holder and beneficial owner of the Securities acknowledges, accepts, agrees to be bound by, and consents to, the exercise of any U.K. Bail-in Power (as defined in the accompanying prospectus) by the Relevant U.K. Resolution Authority (as defined in the accompanying prospectus) that may result in: (i) the reduction or cancellation of all, or a portion, of the principal amount of, or interest on, the Securities; (ii) the conversion of all, or a portion of, the principal amount of, or interest on, the Securities into shares or other securities or other obligations of the Issuer or another person (and the issue to, or conferral on, the holder or beneficial owner of the Securities such shares, securities or obligations); and/or (iii) the amendment of the amount of interest due on the Securities, or the dates on which interest becomes payable, including by suspending payment for a temporary period; which U.K. Bail-in Power may be exercised by means of a variation of the terms of the Securities solely to give effect to the exercise by the Relevant U.K. Resolution Authority of such U.K. Bail-in Power. For more information, see the section entitled *Description of Contingent Convertible Securities Agreement with Respect to the Exercise of U.K. Bail-in Power* in the accompanying prospectus.

By its acquisition of the Securities, each holder and beneficial owner of the Securities, to the extent permitted by the U.S. Trust Indenture Act of 1939, as amended (the Trust Indenture Act), also waives any and all claims against The Bank of New York Mellon, London Branch, as trustee (the Trustee) for, agrees not to initiate a suit against the Trustee in respect of, and agrees that the Trustee shall not be liable for, any action that the Trustee takes, or abstains from taking, in either case in accordance with the exercise of the U.K. Bail-in Power by the Relevant U.K. Resolution Authority with respect to the Securities. For more information, see the section entitled *Description of Contingent Convertible Securities Agreement with Respect to the Exercise of U.K. Bail-in Power* in the accompanying prospectus.

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Investing in the Securities involves risks. We encourage you to read and carefully consider this document in its entirety, in particular the risk factors beginning on page S-21 of this prospectus supplement and risk factors in Risk Review Material existing and emerging risks on pages 85 -90 of our Annual Report on Form 20-F for the year ended December 31, 2018, which is incorporated by reference herein, and the other information included and incorporated by reference in this prospectus supplement and the accompanying prospectus, for a discussion of the factors you should carefully consider before deciding to invest in the Securities.

Neither the U.S. Securities and Exchange Commission nor any U.S. state securities commission has approved or disapproved of the Securities or determined that this prospectus supplement is truthful or complete. Any representation to the contrary is a criminal offense.

The Securities are not deposit liabilities of Barclays 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.

	Price to Public ⁽¹⁾		Underwriting Compensation		Proceeds, before expenses, to Barclays PLC	
Per Security		%		%		%
Total	\$		\$		\$	

Note:

(1) Plus accrued interest, if any, from and including _____, 2019.

The underwriters expect to deliver the Securities to purchasers in book-entry form only through the facilities of The Depository Trust Company (DTC), on or about _____, 2019. Beneficial interests in the Securities will be shown on, and transfers thereof will be effected only through, records maintained by DTC and its participants, including Clearstream Banking S.A. (Clearstream, Luxembourg) and Euroclear Bank SA/NV (Euroclear).

By its acquisition of the Securities, each holder and beneficial owner of the Securities shall also be deemed to have (i) acknowledged and agreed that an interest payment shall not be due and payable on the relevant Interest Payment Date if it has been cancelled or deemed cancelled (in each case, in whole or in part) for any reason in accordance with the terms of the Securities, (ii) consented to (x) the Automatic Conversion, including the appointment of a Conversion Shares Depository and the issuance of the Conversion Shares thereto (or any related Conversion Shares Offer Consideration, including the appointment of any Conversion Shares Offer Agent (as defined herein) and the sale of the Conversion Shares by the Conversion Shares Depository), and acknowledged that such Automatic Conversion of its Securities (and any related Conversion Shares Offer) may occur without any further action on the part of such holder or beneficial owner or the Trustee and (y) the exercise of any U.K. Bail-in Power as it may be imposed without any prior notice by the relevant U.K. Resolution Authority of its decision to exercise such power with respect to the Securities and (iii) authorized, directed and requested DTC and any direct participant in DTC or other intermediary through which it holds such Securities to take any and all necessary action, if required, to implement (x) the Automatic Conversion (including any related Conversion Shares Offer) and (y) the exercise of any U.K. Bail-in Power with respect to the Securities as it may be imposed, without any further action or direction on the part of such

holder or beneficial owner or the Trustee.

Sole Structuring Adviser and Sole Bookrunner

Barclays

Joint Lead Managers

Co-Lead Managers

Prospectus Supplement dated , 2019

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PROHIBITION ON MARKETING AND SALES TO RETAIL INVESTORS

The Securities discussed in this prospectus supplement are high risk and complex financial instruments and such instruments may be purchased by investors as a way to enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. Each potential investor in the Securities must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Securities, the merits and risk of investing in the Securities and the information contained or incorporated by reference in this prospectus supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Securities and the impact such investment will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Securities or where the currency for principal or interest payments is different from the currency in which such investor's financial activities are principally denominated;
- (iv) understand thoroughly the terms of the Securities and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent: (i) the Securities are legal investments for it; (ii) the Securities can be used as collateral for various types of borrowing; and (iii) other restrictions apply to its purchase or pledge of the Securities. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of the Securities under any applicable risk-based capital or similar rules.

In particular, in June 2015, the U.K. Financial Conduct Authority (the "FCA") published the Product Intervention (Contingent Convertible Instruments and Mutual Society Shares) Instrument 2015 (the "PI Rules"). In addition, (i) on January 1, 2018, the provisions of Regulation (EU) No. 1286/2014 on key information documents for packaged and retail and insurance-based investment products ("PRIIPs") became directly applicable in all EEA member states and (ii) the Markets in Financial Instruments Directive 2014/65/EU (as amended) ("MiFID II") was required to be implemented in EEA member states by January 3, 2018. Together the PI Rules, PRIIPs and MiFID II are referred to as the "Regulations".

The Regulations set out various obligations in relation to (i) the manufacture and distribution of financial instruments and (ii) the offering, sale and distribution of packaged retail and insurance-based investment products and certain contingent write down or convertible securities, such as the Securities.

Potential investors in the Securities should inform themselves of, and comply with, any applicable laws, regulations or regulatory guidance with respect to any resale of the Securities (or any beneficial interests therein) including the Regulations.

Certain of the underwriters are required to comply with some or all of the Regulations. By purchasing, or making or accepting an offer to purchase, any Securities (or a beneficial interest in such Securities) from the Issuer and/or the underwriters, you represent, warrant, agree with and undertake to the Issuer and each of the underwriters that:

1. you are not a retail client (as defined in MiFID II);

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2. whether or not you are subject to the Regulations, you will not:
 - (A) sell or offer the Securities (or any beneficial interest therein) to retail clients (as defined in MiFID II);
or
 - (B) communicate (including the distribution of this prospectus supplement or the accompanying prospectus) or approve an invitation or inducement to participate in, acquire or underwrite the Securities (or any beneficial interests therein) where that invitation or inducement is addressed to or disseminated in such a way that it is likely to be received by a retail client (in each case within the meaning of MiFID II). In selling or offering the Securities or making or approving communications relating to the Securities you may not rely on the limited exemptions set out in the PI Rules; and
3. you will at all times comply with all applicable laws, regulations and regulatory guidance (whether inside or outside the EEA) relating to the promotion, offering, distribution and/or sale of the Securities (or any beneficial interests therein), including (without limitation) MiFID II and any other applicable laws, regulations and regulatory guidance relating to determining the appropriateness and/or suitability of an investment in the Securities (or any beneficial interests therein) by investors in any relevant jurisdiction.

You further acknowledge that no key information document (KID) under PRIIPs has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the EEA may be unlawful under PRIIPs.

IMPORTANT PRIIPs REGULATION / PROHIBITION OF SALES TO EEA RETAIL INVESTORS The Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of the Insurance Mediation Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by the PRIIPs Regulation for offering or selling the Securities or otherwise making them available to retail investors in the EEA has been prepared, and, therefore, offering or selling the Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

Where acting as agent on behalf of a disclosed or undisclosed client when purchasing, or making or accepting an offer to purchase, any Securities (or any beneficial interests therein) from the Issuer and/or the underwriters the foregoing representations, warranties, agreements and undertakings will be given by and be binding upon both the agent and its underlying client.

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This prospectus supplement and certain documents incorporated by reference herein contain certain forward-looking statements within the meaning of Section 21E of the U.S. Securities Exchange Act of 1934, as amended (the Exchange Act), and Section 27A of the U.S. Securities Act of 1933, as amended (the Securities Act), with respect to the Group (as defined below). We caution readers that no forward-looking statement is a guarantee of future performance and that actual results or other financial condition or performance measures 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, target, projected, expect, estimate, intend, plan, goal, words of similar meaning. Examples of forward-looking statements include, among others, statements or guidance regarding or relating to the Group's future financial position, income growth, assets, impairment charges, provisions, business strategy, capital, leverage and other regulatory ratios, payment of dividends (including dividend pay-out ratios and expected payment strategies), projected levels of growth in the banking and financial markets, projected costs or savings, any commitments and targets, estimates of capital expenditures, plans and objectives for future operations, projected employee numbers, IFRS 9 impacts 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) including the continuing impact of IFRS 9 implementation, 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 applicable to past, current and future periods; United Kingdom (U.K.), United States, European Union and global macroeconomic and business conditions; the effects of any 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 any entities within the Group or any securities issued by such entities; the potential for one or more countries exiting the European Union; instability as a result of the exit by the U.K. from the European Union and the disruption that may subsequently result in the U.K. and globally; 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, expectations and guidance set forth in the Group's forward-looking statements. The list above is not exhaustive and there are other factors that may cause our actual results to differ materially from the forward-looking statements contained in this prospectus supplement and the documents incorporated by reference herein. You are also advised to read carefully the risk factors set out in the section entitled *Risk Factors* in this prospectus supplement and in our filings with the U.S. Securities Exchange Commission (the SEC), including in our Annual Report on Form 20-F for the fiscal year ended December 31, 2018, filed with the SEC on February 21, 2019 (the 2018 Form 20-F), which are available on the SEC's website at <http://www.sec.gov> for a discussion of certain factors that should be considered when deciding what action to take in relation to the Securities.

Any forward-looking statements made herein or in the documents incorporated by reference 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 PRA (as defined below), the FCA, the LSE, the SEC or applicable law, Barclays expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this prospectus supplement or in the documents incorporated by reference 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 made or may make in documents it has published or may publish via the Regulatory News Service of the LSE and/or has filed or may file with the SEC.

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INCORPORATION OF DOCUMENTS BY REFERENCE

This prospectus supplement is part of a registration statement on Form F-3 (File No. 333-223156) we have filed with the SEC under the Securities Act. This prospectus supplement omits some 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 Securities. Statements in this prospectus supplement 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.

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 in this prospectus supplement is an important part of this prospectus supplement. For information on the documents we incorporate by reference in this prospectus supplement and the accompanying prospectus, we refer you to *Incorporation of Certain Documents by Reference* on page 4 of the accompanying prospectus. In particular, we refer you to the 2018 Form 20-F for a discussion of our audited results of operations and financial condition as of, and for the year ended, December 31, 2018 and our Current Reports on Form 6-K filed on February 22, 2019 (Film No. 19624045), which are incorporated by reference into this prospectus supplement.

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

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 or in the accompanying prospectus which we have incorporated in this prospectus supplement 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).

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CERTAIN DEFINITIONS

For purposes of this prospectus supplement:

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

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

Capital Regulations means, at any time, the laws, regulations, requirements, standards, guidelines and policies relating to capital adequacy and/or minimum requirement for own funds and eligible liabilities and/or loss absorbing capacity 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 including, as at the date hereof, CRD IV and related technical standards;

CET1 Capital means, at any time, the sum, expressed in pounds sterling, of all amounts that constitute Common Equity Tier 1 Capital of the Group at such time, less any deductions from Common Equity Tier 1 Capital required to be made at such time, in each case as determined by the Issuer on a consolidated basis in accordance with the Capital Regulations applicable to the Group at such time (which determination 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 the Capital Regulations then applicable to the Group;

CRD IV means 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;

CRD IV Regulation means 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;

Distributable Items shall have the meaning assigned to such term in 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 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 last 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;

fully loaded means, in relation to a measure that is presented or described as being on a fully loaded basis, that such measure is determined without applying the transitional provisions set out in Part Ten of the CRD IV Regulation in accordance with the Capital Regulations applicable to the Issuer as at the time such measure is determined;

fully loaded CET1 Ratio means, at any time, the ratio of CET1 Capital at such time to the Risk Weighted Assets at such time, expressed as a percentage and on the basis that all measures used in such calculation shall be determined on a fully loaded basis;

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

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 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 Securities in a winding-up or administration of the Issuer;

£ and sterling shall refer to the lawful currency for the time being of the United Kingdom;

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

Prevailing Rate means, in respect of any currencies on any day, the spot rate of exchange between the relevant currencies prevailing as at or about 12:00 pm, London time, on that date as appearing on or derived from the relevant page on Bloomberg (or such other information service provider that displays the relevant information) or, if such a rate cannot be determined at such time, the rate prevailing as at or about 12:00 pm, London time, on the immediately preceding day on which such rate can be so determined or, if such rate cannot be so determined by reference to the relevant page on Bloomberg (or such other information service provider that displays the relevant information), the rate determined in such other manner as an Independent Financial Adviser (as defined below) shall in good faith prescribe;

Risk Weighted Assets means, at any time, the aggregate amount, expressed in pounds sterling, of the risk weighted assets of the Group at such time, as determined by the Issuer on a consolidated basis in accordance with the Capital Regulations applicable to the Group at such time (which determination shall be binding on the Trustee and the holders and beneficial owners of the Securities). For the purposes of this definition, the term risk weighted assets means the risk weighted assets or total risk exposure amount, as determined by the Issuer in accordance with the Capital Regulations applicable to the Group;

Tier 1 Capital means Tier 1 Capital for the purposes of the Capital Regulations;

Tier 2 Capital means Tier 2 Capital for the purposes of the Capital Regulations;

The Depository Trust Company or DTC and shall include any successor clearing systems;

\$ and U.S. dollars shall refer to the lawful currency for the time being of the United States; and

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

Table of Contents**SUMMARY**

The following is a summary of this prospectus supplement and should be read as an introduction to, and in conjunction with, the remainder of this prospectus supplement, the accompanying prospectus and any documents incorporated by reference therein. You should base your investment decision on a consideration of this prospectus supplement, the accompanying prospectus and any documents incorporated by reference therein, as a whole. Words and expressions defined in Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities below shall have the same meanings in this summary and capitalized terms used in this summary but not otherwise defined in this summary shall have the meaning given to them in Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities below.

The Issuer

Barclays PLC

The Group is a transatlantic consumer and wholesale bank offering products and services across personal, corporate and investment banking, credit cards and wealth management, anchored in the Group's two home markets of the U.K. and the U.S. The Group is organised into two clearly defined business divisions – the Barclays UK division (Barclays UK) and the Barclays International division (Barclays International). These are housed in two banking subsidiaries – Barclays UK sits within BBUKPLC, and Barclays International sits within BBPLC – which operate alongside Barclays Services Limited but, in accordance with the requirements of ring-fencing legislation, independently from one another. Barclays Services Limited drives efficiencies in delivering operational and technology services across the Group.

Barclays UK offers everyday products and services to retail customers and small to medium sized enterprises based in the U.K. Products and services designed for the Group's larger corporate, wholesale and international banking clients are offered by Barclays International.

The Issuer is the ultimate holding company of the Group.

The Securities We Are Offering

We are offering \$ _____ aggregate principal amount of _____ % Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities (Callable _____, 2024 and Every Five Years Thereafter). The Securities will constitute a series of Contingent Convertible Securities issued under the Indenture (as defined below).

Issue Date , 2019 (the Issue Date).

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

Price to Public %.

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Interest Rate	<p>From (and including) the Issue Date to (but excluding) _____, 2024 the interest rate on the Securities will be _____ % per annum (the Initial Interest Rate _____).</p> <p>From (and including) each Reset Date to (but excluding) the next following Reset Date (each such period, a Reset Period _____), the applicable per annum interest rate (the Subsequent Interest Rate _____) will be equal to the sum of the then-prevailing U.S. Treasury Rate (as defined herein, such term subject to the provisions described under <i>Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Determination of Subsequent Interest Rate</i> below) on the relevant Reset Determination Date (as defined herein) and _____ % (the Margin _____).</p>
Reset Date	<p>_____, 2024 and each fifth (5th) anniversary date thereafter.</p>
Reset Determination Date	<p>The second Business Day (as defined herein) immediately preceding each Reset Date.</p>
Interest Payment Dates	<p>_____, _____, and _____ of each year, commencing on _____, 2019. A payment made on that first Interest Payment Date, if any, would be in respect of the period from (and including) _____, 2019, to (but excluding) _____, 2019 [(and thus a long first interest period)].</p>
U.S. Treasury Rate and fallbacks	<p>U.S. Treasury Rate means, with respect to any Reset Date for which such rate applies, the rate per annum equal to: (1) the yield, under the heading which represents the average for the week immediately prior to the Reset Determination Date, appearing in the most recently published statistical release designated H.15 _____, or any successor publication that is published by the Board of Governors of the Federal Reserve System that establishes yields on actively traded U.S. Treasury securities adjusted to constant maturity, under the caption Treasury Constant Maturities _____, for the maturity of five years; or (2) if such release (or any successor release) is not published during the week immediately prior to the Reset Determination Date or does not contain such yields, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, calculated using a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such Reset Date.</p> <p>The U.S. Treasury Rate shall be calculated by the Calculation Agent (as defined below).</p>

If the U.S. Treasury Rate cannot be determined, for whatever reason, as described under (1) or (2) above, U.S. Treasury Rate means the rate in percentage per annum as notified by

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the Calculation Agent to the Issuer equal to the yield on U.S. Treasury securities having a maturity of five years as set forth in the most recently published statistical release designated H.15 under the caption Treasury constant maturities (or any successor publication that is published weekly by the Board of Governors of the Federal Reserve System and that establishes yields on actively traded U.S. Treasury securities adjusted to constant maturity under the caption Treasury constant maturities for the maturity of five years) at 5:00 p.m. (New York City time) on the last available date preceding the Reset Determination Date on which such rate was set forth in such release (or any successor release).

Comparable Treasury Issue

Comparable Treasury Issue means, with respect to any Reset Period, the U.S. Treasury security or securities selected by the Issuer with a maturity date on or about the last day of such Reset Period and that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities denominated in U.S. dollars and having a maturity of five years.

Comparable Treasury Price

Comparable Treasury Price means, with respect to any Reset Date, (i) the arithmetic average of the Reference Treasury Dealer Quotations for such Reset Date (calculated on the Reset Determination Date preceding such Reset Date), after excluding the highest and lowest such Reference Treasury Dealer Quotations, or (ii) if fewer than five such Reference Treasury Dealer Quotations are received, the arithmetic average of all such quotations, or (iii) if fewer than two such Reference Treasury Dealer Quotations are received, then such Reference Treasury Dealer Quotation as quoted in writing to the Calculation Agent by a Reference Treasury Dealer.

Reference Treasury Dealer

Reference Treasury Dealer means each of up to five banks selected by the Issuer (following, where practicable, consultation with the Calculation Agent), or the affiliates of such banks, which are (i) primary U.S. Treasury securities dealers, and their respective successors, or (ii) market makers in pricing corporate bond issues denominated in U.S. dollars.

Reference Treasury Dealer Quotations

Reference Treasury Dealer Quotations means with respect to each Reference Treasury Dealer and any Reset Date, the arithmetic average, as determined by the Calculation Agent, of the bid and offered prices for the applicable Comparable Treasury Issue, expressed in each case as a percentage of its principal amount, at 11:00 a.m. (New York City time), on the Reset Determination Date.

Regular Record Dates

The close of business on the Business Day immediately preceding each Interest Payment Date (or, if the Securities are held in definitive form, the close of business on the 15th Business Day preceding each Interest Payment Date).

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Business Days

Business Day means any weekday, other than one on which banking institutions are authorized or obligated by law, regulation or executive order to close in London, United Kingdom, or in New York City, New York.

Interest Payments Discretionary

Interest on the 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 *Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Interest Cancellation Agreement to Interest Cancellation* and *Notice of Interest Cancellation* below.

Restriction on Interest Payments

Subject to terms described below under *Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Interest Cancellation Restriction on Interest Payments* and the extent permitted therein in respect of partial interest payments, the Issuer shall not make an interest payment on the 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 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 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 below under *Description of Fixed Rate Resetting Perpetual*)

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Subordinated Contingent Convertible Securities Ranking) is not satisfied in respect of such interest payment.

See also *Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Interest Cancellation Agreement to Interest Cancellation* and *Notice of Interest Cancellation* below.

Agreement to Interest Cancellation

By subscribing for, purchasing or otherwise acquiring the Securities, holders of the 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 the Issuer at its 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 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 *Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Interest Payments Discretionary* and *Interest Cancellation Restriction on Interest Payments* below. 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 Securities shall have no rights thereto or to receive any additional interest or compensation as a result of such cancellation or deemed cancellation. The Issuer may use such cancelled payments without restriction to meet its obligations as they fall due.

Ranking

The Securities will constitute our direct, unsecured and subordinated obligations, ranking *pari passu* without any preference among

themselves. In the event of our winding up or administration, the rights and claims of the holders of the Securities in respect of or arising from the Securities (including any damages (if payable)) will be subordinated to the claims of Senior Creditors.

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The claim of a holder of Securities is also subject to the ranking provisions described below under *Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Ranking*.

In addition, see *Risk Factors The Issuer is a holding company, which means that its right to participate in the assets of any of its subsidiaries (including those of BBPLC, BBUKPLC, the group service company or any other present or future subsidiary) upon the liquidation of such subsidiaries and the extent to which the Issuer suffers losses if it or any of its subsidiaries are subject to bank resolution proceedings, may depend, amongst other things, upon the degree to which the Issuer's loans to, and investments in, such subsidiaries are subordinated*.

No Set-off

The Securities are subject to the waiver of set-off provisions set forth in the accompanying prospectus under *Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities No Set-off*.

Optional Redemption

We may, at our option, redeem the Securities, in whole but not in part, on any Reset Date at 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 Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Interest Cancellation Interest Payments Discretionary or Restriction on Interest Payments* below) to (but excluding) the date fixed for redemption.

Any optional redemption will be subject, among other things, to the provisions described under *Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Redemption Notice of Redemption and Condition to Redemption* below.

Regulatory Event Redemption

We may, at our option, at any time, redeem the Securities, in whole but not in part, upon the occurrence of a Regulatory Event (as defined below) on the terms and subject to the conditions set forth under *Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Redemption Regulatory Redemption* below.

Any such redemption will be subject, among other things, to the provisions described under *Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Redemption Notice of Redemption* and *Condition to Redemption* below.

Tax Redemption

We may, at our option, redeem the Securities, in whole but not in part, at any time, if we determine that a Tax Event (as

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defined below) occurred, on the terms and subject to the conditions set forth under *Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Redemption Tax Redemption* below.

Any such redemption will be subject, among other things, to the provisions described under *Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Redemption Notice of Redemption* and *Condition to Redemption* below.

Condition to Repurchase

The Issuer or any member of the Group may purchase or otherwise acquire any of the outstanding 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 and/or any other relevant national or European authority (in either case if such consent is then required by the Capital Regulations) and to applicable law and regulation.

Automatic Conversion Upon Capital Adequacy Trigger Event

If a Capital Adequacy Trigger Event (as defined herein) occurs, then an Automatic Conversion will occur on the Conversion Date, on the terms and subject to the conditions and procedures set forth under *Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Automatic Conversion Upon Capital Adequacy Trigger Event* below, at which point all of the Issuer's obligations under the 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 Securities) on the Conversion Date at the Conversion Price, 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.

A Capital Adequacy Trigger Event shall occur if at any time the fully loaded CET1 Ratio (as defined herein) is less than 7.00%. Whether a Capital Adequacy Trigger Event has occurred at any time shall be determined by the Issuer and such determination shall be binding on the Trustee and holders of the Securities.

Conversion Shares means the 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 Securities) following

an Automatic Conversion, which ordinary shares shall be in such number as is determined by dividing the aggregate principal amount of the Securities outstanding immediately prior to the Automatic Conversion

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on the Conversion Date by the Conversion Price rounded down, if necessary, to the nearest whole number of ordinary shares.

Conversion Price

The Conversion Price of the Securities is fixed at \$ per Conversion Share, subject to certain anti-dilution adjustments, as described under *Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Anti-Dilution* below. On the Issue Date, the Conversion Price is equivalent to the Conversion Shares Offer Price (as defined herein) translated into U.S. dollars at an exchange rate of £1.00 = \$.

Conversion Shares Offer

No later than ten (10) Business Days following the Conversion Date, 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, on the terms and subject to the conditions and procedures set forth under *Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Automatic Conversion Upon Capital Adequacy Trigger Event Conversion Shares Offer*.

Conversion Shares Offer Price means £ per Conversion Share (subject to certain anti-dilution adjustments, as described under *Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Anti-Dilution* below).

Conversion Shares Offer Consideration

Upon completion of the Conversion Shares Offer, the Issuer or the Conversion Shares Depository will provide notice to the holders of the Securities of the composition of the Conversion Shares Offer Consideration (as defined below) (and of the deductions from the cash component, if any, of the Conversion Shares Offer Consideration (as defined below)) per \$1,000 Tradable Amount (as defined below) of the Securities. The Conversion Shares Offer Consideration will be delivered to holders of the Securities pursuant to the procedures set forth under *Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Automatic Conversion Upon Capital Adequacy Trigger Event Settlement Procedure* below.

Conversion Shares Offer Consideration means in respect of each Security (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 Security

translated from sterling into U.S. dollars at a then-prevailing exchange rate (less any foreign exchange transaction costs), (ii) if some but not all of the Conversion

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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 Security translated from sterling into U.S. dollars 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 Security 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 Security 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.

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

Notwithstanding any other agreements, arrangements, or understandings between us and any holder of the Securities, by acquiring the Securities, each holder of the Securities acknowledges, accepts, 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 (i) the reduction or cancellation of all, or a portion of, the principal amount of, or interest on, the Securities; (ii) the conversion of all, or a portion, of the principal amount of, or interest on, the Securities into shares or other securities or other obligations of the Issuer or another person (and the issue to, or conferral on, the holder of the Securities such shares, securities or obligations); and/or (iii) the amendment of the amount of interest due on the Securities, or the dates on which interest becomes payable, including by suspending payment for a temporary period; which U.K. Bail-in Power may be exercised by means of a variation of the terms of the Securities solely to give effect to the exercise by the Relevant U.K. Resolution Authority of such U.K. Bail-in Power. For more information, see *Description of Contingent Convertible Securities Agreement with Respect to the Exercise of U.K. Bail-in Power* in the accompanying prospectus.

Payment of Contingent Convertible Additional Amounts

The Issuer will pay additional amounts in respect of the Securities in the circumstances described under *Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Payment of Contingent Convertible Additional Amounts*.

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

No repayment of the principal amount of the Securities or payment of interest on the 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 provisions described below under *Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Ranking*, the principal amount of the Securities will become immediately due and payable.

For the avoidance of doubt, as the principal amount of the Securities will become immediately due and payable upon a Winding-up Event that occurs before the occurrence of a Capital Adequacy Trigger Event, neither the Trustee nor the holders of the Securities are required to declare such principal amount to be due and payable.

A Winding-up Event with respect to the 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 Securities and such failure continues for 14 days, the Trustee may give us written 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 (a Non-Payment Event), 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

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cancelled or is deemed cancelled (in each case, in whole or in part) as described under *Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Interest Payments Discretionary* and *Interest Cancellation Restriction on Interest Payments* below. Accordingly, no default in payment under the 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 us as it may think fit to enforce any term, obligation or condition binding on us under the Securities or the Indenture (other than any payment obligation of the Issuer under or arising from the Securities or the Indenture, including payment of any principal or interest, (including Contingent Convertible Additional Amounts) (a Performance Obligation); provided always that the Trustee (acting on behalf of the holders of the Securities) and the holders of the 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 the holders of the Securities) and the holders of the 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 Securities, each holder of the 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 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 Securities Holders of the Securities will have limited remedies.*

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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 Securities) or the holders of the Securities whether for the recovery of amounts owing in respect of such 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 the 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 Securities under the provisions of the Indenture and (2) nothing shall impair the right of a holder of the Securities under the Trust Indenture Act, absent such holder's consent, to sue for any payment due but unpaid with respect to the Securities; *provided that*, in the case of each of (1) and (2) above, any payments in respect of, or arising from, the Securities, including any payments or amounts resulting or arising from the enforcement of any rights under the Trust Indenture Act in respect of the Securities, are subject to the subordination provisions set forth in the Indenture.

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 Securities is not a Winding-up Event, a Non-Payment Event, a default in payment or otherwise.

Book-Entry Issuance, Denominations, Settlement and Clearance

We will issue the Securities in fully registered form. Book-entry interests in the Securities will be issued in minimum denominations of \$200,000 and integral multiples of \$1,000 in excess thereof (the denomination of each book-entry interest being the *Tradable Amount* of such book-entry interest). The Securities will be represented by one or more global certificates registered in the name of a nominee of

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DTC. You will hold beneficial interests in the 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 certificated Securities except in limited circumstances that we explain under *Description of Certain Provisions relating to Debt Securities and Contingent Convertible Securities Special Situations When a Global Security Will Be Terminated* in the accompanying prospectus. Settlement of the Securities will occur through DTC in same day funds. For information on DTC's book-entry systems, see *Clearance and Settlement The Clearing Systems DTC* in the accompanying prospectus.

Conflicts of Interest

Barclays Capital Inc., the Sole Structuring Adviser and Sole Bookrunner, is an affiliate of Barclays PLC and, as such, is deemed to have a conflict of interest in this offering within the meaning of Rule 5121 (or any successor rule thereto) (Rule 5121) of the Financial Industry Regulatory Authority Inc. (FINRA). Consequently, this offering is being conducted in compliance with the provisions of Rule 5121, which, among other things, requires that a qualified independent underwriter (QIU) participate in due diligence and the preparation of this prospectus supplement.

J.P. Morgan Securities LLC, one of the Joint Lead Managers, will act as QIU in respect of this offering. Moreover, Barclays Capital Inc. is not permitted to sell Securities in this offering to an account over which it exercises discretionary authority without the prior specific written approval of the account holder. For more information, see *Underwriting Conflicts of Interest*.

ISIN**CUSIP****Common Code****Financial Short Name (FISN)****Classification of Financial Instruments
(CFI) Code****Legal Entity Identifier (LEI) Code**

213800LBQA1Y9L22JB70

Listing and Trading

We will apply to the LSE for the Securities to be admitted to trading on the ISM. The ISM is not a regulated market for the purposes of MiFID II.

The Securities will cease to be admitted to trading on the ISM on the date that the ISM has been notified to cancel the Securities or after the Suspension Date, as applicable, in accordance with the terms of the Securities and, in each case, subject to receipt by the ISM of any notice by the Issuer required under the ISM's rules and operating procedures.

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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 Securities.
Calculation Agent	The Bank of New York Mellon, London Branch, or its successor appointed by the Issuer.
Timing and Delivery	We currently expect delivery of the Securities to occur on , 2019.
Day Count Fraction	Subject to the conditions described herein, interest on the Securities, if any, will be computed and payable as set out under <i>Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities</i> below.
Further Issues	We may, without the consent of the holders of the Securities, issue additional securities having the same ranking and same interest rate, interest cancellation terms, redemption terms, Conversion Price and other terms as the Securities described in this prospectus supplement except for the price to the public and issue date (the additional securities). Any such additional securities, together with the Securities offered by this prospectus supplement, will constitute a single series of securities under the Indenture. There is no limitation on the amount of Securities or other debt securities that we or our subsidiaries may issue under the Indenture and there is no restriction on us issuing securities that may have preferential rights to the Securities or securities with similar or different provisions to those described herein.
Use of Proceeds	We intend to use the proceeds of the offering for general corporate purposes of the Issuer and its subsidiaries and/or the Group and to strengthen further the capital base of the Issuer and its subsidiaries and/or the Group.
Governing Law	The Indenture and the Securities will be governed by, and construed in accordance with, the laws of the State of New York, except for the waiver of set-off provisions and subordination provisions in Section 5.04(d) and Section 12.01, respectively, of the Base Indenture, which will be governed by, and construed in accordance with, English law.
Risk Factors	Investing in the Securities offered under this prospectus supplement 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 S-21 of this prospectus supplement and <i>Risk Review Material existing and emerging risks</i> on pages 85 90 of the 2018 Form 20-F.

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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 acquire the Securities.

Investing in the Securities offered under this prospectus supplement 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 an investment in the Securities and the suitability of investing in the Securities in light of the particular characteristics and terms of the Securities and of your particular financial circumstances. As part of making an investment decision, you should make sure you thoroughly understand the 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 Securities. You should also carefully consider the risk factors and the other information contained in this prospectus supplement and our 2018 Form 20-F and the other information included and incorporated by reference in this prospectus supplement or the accompanying prospectus before deciding to invest in the 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 Securities and your ability to bear the loss of all or a portion of your investment. If any of the risks described herein (including the risks described in the documents incorporated by reference in this prospectus supplement or the accompanying prospectus) materializes, our business, financial condition and results of operations could suffer, the Securities could be subject to Automatic Conversion and/or the U.K. Bail-in Power, and the trading price and liquidity of the Securities and/or our ordinary shares could decline, in which case you could lose some or all of the value of your investment. Terms defined in Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities have the same meanings in this risk factor section.

Risks Relating to the Securities

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

The 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 Securities, we have no obligation to redeem the 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 Securities (except in the very limited circumstances of automatic acceleration following a Winding-up Event as described under Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Enforcement Events and Remedies below).

Interest on the Securities will be due and payable only at the sole and absolute discretion of the Issuer, 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 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. 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 Securities. 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.

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Because the Securities are intended to qualify as Additional Tier 1 Capital under CRD IV, the Issuer may cancel (in whole or in part) any interest payment on the Securities at its discretion and may pay dividends on its ordinary or preference shares notwithstanding such cancellation. In addition, the Issuer may without restriction use funds that could have been applied to make such cancelled payments to meet its 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 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 Securities. If practicable, we shall provide notice of any cancellation of interest (in whole or in part) to the holders of the Securities through DTC. 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 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 (the "Board") will consider, among other things, the expectation of servicing more senior securities. The Securities are senior in rank to ordinary shares. It is the Board's current intention that, whenever exercising its discretion to declare ordinary share dividends, or its discretion to cancel interest on the Securities, the Board will take into account the relative ranking of these instruments in our capital structure. However, subject to any applicable law, the Board may at any time depart from the above 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 Securities also restrict us from making interest payments on the 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 terms described below under "Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Interest Cancellation Restriction on Interest Payments" and the extent permitted therein in respect of partial interest payments, the Issuer shall not make an interest payment on the 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 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 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 Securities on any Interest Payment Date, it may only do so to the extent that such partial interest payment may be made without breaching the restrictions in paragraphs (a) and (b) above. In addition, the Issuer may elect to make a full or partial interest payment with respect to any Parity Security without making a full or partial interest payment on the Securities

on any Interest Payment Date.

The Issuer shall be responsible for determining compliance with this restriction, and neither the Trustee nor any agent shall be required to monitor such compliance or to perform any calculations in connection therewith.

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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 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 Securities shall constitute a default in payment or otherwise under the terms of the Securities. If practicable, we shall provide notice of any deemed cancellation of interest (in whole or in part) to the holders of the Securities through DTC. 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 Securities any rights as a result of such failure.

CRD IV and the BRRD (as defined below) impose capital and regulatory requirements that will restrict the Issuer's ability to make discretionary distributions in certain circumstances, in which case the Issuer may reduce or cancel interest payments on the Securities. In addition, the PRA has broad powers to impose prudential requirements on the Issuer which may include requiring the Issuer to limit or cancel interest on the Securities.

The capital and regulatory framework to which the Group is subject imposes certain requirements for the Group to hold sufficient levels of capital, including CET1 Capital, leverage and additional loss absorbing capacity (including MREL and TLAC (as both terms are defined below)). A failure to comply with such requirements, as the same may be amended from time to time, may result in restrictions on the Issuer's ability to make discretionary distributions (including on the Securities) in certain circumstances.

In particular, CRD IV imposes certain restrictions on institutions that fail to meet the combined buffer requirement, as described in further detail below, which may result in the Issuer having to reduce or cancel interest payments on the Securities. The CRD IV requires member states of the European Union (the EU) to impose capital buffer requirements that are additional to the Pillar 1 own funds requirement and are required to be met with Common Equity Tier 1 Capital. The CRD IV capital buffers, as currently implemented in the U.K. and which broadly make up the combined buffer requirement, are: (i) the capital conservation buffer, (ii) the institution-specific counter-cyclical buffer, (iii) the global systemically important institutions buffer and (iv) the systemic risk buffer. These CRD IV capital buffers are applicable to the Group at a level as determined from time to time by the relevant designated authority in the U.K. other than the systemic risk buffer which is expected to be set by the PRA for the first time in early 2019. In addition, counter-cyclical buffers as determined by other national authorities in relation to the Group's exposures in their jurisdictions started to apply from 2016 and have continued since. Please see pages 171-174 of the 2018 Form 20-F, for further information.

Furthermore, 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 Pillar 1 own funds requirement. This additional capital requirement, referred to as Pillar 2A, derives from the Issuer's individual capital guidance, which is a point in time and confidential assessment that, in respect of U.K. firms, is made by the PRA, at least annually, and is expected to vary over time. The Group's Pillar 2A requirement for 2019 is equivalent to 4.7% of Risk Weighted Assets. Under current PRA requirements, the Pillar 2A must be met with at least 56% Common Equity Tier 1 Capital and no more than 25% tier 2 capital. In addition, the capital that firms use to meet their minimum requirements (Pillar 1 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 both the Pillar 1 own funds and Pillar 2A requirements.

Under Article 141 (*Restrictions on distributions*) of the CRD IV, member states of the EU must require that institutions that fail to meet the combined buffer requirement 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).

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The combined buffer requirement, and the associated restrictions under Article 141 (*Restrictions on distributions*) of CRD IV, as implemented in the U.K. (the Article 141 Restrictions), have applied since January 1, 2016. In the event of a breach of the combined buffer requirement, the Article 141 Restrictions 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 (as applicable at Group level) the Issuer's discretionary payments will be restricted and the Issuer may exercise its discretion to cancel (in whole or in part) interest payments in respect of the Securities.

In addition to the Pillar 1 own funds requirement, the Pillar 2A requirement and the combined buffer requirement, 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, the PRA buffer (replacing the capital planning buffer), which may be assessed by the PRA to cover risks over a forward-looking planning horizon, including with regard to firm-specific stresses or management and governance weaknesses. If the PRA buffer is imposed on a specific firm, it must be met separately to the combined buffer requirement and must be met fully with CET1 Capital. Failure by the Issuer to meet its PRA buffer (so long as one is imposed), could result in the PRA requiring the Issuer to prepare a capital restoration plan. Such capital restoration plan may impose restrictions on discretionary payments, which may result in the cancellation (in whole or part) of interest payments in respect of the Securities. In addition, sectoral capital requirements could be imposed as 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 as a result of exposure to specific sectors.

Some of these and other measures remain subject to on-going review and there remains, therefore, some degree of uncertainty regarding the interaction of the Article 141 Restrictions with the capital requirements, buffers, micro- and macro- prudential tools, the leverage requirements and MREL and TLAC requirements (as defined below). Such uncertainty is expected to subsist until the final implementation and application of the relevant rules.

In November 2016, the PRA set out its policy on the relationship between the minimum requirements for own funds and eligible liabilities (MREL) pursuant to the BRRD and buffers in Supervisory Statement SS16/16, which was updated in December 2017 (the Supervisory Statement). The Supervisory Statement confirms that the PRA expects U.K. firms not to meet their combined buffer requirement, the relevant PRA buffer or the leverage ratio buffers with any CET1 capital which counts towards their MREL requirement. This is consistent with the approach of the Financial Stability Board (the FSB) in relation to the total loss absorbing capacity (TLAC), which requires that capital buffers and any additional capital requirements (such as the Pillar 2A requirements) must be met separately from and in addition to any TLAC requirements. In the event a U.K. firm does not or expects not to have sufficient CET1 capital, in addition to the CET1 capital counted towards its MREL, to meet the combined buffer requirements, then, while there would not be an automatic restriction on distribution, the PRA will undertake enhanced supervisory action and will require the preparation of a capital restoration plan. In such circumstances, the PRA may use its general powers under section 55M of the FSMA if it is not satisfied with the capital restoration plan, or with the firm's reasons for the shortfall. Concurrently with the Supervisory Statement, the Bank of England published its policy on setting MREL (which was updated by the Bank of England's Statement of Policy in June 2018) stating that, in doing so, it will consider the TLAC standard to ensure it is met by U.K. global systemically important banks (G-SIBs) (such as BBPLC). For institutions for which bail-in is the appropriate resolution strategy, MREL will be introduced in three phases. Since January 1, 2019, U.K. G-SIBs have been required to meet the minimum requirements set out in the FSB's TLAC standard

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of the higher of 16 % of risk weighted assets (RWAs) or 6 % of leverage exposures. From January 1, 2020, U.K. G-SIBs will be required to meet an interim MREL equivalent to the higher of (i) their Pillar 2A requirement plus two times their Pillar 1 requirement; or (ii) two times the applicable leverage ratio requirement, currently 6 % U.K. G-SIBs will be required to meet their end-state MREL equivalent from January 1, 2022, which will be the higher of two times the sum of the firm's Pillar 1 and Pillar 2A, or, if higher, the higher of two times the applicable leverage ratio requirement or 6.75 % of leverage exposures. However, before the end of 2020, the Bank of England will review its general approach to the calibration of MREL, and the final transition date, prior to setting end-state MRELS. In doing so, the Bank of England will have particular regard to any intervening changes in the U.K. regulatory framework as well as institutions' experience in issuing MREL resources to meet their interim MRELS. The Bank of England will also take into account any changes to regulatory capital requirements, including the likely changes to the capital framework arising from the work of the Basel Committee on Banking Supervision. The Bank of England has stated that capital buffers will be excluded from its calibration of the loss absorption amount and that the level and other conditions relating to MREL will be aligned, where applicable, with the FSB TLAC standards. However, these policies may be subject to change, in particular, once the EU proposals in relation to MREL and TLAC are finalized and depending on how the U.K. is then required or decides to implement them.

Additionally, the PRA has a broad power under section 55M of the FSMA, to impose requirements on the Issuer, the effect of which could be to restrict or prohibit payments of interest on the Securities. If the PRA imposes such a requirement, the Issuer will exercise its discretion to cancel (in whole or in part, as required by the PRA) interest payments in respect of the Securities.

Separately, certain regulatory proposals may restrict the Issuer's ability to make discretionary distributions in certain circumstances, in which case the Issuer may reduce or cancel interest payments on the Securities. For example, under proposals made by the European Commission in November 2016 to include in the European framework, among others, the TLAC requirements, a firm will be deemed not to have met its combined buffer requirement, and will become subject to the Article 141 Restrictions, where it does not have own funds and eligible liabilities in an amount and quality to meet: (i) its combined buffer requirement, (ii) its 4.5 % Pillar 1 CET1 Capital requirement and its Pillar 2A CET1 Capital requirement, (iii) its 6 % Pillar 1 Tier 1 requirement and its Pillar 2A Tier 1 requirement, (iv) its 8 % Pillar 1 capital requirement and its Pillar 2A total capital requirement, and (v) its Pillar 1 and Pillar 2A MREL requirements, including, in the case of G-SIBs, its risk-based ratio and non-risk based ratio (subject to a potential grace period). Further, these proposals are in draft form and are still subject to the EU legislative process and national implementation and, therefore, it is not clear whether these proposals will be adopted in their current form. See also the last paragraph under *Interest on the Securities will be due and payable only at the sole and absolute discretion of the Issuer, 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* above.

The Group's capital, leverage and/or MREL resources and 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. 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* for examples of the type of factors that can affect the Group's capital, leverage and/or MREL resources and requirements and how they are determined. Therefore, Holders may not be able to predict accurately the proximity of the risk of discretionary payments on the Securities being prohibited from time to time as a result of the operation of the Article 141 Restrictions and/or the exercise by the PRA of its broad powers to impose prudential requirements on the Issuer. Accordingly, the trading behavior of the Securities is not necessarily expected to follow the trading behavior of other types of securities. Any indication that a breach of the combined buffer requirement or an exercise by the PRA of its broad powers to impose prudential requirements may occur can be expected to have a material adverse effect on the trading price of the Securities.

In addition, changes in the application of CRD IV and/or BRRD or any changes to such rules or related legislation implementing such rules may also affect the Group's capital, leverage and/or MREL resources and

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requirements and how they are determined, see *Future regulatory changes to the calculation of CET1 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 Holders could lose all or part of the value of their investment in the Securities* and *Changes in law may adversely affect the rights of Holders*. Additionally, under the proposed EU Banking Reforms (as defined below), a new Article 141a is proposed to better clarify, for the purposes of restrictions on distributions, the relationship between the additional own funds requirements, the minimum own funds requirements and the combined buffer requirement (the so called stacking order), with Article 141 of CRD IV to be amended to reflect the stacking order in the calculation of the maximum distributable amount. Under this new provision, an institution such as the Issuer shall be considered as failing to meet the combined buffer requirement for the purposes of Article 141 of CRD IV where it does not have own funds and eligible liabilities in an amount and of the quality needed to meet at the same time the requirement defined in Article 128(6) of CRD IV (i.e. the combined buffer requirement) as well as each of the minimum own funds requirements and the additional own funds requirements. In addition, a new Article 16a of the BRRD is proposed to better clarify the stacking order between the combined buffer requirement and the MREL requirement. Pursuant to this new provision, a resolution authority shall have the power to prohibit an entity from distributing more than the maximum distributable amount for own funds and eligible liabilities (calculated in accordance with the proposed Article 16a(4) of the BRRD (the M-MDA)) where the combined buffer requirement and the MREL requirement are not met. The proposed Article 16a of the BRRD in its current form envisages a potential nine month grace period whereby the resolution authority assesses on a monthly basis whether to exercise its powers under the provision before such resolution authority is completed to exercise its power under the provisions (subject to certain limited exceptions). Furthermore, a new Article 141b of CRD IV is proposed which introduces a restriction on distributions in the case of a failure to meet the leverage ratio buffer, with provision for a new leverage ratio maximum distributable amount (L-MDA) to be calculated. The M-MDA and L-MDA are both proposed to limit the same distributions as the maximum distributable amount and so may limit the aggregate amount of interest payments and redemption amounts that may be payable on the Securities. Furthermore, Holders will bear the risk of changes to the Group's capital, leverage and/or MREL resources in general and, in particular, to the CET1 Ratio, see *Holdings will bear the risk of changes in the Group's fully loaded CET1 Ratio*. Any such changes to the rules to include more onerous requirements, and/or any decrease in the Group's capital, leverage and/or MREL resources, and/or increase in such requirements applicable to the Group, may increase the risk of (i) the Issuer breaching its combined buffer requirements and being bound by Article 141 Restrictions and/or (ii) the PRA imposing requirements on the Issuer under section 55M of the FSMA, each of which may, in turn, increase the risk of the Issuer exercising its discretion to cancel interest payments in respect of the Securities. Moreover, a decline or perceived decline in the Group's capital, leverage and/or MREL resources towards a level at which a breach of the combined buffer requirement or an exercise of the PRA's powers under Section 55M of the FSMA may occur, may significantly affect the trading price of the Securities.

As a holding company, the level of the Issuer's Distributable Items and its available funding may be affected by a number of factors. Insufficient Distributable Items or funding may restrict the Issuer's ability to make interest payments on the 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. The Issuer is also reliant on the receipt of distributions from its subsidiaries for funding the Issuer's payment obligations. Consequently, the level of the Issuer's Distributable Items and available funding, and therefore its ability to make interest payments on the Securities, are a function of its existing Distributable Items, future Group profitability, the ability of the Issuer's operating subsidiaries to distribute or dividend profits up the Group structure to the Issuer and other factors such as the amount and availability of such profits and how they are calculated in accordance with accounting rules including the valuation of investment in subsidiaries. In addition, the

Issuer's Distributable Items available for making payments to holders may also be adversely affected by the servicing of other instruments issued by the Issuer or by Group subsidiaries.

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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 the U.K. ring-fencing requirements which became effective as of January 2019, the requirement under section 165 of the Dodd-Frank Act, which has now been completed, to create an intermediate holding company (IHC) in the United States (each as discussed on pages 170-174 of the 2018 Form 20-F) or similar local capital or ring-fencing requirements in other jurisdictions, could adversely affect the Issuer's Distributable Items in the future.

In addition, the ability of the Group's subsidiaries to make distributions 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 such subsidiaries' respective regulatory, capital and leverage requirements, statutory reserves, financial and operating performance and applicable tax laws. For example, BBPLC is an institution regulated by the PRA and subject to the CRD IV regime, including capital and combined buffer requirements such as those described for the Group (see *CRD IV imposes capital and regulatory requirements that will restrict the Issuer's ability to make discretionary distributions in certain circumstances, in which case the Issuer may reduce or cancel interest payments on the Securities. In addition, the PRA has broad powers to impose prudential requirements on the Issuer which may include requiring the Issuer to limit or cancel interest on the Securities*). In addition, BBUKPLC and the US IHC will have individual capital and buffer requirements and similar requirements may apply to other subsidiaries over time. The continuing progress in the implementation of international principles and EU and domestic rules and regulations (including such rules and regulations in the UK or in other jurisdictions in which the Group operates) around additional loss absorbing capacity (such as TLAC and MREL) are expected to increase current requirements. Such rules and regulations could limit the payment of dividends, distributions and other payments to the Issuer by its subsidiaries, which could restrict the Issuer's available funding for meeting its obligations or funding other operations and may also restrict the Issuer's ability to maintain or increase its Distributable Items. These factors could, in turn, restrict the Issuer's ability to make interest payments on the Securities.

Further, the Issuer's Distributable Items and its available funding, 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 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 Securities also restrict us from making interest payments on the 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. In addition, if the Issuer's ability to receive distributions from its subsidiaries is restricted and alternative sources of funding are not available, the Issuer may exercise its discretion to cancel interest payments in respect of the Securities (see *Interest on the Securities will be due and payable only at the sole and absolute discretion of the Issuer, 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*).

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The Issuer is a holding company, which means that its right to participate in the assets of any of its subsidiaries (including those of BBPLC, BBUKPLC, the group service company or any other present or future subsidiary) upon the liquidation of such subsidiaries and the extent to which the Issuer suffers losses if it or any of its subsidiaries are subject to bank resolution proceedings, may depend, amongst other things, upon the degree to which the Issuer's loans to, and investments in, such subsidiaries are subordinated.

The Issuer is a holding company that currently has no significant assets other than its loans to, and investments in, Group subsidiaries such as BBPLC, BBUKPLC, the group service company, the US IHC (being a subsidiary of BBPLC) and any other present or future subsidiary, which means that if any such subsidiary is liquidated, the Issuer's right to participate in the assets of such subsidiary will depend upon the ranking of the Issuer's claims against such subsidiary according to the ordinary hierarchy of claims in insolvency. So, for example, insofar as the Issuer is a holder of ordinary shares in a Group subsidiary, the Issuer's recovery in the liquidation of such subsidiary will be subject to the prior claims of such subsidiary's third party creditors and preference shareholders (if any). To the extent the Issuer holds other claims against any Group subsidiary that are recognized to rank *pari passu* with any third party creditors or preference shareholders' claims, such claims of the Issuer should in liquidation be treated *pari passu* with those third party claims.

As well as the risk of losses in the event of a Group subsidiary's insolvency, the Issuer may suffer losses if any of its loans to, or investments in, such subsidiary are subject to write-down and conversion on a contractual basis or by statutory power or regulatory direction or if the subsidiary is otherwise subject to resolution proceedings. See *Regulatory action in the event a bank or investment firm in the Group is failing or likely to fail could materially adversely affect the value of the Securities* below. The Issuer has in the past made, and may continue to make, loans to, and investments in, BBPLC and BBUKPLC and other Group subsidiaries with the proceeds received from the Issuer's issuance of debt instruments. Such loans to, and investments made by, the Issuer in such subsidiary will generally be subordinated to depositors and other unsubordinated creditors and may be subordinated further to meet regulatory capital requirements and furthermore may contain mechanisms that, upon the occurrence of a trigger related to the prudential or financial condition of the Group or such subsidiary or upon regulatory direction would result in a write down or conversion into equity of such loans and investments.

The Issuer retains its absolute discretion to restructure such loans to, and any other investments in, any of its Group subsidiaries, including BBPLC and BBUKPLC, at any time and for any purpose including, without limitation, in order to provide different amounts or types of capital or funding to such subsidiary. A restructuring of a loan or investment made by the Issuer in a Group subsidiary could include changes to any or all features of such loan or investment, including its legal or regulatory form, how it would rank in the event of resolution and/or insolvency proceedings in relation to the Group subsidiary, and the inclusion of a mechanism that provides for a write down and/or conversion into equity upon specified triggers or regulatory direction. Any restructuring of the Issuer's loans to, and investments in, any of the Group subsidiaries may be implemented by the Issuer without prior notification to, or consent of, the holders of the Securities.

The regulatory capital treatment, and otherwise the ranking in the ordinary insolvency hierarchy, of the Issuer's claims against a Group subsidiary will affect the extent to which the Issuer is exposed to losses if such subsidiary enters into resolution proceedings or is subject to write-down or conversion of its capital instruments or other liabilities. In particular, the Banking Act specifies that the resolution powers should be applied in a manner such that losses are transferred to shareholders and creditors in an order which reflects the hierarchy of issued instruments under CRD IV and which otherwise respects the hierarchy of claims in an ordinary insolvency, as described above. In general terms, the more junior in the capital structure the investments in, and loans made to, any Group subsidiary are, relative to third party investors, the greater the losses likely to be suffered by the Issuer in the event that any Group subsidiary enters into resolution proceedings or is subject to write-down or conversion of its capital instruments or other

liabilities.

Furthermore, as a result of the structural subordination of securities issued by the Issuer described above, if any Group subsidiary were to be wound up, liquidated or dissolved, (i) the holders of the Securities would have no

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right to proceed against the assets of such subsidiary, and (ii) the liquidator of such subsidiary would first apply the assets of such subsidiary to settle the claims of the creditors (and holders of preference shares or other tier 1 capital instruments ranking ahead of any such entity's ordinary shares) of such subsidiary (such creditors and holders of preference shares may include the Issuer) ranking ahead of the holders of ordinary shares of such subsidiary. Similarly, if any of the Group subsidiaries were subject to resolution proceedings (i) the holders of the Securities would have no direct recourse against such subsidiary, and (ii) holders of the Securities themselves may also be exposed to losses pursuant to the exercise by the relevant resolution authority of the stabilization powers see *Regulatory action in the event a bank or investment firm in the Group is failing or likely to fail could materially adversely affect the value of the Securities* below.

The 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 Securities may trade, and/or the prices for the Securities may appear, on the ISM and in other trading systems with accrued interest. If this occurs, purchasers of Securities in the secondary market will pay a price that includes such accrued interest upon purchase of the 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 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 Securities will reset on each Reset Date.

The interest rate on the Securities will initially be _____ % per annum. However, the interest rate will be reset on each Reset Date such that from (and including) each Reset Date, the applicable per annum interest rate will be equal to the sum, as determined by the Calculation Agent, of the applicable U.S. Treasury Rate on the relevant Reset Determination Date immediately preceding the relevant Reset Date and the Margin. The interest rate following any Reset Date may be less than the initial interest rate and/or the interest rate that applies immediately prior to such Reset Date, which could affect the amount of any interest payments under the Securities and so the market value of the Securities.

The 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 Securities.

A Capital Adequacy Trigger Event will occur if at any time the Group's fully loaded CET1 Ratio has fallen below 7.00%. Whether a Capital Adequacy Trigger Event has occurred at any time shall be determined by the Issuer and such determination shall be binding on the Trustee and the holders of the Securities. 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 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 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 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). In addition, the realizable value of any Conversion Shares received could be substantially lower than that implied by the price paid for the Securities at the time of their purchase and upon an Automatic Conversion, holders will no longer have a debt claim in relation to the

Securities. See *Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible 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, As the*

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Conversion Price is fixed at the time of issue of the 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 and Our obligations under the Securities will be unsecured and subordinated, and the rights of the holders of the Conversion Shares will be further subordinated.

Furthermore, upon the occurrence of an Automatic Conversion, the holders 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 or investment firm in the Group is failing or likely to fail could materially adversely affect the value of the Securities and Future regulatory changes to the calculation of CET1 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 Holders could lose all or part of the value of their investment in the Securities.*

As the Conversion Price is fixed at the time of issue of the 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.

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. The Conversion Price is fixed at the time of issue of the Securities at \$ _____ per Conversion Share, and is subject to certain anti-dilution adjustments, as described under *Holders of the Securities 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 value of our ordinary shares may fluctuate depending on the exchange rate between sterling and the U.S. dollar. For example, if sterling depreciates relative to the U.S. dollar, the U.S. dollar value of our ordinary shares will decrease. As the Conversion Price is denominated in U.S. dollars, depreciation of sterling against the U.S. dollar may result in the U.S. dollar value of any Conversion Shares received by a holder of the Securities following an Automatic Conversion being significantly less than the price implied by the Conversion Price. In addition, 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 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 between the Issue Date and the Conversion Date will also result in the U.S. dollar equivalent of the Conversion Shares Offer Price being less than 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 may further decline. As a result, the realizable value in U.S. dollars of the Conversion Shares received upon a Capital Adequacy Trigger Event could be substantially lower than that implied by the U.S. dollar price paid for the Securities at the time of their purchase.

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

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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 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 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 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 Securities as described herein, with effect from the Conversion Date, holders of the 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 Fixed Rate Resetting Perpetual Subordinated Contingent Convertible 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 as at the Issue Date 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 give notice to the holders of the Securities via DTC 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 Securities. For example, such arrangements may involve holders of the 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 Securities (other than the CSO Obligations, if any).

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 the Barclays PLC Notice of Annual General Meeting dated March 21, 2018, the Issuer informed its shareholders of its intention to include in the terms of securities such as the Securities, if permitted by law and regulation, a mechanism providing for a conversion shares offer such as that provided above. The Conversion Shares Offer may be conducted at the election of the Issuer, in its sole and absolute discretion, on the terms set out in *Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Automatic Conversion Upon Capital Adequacy Trigger Event Conversion Shares Offer*. 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 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.

If the Issuer elects, in its sole and absolute discretion, that a Conversion Shares Offer be conducted by the Conversion Shares Depository and all of the Conversion Shares are sold in the Conversion Shares Offer, holders of the Securities shall be entitled to receive, in respect of each Security, the *pro rata* share of the cash proceeds from the sale of the

Conversion Shares attributable to such Security translated from sterling (as the Conversion Shares Offer Price is stated in sterling) into U.S. dollars at a then-prevailing exchange rate (less any foreign

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exchange transaction costs). If some but not all of the Conversion Shares are sold in the Conversion Shares Offer, holders of the Securities shall be entitled to receive, in respect of each Security, (a) the pro rata share of the cash proceeds from the sale of the Conversion Shares attributable to such Security translated from sterling (as the Conversion Shares Offer Price is stated in sterling) into U.S. dollars 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 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 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 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 Securities will be limited accordingly.

Following an Automatic Conversion, the 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 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 Securities) on the Conversion Date, and under no circumstances shall such released obligations be reinstated. The Securities shall be cancelled on the applicable Cancellation Date.

Although we currently expect that beneficial interests in the Securities will be transferrable between the Conversion Date and the Suspension Date, there is no guarantee that an active trading market will exist for the Securities following the Automatic Conversion. Accordingly, the price received for the sale of any beneficial interest under a Security during this period may not reflect the market price of such Security or the Conversion Shares. Furthermore, transfers of beneficial interests in the Securities may be restricted following the Conversion Date, for example if the clearance and settlement of transactions in the Securities is suspended by DTC at an earlier time than currently expected. In such a situation it may not be possible to transfer beneficial interests in the Securities and trading in the Securities may cease.

In addition, we have been advised by DTC that it will suspend all clearance and settlement of transactions in the Securities on the Suspension Date. As a result, holders of the Securities will not be able to settle the transfer of any Securities following the Suspension Date, and any sale or other transfer of the Securities that such holder may have initiated prior to the Suspension Date that is scheduled to settle after the Suspension Date will be rejected by DTC and will not be settled through DTC.

The Securities will cease to be admitted to trading on the ISM after the Suspension Date, subject to receipt by the ISM of any notice by the Issuer required under the ISM's rules and operating procedures.

Moreover, although the holders of the Securities 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

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registered in the name of the Conversion Shares Depository (or the relevant recipient in accordance with the terms of the Securities), no holder of the Securities 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 of the Securities 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 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 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 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 Securities, if applicable) is or are so delivered. However, the relevant Securities shall be cancelled on the Final Cancellation Date and any holder of 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, as applicable). The Issuer shall have no liability to any holder of the Securities for any loss resulting from such holder not receiving any Conversion Shares (or Conversion Share component of any Conversion Shares Offer Consideration, as applicable) or from any delay in the receipt thereof, in each case as a result of such holder failing to duly submit a Conversion Shares Settlement Notice and the relevant Securities, if applicable, on a timely basis or at all.

Holders of the Securities 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 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 and the Conversion Shares Offer 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 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 Fixed Rate Resetting Perpetual Subordinated Contingent Convertible 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 and the Conversion Shares Offer 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 and the Conversion Shares Offer Price is made may adversely affect the value of the Securities.

If a Takeover Event occurs, the Securities may be convertible into shares of 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 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 Fixed Rate Resetting Perpetual Subordinated Contingent*

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Convertible 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 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 Securities and the 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 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 of the Securities or the value of the 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 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 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 Securities.

Holders of the Securities 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 Securities may receive Conversion Shares if a Capital Adequacy Trigger Event occurs, an investment in the 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 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, exceeds or falls below 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 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 incurrance 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 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.

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The market price of the Securities is expected to be affected by changes in the Group's fully loaded CET1 Ratio. Changes in the Group's fully loaded CET1 Ratio may be caused by changes in the amount of CET1 Capital and/or Risk Weighted Assets as well as changes to their respective definition and/or interpretation by the Issuer under the Capital Regulations. Each of the Group's CET1 Capital and/or Risk Weighted Assets shall be determined by the Issuer on a fully loaded and consolidated basis and such determination shall be binding on the Trustee and the holders. 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 and Future regulatory changes to the calculation of CET1 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 Holders could lose all or part of the value of their investment in the Securities.

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 Group's 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 Group's 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 Securities. A decline or perceived decline in the Group's fully loaded CET1 Ratio may significantly affect the trading price of the 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 the Issuer's control. Although the Issuer currently publicly reports the Group's fully loaded CET1 Ratio only as of each quarterly period end, a Capital Adequacy Trigger Event will occur if at any time the Group's fully loaded CET1 Ratio is less than 7.00%. Whether a Capital Adequacy Trigger Event has occurred at any time shall be determined by the Issuer and such determination shall be binding on the Trustee and the holders of the Securities.

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, interpretation and calculations of regulatory capital ratios and their components, including CET1 Capital and Risk Weighted Assets), revisions to models used by the Issuer to calculate its capital requirements (or revocation of, or amendments to, the regulatory permissions for using such models), 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 sterling equivalent value of foreign currency denominated capital resources and Risk Weighted Assets. As a result, the Group's fully loaded CET1 Ratio is exposed to foreign currency movements.

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 resources and requirements, including CET1 Capital and Risk Weighted Assets, and the Group's fully loaded CET1 Ratio.

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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 Securities is not necessarily expected to follow the trading behavior of other types of securities. 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 Securities.

In addition, any of the factors that affect the Group's overall capital position, including those mentioned above, may in turn affect the Group's capital, leverage and/or MREL resources, see *CRD IV imposes capital requirements that will restrict the Issuer's ability to make discretionary distributions in certain circumstances, in which case the Issuer may reduce or cancel interest payments on the Securities. In addition, the PRA has broad powers to impose prudential requirements on the Issuer which may include requiring the Issuer to limit or cancel interest on the Securities* for a description of certain risks to the holders of a decrease in the Group's capital, leverage and/or MREL resources.

The Group's fully loaded CET1 Ratio, and more generally, its overall capital position, will be affected by the Group's business decisions and, in making such decisions, its interests may not be aligned with those of the holders of the 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 and CRD IV imposes capital and regulatory requirements that will restrict the Issuer's ability to make discretionary distributions in certain circumstances, in which case the Issuer may reduce or cancel interest payments on the Securities. In addition, the PRA has broad powers to impose prudential requirements on the Issuer which may include requiring the Issuer to limit or cancel interest on the Securities* above, the Group's fully loaded CET1 Ratio, and, more generally, its overall capital position, could be affected by a number of factors. The Group's fully loaded CET1 Ratio and its overall capital position will also depend on the Group's decisions relating to its businesses and operations, as well as the management of its capital position. Neither the Issuer nor any member of the Group will have any obligation to consider the interests of the holders of the Securities in connection with its strategic decisions, including in respect of its capital management. Holders of the 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 mandatory distribution restrictions and/or a Capital Adequacy Trigger Event. Such decisions could cause holders of the Securities to lose all or part of the value of their investment in the Securities.

Future regulatory changes to the calculation of CET1 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 Holders could lose all or part of the value of their investment in the Securities.

For the purposes of the Securities, the Issuer will determine the Group's CET1 Capital and Risk Weighted Assets on a fully loaded basis without applying the transitional provisions set out in Part Ten of the CRD IV Regulation (which currently means the phase-in arrangements for the regulatory capital impact of IFRS 9). As a result, the Issuer's CET1 Ratio may be lower than it would be were it to calculate the CET1 Ratio applying the IFRS 9 phase-in arrangements. Furthermore, the application of IFRS 9 is expected to result in greater changes from period to period in the level of provisions, which in turn would result in greater volatility over time in the Group's income and consequently the Group's CET1 Ratio.

As at December 31, 2018, the Group's fully loaded CET1 Ratio was 12.8%, while the Group's CET1 Ratio calculated applying the IFRS 9 phase-in arrangements was 13.2%. The Group's interpretation of CRD IV and the basis of its

determination of the Group's fully loaded CET1 Ratio may be different from those of other financial institutions. For more information on how this ratio is determined, see pages 151-152 of the 2018 Form 20-F, which is incorporated by reference into this prospectus supplement. For the purposes of the Securities, the calculation by the Issuer of the Group's fully loaded CET1 Ratio (based on its interpretation of the Capital Regulations) at any time is binding on the Trustee and the holders of the Securities.

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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, and/or changes to the way in which the PRA interprets and applies these requirements to U.K. banks and bank holding companies following the U.K.'s exit from the EU or otherwise (including as regards individual model approvals granted by the PRA). For example, on November 23, 2016, the EU Commission proposed substantial changes to the CRD IV and BRRD framework. The changes include setting higher capital and additional loss absorbing capacity requirements, increasing the powers of the relevant competent authorities and incorporating the regulatory definition of trading activity, standardized and advanced risk weighted assets calculation methodologies for market risk and new standardized risk weighted assets rules for counterparty credit risk. The proposal also included the phase-in arrangements for the regulatory capital impact of IFRS 9 and the ongoing interaction of IFRS 9 with the regulatory framework, including changes to relevant accounting standards, which came into force on January 1, 2018 and which resulted in changes to the methodologies which the Group is required to adopt for the valuation of financial instruments.

In addition, the Basel Committee on Banking Supervision has continued its post-crisis work on risk weighted assets and leverage reform. In December 2017, *Basel III: Finalising post-crisis reforms* was published, setting out the Basel Committee's finalization of the Basel III framework. Broadly, the finalized package of Basel III regulatory reforms aims to: (i) strengthen risk sensitivity and comparability in credit risk by adopting minimum input floors for certain metrics; (ii) introduce a standardized approach to credit valuation adjustment risk; (iii) introduce a standardized approach to operational risk; (iv) provide safeguards against unsustainable levels of leverage by adding a leverage ratio buffer for global systemically important banks; and (v) ensure that banks' output floors can be calculated as being 72.5 % of total RWA. The date of implementation for most of the proposed reforms listed above has been set at January 1, 2022. However, the Basel Committee on Banking Supervision has chosen to bring the output floor requirements into force over the course of an added five-year phased implementation period post January 1, 2022, ending on January 1, 2027. These proposals and resulting 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.

Therefore, any changes that may occur in the application of the CRD IV rules in the U.K. subsequent to the date of this prospectus supplement 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, the occurrence of which would lead to an Automatic Conversion, as a result of which you could lose all or part of the value of your investment in the Securities.

Failure to meet the requirements of regulatory stress tests could result in the Group taking steps to improve its capital position and may otherwise adversely affect the Group.

The Group and certain of its members are subject to supervisory stress testing exercises in a number of jurisdictions. These exercises currently include the programs of the Bank of England, the EBA, the Federal Deposit Insurance Corporation (the FDIC) and the Federal Reserve Bank of New York. These exercises are designed to assess the resilience of banks to adverse economic or financial developments and ensure that they have robust, forward-looking capital planning processes that account for the risks associated with their business profile. Assessment by regulators is on both a quantitative and qualitative basis, the latter focusing on the Group's, or certain of its members' business model, data provision, stress testing capability and internal management processes and controls.

Failure to meet requirements of regulatory stress tests, or the failure by regulators to approve the stress test results and capital plans of the Group, could result in the Group or certain of its members being required to enhance their capital position, including, for example, an additional PRA buffer which may be set by the PRA in certain circumstances, as set out in the PRA's Policy Statement PS17/15 (*Assessing capital adequacy under Pillar 2*) and the related Statement

of Policy (*The PRA's methodologies for setting Pillar 2 capital*). This may

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result in a need for management actions, such as reducing capital and/or leverage exposures and/or taking steps to conserve capital, which could include reducing discretionary payments (for example, potentially exercising the Issuer's discretion to cancel (in whole or in part) interest payments in respect of the Securities). During 2018, the Issuer and certain of its subsidiaries completed stress testing pursuant to the requirements of the Bank of England, EBA, FDIC and the Federal Reserve Bank of New York. The Bank of England disclosed the results of its stress test exercises on November 28, 2018.

We may redeem the Securities at our option in certain situations.

We may, at our option, at any time, redeem the Securities, in whole but not in part, 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 *Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Interest Cancellation* below) to (but excluding) the date fixed for redemption, if a Regulatory Event or a Tax Event has occurred, as more particularly described under *Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Redemption Regulatory Event Redemption* and *Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Redemption Tax Redemption*, respectively. In addition, we may, at our option, redeem the Securities, in whole but not in part, on each Reset Date 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 Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Interest Cancellation* below) to (but excluding) the date fixed for redemption. If we redeem the Securities, you may not be able to reinvest the redemption proceeds in securities offering a comparable yield. In addition, any early redemption of the Securities is subject to among other things, receipt of the prior consent of the PRA and/or any other relevant national or European authority (in either case if such consent is then required by the Capital Regulations), regardless of whether such redemption would be favorable or unfavorable to you. Furthermore, you have no right to require us to redeem the Securities.

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

Our obligations under the Securities will be unsecured and subordinated to all of the Issuer's existing and future obligations to Senior Creditors (as defined under *Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Ranking* below). In addition, payment of principal or interest in respect of the Securities cannot be made in respect of the Securities except to the extent that the Issuer could make such payment and still satisfy the Solvency Condition (as defined under *Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Ranking* below) immediately thereafter. On December 19, 2018, Her Majesty's Treasury published the Banks and Building Societies (Priorities on Insolvency) Order 2018 (the "2018 Order"), which implements BRRD as regards the ranking of unsecured debt instruments in insolvency hierarchy. The 2018 Order splits a financial institution's non-preferential debts into classes, and provides that ordinary non-preferential debts will rank ahead of secondary non-preferential debts and tertiary non-preferential debts. The Securities constitute tertiary non-preferential debts under the terms of the 2018 Order, and therefore both ordinary and secondary non-preferential debts would continue to rank ahead of claims in respect of the Securities.

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 Security (in lieu of any other payment by the Issuer) such amount, if any, as would have been payable to a holder of Securities if, on the day prior to the

commencement of such winding-up or administration and thereafter, such holder of 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 such winding-up or administration to, and so ranking *pari passu*

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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 such winding-up or 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 Securities was entitled to receive in respect of such preference shares, on a return of assets in such winding-up or administration, was an amount equal to the principal amount of the relevant 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 in such winding-up or 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 the Issuer were to be wound up or placed into administration, the Issuer's liquidator or administrator would first apply assets of the Issuer to satisfy all rights and claims of Senior Creditors. If the Issuer does not have sufficient assets to settle claims of such Senior Creditors in full, the claims of the holders of the Securities will not be settled and, as a result, the holders will lose the entire amount of their investment in the Securities. In such winding-up or administration, the 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 the Issuer 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. See also

Regulatory action in the event a bank or investment firm in the Group is failing or likely to fail could materially adversely affect the value of the Securities.

Furthermore, holders of the Securities should be aware that, upon the occurrence of an Automatic Conversion, all of the Issuer's obligations under the 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 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 Security. As a result, upon the occurrence of an Automatic Conversion, the holders could lose all or part of their investment in the Securities irrespective of whether the Issuer has sufficient assets available to settle what would have been the claims of the holders of the Securities or other securities subordinated to the same extent as the Securities, in winding-up proceedings or otherwise. Therefore, even if other securities that rank *pari passu* with the 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 Securities or the payment of interest on the Securities and will rank as holders of ordinary shares of the Issuer (or beneficial owners of ordinary shares of the Issuer).

Regulatory action in the event a bank or investment firm in the Group is failing or likely to fail could materially adversely affect the value of the Securities.

The tools and powers described below are in addition to the operation of the Automatic Conversion upon the occurrence of a Capital Adequacy Trigger Event pursuant to the terms of the Securities. The majority of the requirements of the EU directive 2014/59/EU of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms of May 15, 2014, as amended (the BRRD) (including the bail-in tool) were implemented in the United Kingdom by way of amendments to the Banking Act. For more information on the bail-in tool, see *The Relevant U.K. Resolution Authority may exercise the bail-in tool in respect of the Issuer and the Securities, which may result in holders of the Securities losing some or all of their investment* and *Under the terms of the Securities, you have agreed to be bound by the exercise of any U.K. Bail-in*

tool by the Relevant U.K. Resolution Authority. below.

On November 23, 2016, the European Commission published, among other proposals, proposals to amend the BRRD. Adoption of the proposals and publication in the Official Journal is anticipated by mid-2019 but there is

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still a number of outstanding issues and the technical and legal translation revision process still has to take place on all the issues agreed. Therefore, it is unclear what the effect of such proposals may be on the Group, the Issuer or the Securities. See *Changes in law may adversely affect the rights of holders of the Securities*.

The Banking Act confers substantial powers on a number of U.K. authorities designed to enable them to take a range of actions in relation to U.K. banks or investment firms and certain of their affiliates (currently including the Issuer) in the event a bank or investment firm in the same group is considered to be failing or likely to fail. The exercise of any of these actions in relation to the Issuer could materially adversely affect the value of the Securities.

Under the Banking Act, substantial powers are granted to the Bank of England (or, in certain circumstances, HM Treasury), in consultation with the PRA, the FCA and HM Treasury, as appropriate as part of a special resolution regime (the SRR). These powers enable the Relevant U.K. Resolution Authority to implement resolution measures with respect to a U.K. bank or investment firm and certain of its affiliates (currently including the Issuer) (each a relevant entity) in circumstances in which the Relevant U.K. Resolution Authority is satisfied that the resolution conditions are met. Such conditions include that a U.K. bank or investment firm is failing or is likely to fail to satisfy the FSMA (as defined above) threshold conditions for authorization to carry on certain regulated activities (within the meaning of section 55B of the FSMA) or, in the case of a U.K. banking group company that is an EEA or third country institution or investment firm, that the relevant EEA or third country relevant authority is satisfied that the resolution conditions are met in respect of such entity.

The SRR consists of five stabilization options: (a) private sector transfer of all or part of the business or shares of the relevant entity, (b) transfer of all or part of the business of the relevant entity to a bridge bank established by the Bank of England, (c) transfer to an asset management vehicle wholly or partly owned by HM Treasury or the Bank of England, (d) the bail-in tool (as described below) and (e) temporary public ownership (nationalization).

The Banking Act also provides for two new insolvency and administration procedures for relevant entities. Certain ancillary powers include the power to modify contractual arrangements in certain circumstances (which could include a variation of the terms of the Securities), powers to impose temporary suspension of payments, powers to suspend enforcement or termination rights that might be invoked as a result of the exercise of the resolution powers and powers for the Relevant U.K. Resolution Authority to disapply or modify laws in the U.K. (with possible retrospective effect) to enable the powers under the Banking Act to be used effectively.

Holders of the Securities should assume that, in a resolution situation, financial public support will only be available to a relevant entity as a last resort after the Relevant U.K. Resolution Authority has assessed and used, to the maximum extent practicable, the resolution tools, including the bail-in tool (as described below).

The exercise of any resolution power or any suggestion of any such exercise could materially adversely affect the value of any Securities and could lead to holders of the Securities losing some or all of the value of their investment in the Securities.

The SRR is designed to be triggered prior to insolvency of the Issuer, and holders of the Securities may not be able to anticipate the exercise of any resolution power (including the U.K. Bail-in tool) by the Relevant U.K. Resolution Authority.

The stabilization options are intended to be used prior to the point at which any insolvency proceedings with respect to the relevant entity could have been initiated. The purpose of the stabilization options is to address the situation where all or part of a business of a relevant entity has encountered, or is likely to encounter, financial difficulties, giving rise to wider public interest concerns.

Although the Banking Act provides specific conditions to the exercise of any resolution powers and, furthermore, the European Banking Authority's guidelines published in May 2015 set out the objective elements for the

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resolution authorities to apply in determining whether an institution is failing or likely to fail, it is uncertain how the Relevant U.K. Resolution Authority would assess such conditions in any particular pre-insolvency scenario affecting the Issuer and/or other members of the Group and in deciding whether to exercise a resolution power.

The Relevant U.K. Resolution Authority is also not required to provide any advance notice to holders of the Securities of its decision to exercise any resolution power. Therefore, holders of the Securities may not be able to anticipate a potential exercise of any such powers nor the potential effect of any exercise of such powers on the Issuer, the Group and the Securities.

Holders of the Securities may have only very limited rights to challenge the exercise of any resolution powers (including the U.K. Bail-in tool) by the Relevant U.K. Resolution Authority.

Holders of the Securities may have only very limited rights to challenge and/or seek a suspension of any decision of the Relevant U.K. Resolution Authority to exercise its resolution powers (including the U.K. Bail-in tool) or to have that decision reviewed by a judicial or administrative process or otherwise.

The Relevant U.K. Resolution Authority may exercise the bail-in tool in respect of the Issuer and the Securities, which may result in holders of the Securities losing some or all of their investment.

Where the relevant statutory conditions for use of the bail-in tool have been met, the Relevant U.K. Resolution Authority would be expected to exercise these powers without the consent of the holders. Subject to certain exemptions set out in the BRRD (including secured liabilities, bank deposits guaranteed under an EU member state's deposit guarantee scheme, liabilities arising by virtue of the holding of client money, liabilities to other non-group banks or investment firms that have an original maturity of fewer than seven days and certain other exceptions), it is intended that all liabilities of institutions and/or their EEA parent holding companies should potentially be within scope of the bail-in tool. Accordingly, any such exercise of the bail-in tool in respect of the Issuer and the Securities may result in the cancellation of all, or a portion, of the principal amount of, interest on, or any other amounts payable on, the Securities and/or the conversion of the Securities into shares or other securities or other obligations of the Issuer or another person, or any other modification or variation to the terms of the Securities. The exercise of the bail-in tool will be separate to and thus may result in an outcome that is different from an Automatic Conversion contemplated by the terms of the Securities.

The Banking Act specifies the order in which the bail-in tool should be applied, reflecting the hierarchy of capital instruments under CRD IV and otherwise respecting the hierarchy of claims in an ordinary insolvency. In addition, the bail-in tool contains an express safeguard (known as "no creditor worse off") with the aim that shareholders and creditors do not receive a less favorable treatment than they would have received in ordinary insolvency proceedings of the relevant entity. Among other proposals, the amendments to BRRD and CRD IV Regulation proposed by the European Commission on November 23, 2016 relate to the ranking of unsecured debt instruments on insolvency hierarchy which resulted in the adoption of EU Directive 2017/2399 on December 12, 2017 (the "Amendment Directive"). The Amendment Directive introduces a new layer in insolvency for ordinary, long-term, unsecured debt-instruments issued by credit institutions and financial institutions within their consolidation perimeter that are established within the EU. In the UK, the 2018 Order referred to above was published on December 19, 2018 and sets out the new insolvency hierarchy. Further, MREL, which is being implemented in the EU and the UK, will apply to EU and UK financial institutions and cover capital and debt instruments that are capable of being written-down or converted to equity in order to prevent a financial institution from failing in a crisis. The Bank of England has set interim MREL compliance dates of January 1, 2019 and January 1, 2020, and a final MREL compliance date of January 1, 2022. The other amendments to BRRD and CRD IV Regulation are still in draft form and subject to the EU legislative process, therefore it is unclear what the effect of such amendments may be on the Group, the Issuer or the

Securities.

The exercise of the bail-in tool in respect of the Issuer and the Securities or any suggestion of any such exercise could materially adversely affect the rights of the holders of the Securities, the price or value of their investment

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in the Securities and/or the ability of the Issuer to satisfy its obligations under the Securities and could lead to holders of the Securities losing some or all of the value of their investment in such Securities or the Securities being converted into ordinary shares at a rate that may deliver fewer ordinary shares than if the Securities were to be converted into ordinary shares in accordance with their terms. In addition, even in circumstances where a claim for compensation is established under the no creditor worse off safeguard in accordance with a valuation performed after the resolution action has been taken, it is unlikely that such compensation would be equivalent to the full losses incurred by the holders of the Securities in the resolution and there can be no assurance that holders of the Securities would recover such compensation promptly.

Mandatory write-down and conversion of capital instruments may affect the Securities.

In addition, the Banking Act requires the Relevant U.K. Resolution Authority to permanently write-down, or convert into equity, Tier 1 capital instruments (such as the Securities) and Tier 2 capital instruments at the point of non-viability of the relevant entity and before, or together with, the exercise of any stabilization option (except in the case where the bail-in tool is to be utilized for other liabilities, in which case such capital instrument would be written down or converted into equity pursuant to the exercise of the bail-in tool, as described above, rather than the mandatory write-down and conversion power applicable only to capital instruments).

For the purposes of the application of such mandatory write-down and conversion power, the point of non-viability is the point at which the Relevant U.K. Resolution Authority determines that the relevant entity meets the conditions for resolution (but no resolution action has yet been taken) or that the relevant entity will no longer be viable unless the relevant capital instruments are written down or converted or the relevant entity requires extraordinary public support without which, the Relevant U.K. Resolution Authority determines that the relevant entity would no longer be viable. As with the bail-in tool, the exercise of the mandatory write-down and conversion power is separate to and thus may result in an outcome that is different from the Automatic Conversion contemplated by the terms of the Securities.

Holders of the Securities may be subject to write-down or conversion into equity on application of such powers (without requiring the consent of such holders and prior to, or at the same time as, the holders of Tier 2 capital instruments), which may result in such holders losing some or all of their investment or the Securities being converted into ordinary shares at a rate that may deliver fewer ordinary shares than if the Securities were to be converted into ordinary shares in accordance with their terms. The no creditor worse off safeguard would not apply in relation to an application of such powers in circumstances where resolution powers are not also exercised.

The exercise of such mandatory write-down and conversion power under the Banking Act or any suggestion of such exercise could, therefore, materially adversely affect the rights of holders of the Securities, the price or value of their investment in the Securities and/or the ability of the Issuer to satisfy its obligations under the Securities.

The proposed Resolvability Assessment Framework could increase compliance costs and impact market perceptions of the Issuer and/or the Group and in turn affect the value of the Securities

The BRRD contains requirements relating to recovery and resolution plans, early supervisory interventions and the resolution of firms (including the introduction of a bail-in tool).

The BRRD (including the bail-in tool), and the associated FCA and PRA rules, have been implemented in the UK. The Bank of England and PRA are consulting on a Resolvability Assessment Framework, with full implementation expected by 2021.

The Bank of England has made a commitment to parliament that major UK banks will be fully resolvable by 2022. To satisfy this commitment, the PRA and Bank of England has published consultation papers setting out the proposed Resolvability Assessment Framework for UK banks, with full implementation of the framework

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required by 2021. The Bank of England consultation paper sets out how the Bank of England proposes to assess resolvability, against which it will perform its assurance and publicly disclose the result. The PRA consultation paper contains proposed requirements for banks to carry out realistic assessments of their preparations for resolution, identifying any risks to implementation and their plans to address these. Banks will be required to submit their assessments of their preparation for resolution to the PRA by September 2020 (and every two years following), and to publicly disclose a summary of that assessment from the end of May 2021. This would apply to the largest UK banks with at least £50 billion in retail deposits on an individual or consolidated basis including the Group. As part of this framework, the Bank of England issued its final statement of policy on valuation capabilities to support resolvability in June 2018, Compliance with the policy is required by January 2021. In October 2018, the Implementing Technical Standards (**ITS**) with regard to procedures and standard forms and templates, for the provision of information for the purposes of resolution plans for credit institutions, was published in the Official Journal of the European Union. The PRA have stated all non-simplified obligation firms such as the Group will be required to submit the templates on an annual basis in accordance with the ITS. The new rules on the Resolvability Assessment Framework may increase compliance costs and may also affect the way in which the Issuer and/or the Group is perceived by the market which in turn may affect the value of the Securities.

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 Securities. The issue or guaranteeing of any such further securities or indebtedness may reduce the amount recoverable by holders of the Securities on a liquidation or winding-up of the Issuer and may limit our ability to meet our obligations under the Securities. In addition, the Securities do not contain any restriction on the Issuer issuing securities that may have preferential rights to the Securities or securities with similar or different provisions to those described herein.

Holders of the Securities will have limited remedies.

Payment of principal on the 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 Securities or of our failure to perform any of our obligations under or in respect of the 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 Securities is, subject to certain conditions and to the provisions set forth in *Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Enforcement Events and Remedies Trust Indenture Act remedies* below, 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 Securities or the Indenture (other than any payment obligation of the Issuer under or arising from the Securities or the Indenture, including, payment of any principal or interest, including Contingent Convertible Additional Amounts (referred to herein as Performance Obligations), provided always

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that the Trustee (acting on behalf of the holders of the Securities) and the holders of the 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 Securities) and the holders of the 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 Securities, each holder of the 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 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.

The remedies under the 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 Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Interest Cancellation* below. Accordingly, no default in payment or otherwise under the 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 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 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 Securities is not a Winding-up Event, a Non-Payment Event, a default in payment or otherwise.

For further detail regarding the limited remedies of the Trustee and the holders of the Securities, see *Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Enforcement Events and Remedies* and *Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Trustee's Duties* in this prospectus supplement.

Under the terms of the Securities, you have agreed to be bound by the exercise of any U.K. Bail-in tool by the Relevant U.K. Resolution Authority.

Notwithstanding any other agreements, arrangements, or understandings between us and any holder of the Securities, by acquiring the Securities, each holder of the Securities acknowledges, accepts, agrees to be bound by, and consents to the exercise of, any U.K. Bail-in tool by the relevant U.K. Resolution Authority that may result in (i) the reduction or cancellation of all, or a portion, of the principal amount of, or interest on, the Securities; (ii) the conversion of all, or a portion, of the principal amount of, or interest on, the Securities into shares or other securities or other obligations of the Issuer or another person (and the issue to, or conferral on, the holder of the Securities such shares, securities or obligations); and/or (iii) the amendment of the amount of interest due on the Securities, or the dates on which interest becomes payable, including by suspending payment for a temporary period; which U.K. Bail-in tool may be exercised

by means of a variation of the terms of the Securities solely to give effect to the exercise by the Relevant U.K. Resolution Authority of such U.K. Bail-in

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tool. Each holder of the Securities further acknowledges and agrees that the rights of the holders of the Securities are subject to, and will be varied, if necessary, solely to give effect to, the exercise of any U.K. Bail-in tool by the relevant U.K. resolution authority.

Accordingly, any U.K. Bail-in tool may be exercised in such a manner as to result in you and other holders of the Securities losing all or a part of the value of your investment in the Securities or receiving a different security from the Securities, which may be worth significantly less than the Securities and which may have significantly fewer protections than those typically afforded to debt securities. Moreover, the Relevant U.K. Resolution Authority may exercise the U.K. Bail-in tool without providing any advance notice to, or requiring the consent of, the holders of the Securities. In addition, under the terms of the Securities, the exercise of the U.K. Bail-in tool by the relevant U.K. Resolution Authority with respect to the Securities is not a Winding-up Event or a default in payment. For more information, see *Description of Contingent Convertible Securities Agreement with Respect to the Exercise of U.K. Bail-in Power* in the accompanying prospectus. See also *Regulatory action in the event a bank or investment firm in the Group is failing or likely to fail could materially adversely affect the value of the Securities*.

Changes in law may adversely affect the rights of holders of the Securities.

Changes in law after the date hereof may affect the rights of holders as well as the market value of the Securities. Such changes in law may include changes in statutory, tax and regulatory regimes during the life of the Securities, which may have an adverse effect on an investment in the 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, amongst other things, receipt of the prior consent of the PRA and/or any other relevant national or European authority (in either case if such consent is then required by the Capital Regulations)), to redeem the Securities, in whole but not in part, as more particularly described under *Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Redemption Regulatory Event Redemption* and *Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Redemption Tax Redemption*, respectively.

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

Furthermore, the financial services industry continues to be the focus of significant regulatory change and scrutiny which may adversely affect the Group's business, financial performance, capital and risk management strategies see pages 86-87 of the 2018 Form 20-F for more detail. Such regulatory changes, and the resulting actions taken to address such regulatory changes, may have an adverse impact on the Group's, and therefore the Issuer's, performance and financial condition. It is not yet possible to predict the details of such legislation or regulatory rulemaking or whether the ultimate consequences to the Group or the holders of the Securities which could be material to the rights of holders of the Securities and/or the ability of the Issuer to satisfy its obligations under the Securities. For example, on November 23, 2016, the European Commission presented a comprehensive package of reforms to further strengthen the resilience of EU banks (the EU Banking Reforms) which proposals amend many of the existing provisions set forth in CRD IV and the BRRD. On May 25, 2018, the Council of the EU agreed its stance on the EU Banking Reforms and asked the presidency to start negotiations with the European Parliament. The European Parliament confirmed its position on the EU Banking Reforms at its June 2018 plenary. The European Parliament and the Council of the EU reached agreement on the main elements of the EU Banking Reforms in late 2018, which were endorsed by the Committee of Permanent Representatives (COREPER) on November 30, 2018 and approved by the Economic and Financial Affairs Council on December 4, 2018. In February 2019, COREPER endorsed the positions

agreed with the European Parliament on all elements of the EU Banking Reforms. The agreed text remains subject to formal adoption by the European Parliament and the Council of the EU, which is expected to occur during 2019. Until such time as the proposals

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are formally approved by the European Parliament and the Council of the EU, there can be no assurance as to whether, or when, the proposed amendments will be adopted and whether they will be adopted in the manner as currently proposed, including following the U.K.'s exit from the EU, and therefore it is uncertain how they will affect the Issuer, the Group or the holders of the Securities.

Prior to the Conversion Date, holders will not be entitled to any rights with respect to the Issuer's ordinary shares, but will be subject to all changes made with respect to the Issuer's ordinary shares.

The exercise of voting rights and certain other rights related to any Conversion Shares is only possible after the issue, registration and delivery of the Conversion Shares on the Conversion Date to the Conversion Shares Depository (or the relevant recipient) in accordance with the provisions of, and subject to the limitations provided in, the articles of association of the Issuer and under *Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Automatic Conversion Upon Capital Adequacy Trigger Event*. Prior to such issuance, registration and delivery, holders will be subject to all changes made with respect to the Issuer's ordinary shares.

As a result of holders of the Securities receiving Conversion Shares upon the occurrence of a Capital Adequacy Trigger Event, they are particularly exposed to changes in the market price of the Issuer's ordinary shares.

In general, investors in convertible or exchangeable securities may seek to hedge their exposure in the underlying equity securities at the time of acquisition of the convertible or exchangeable securities. Prospective investors in the Securities may look to sell ordinary shares of the Issuer in anticipation of taking a position in, or whilst holding, the Securities. This could drive down the price of the Issuer's ordinary shares. Since the Securities will mandatorily convert into Conversion Shares upon the occurrence of a Capital Adequacy Trigger Event, the price of the Issuer's ordinary shares may be more volatile if the Issuer is trending toward a Capital Adequacy Trigger Event.

There may not be any active trading market for the Securities.

The Securities are a new issue of securities and have no established trading market. Although application will be made to have the Securities admitted to listing and to trading on the ISM, 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 for the term of the Securities. The liquidity and the market prices for the Securities can be expected to vary with changes in market and economic conditions, the Group's financial condition and prospects and other factors that generally influence the market prices of securities. If the secondary market for the Securities is limited, there may be few buyers for the Securities and this may reduce the relevant market price of the Securities.

A downgrade of the credit rating assigned by any credit rating agency to the Issuer or to the Securities could adversely affect the liquidity or market value of the Securities. Credit ratings downgrades could occur as a result of, among other causes, changes in the ratings methodologies used by credit rating agencies.

Upon issuance, the Securities may be rated by credit rating agencies and may in the future be rated by additional credit rating agencies, although the Issuer is under no obligation to ensure that the Securities are rated by any credit rating agency. Credit ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed in these Risk Factors and other factors that may affect the liquidity or market value of the Securities. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the credit rating agency at any time.

Any rating assigned to the Issuer and/or, if applicable, the Securities may be withdrawn entirely by a credit rating agency, may be suspended or may be lowered, if, in that credit rating agency's judgment, circumstances relating to the

basis of the rating so warrant. Ratings may be impacted by a number of factors which can change over time, including the credit rating agency's assessment of: the Issuer's strategy and management's capability; the

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Issuer's financial condition including in respect of capital, funding and liquidity; competitive and economic conditions in the Issuer's key markets; the level of political support for the industries in which the Issuer operates; the implementation of structural reform; and legal and regulatory frameworks affecting the Issuer's legal structure, business activities and the rights of its creditors. The credit rating agencies may also revise the ratings methodologies applicable to issuers within a particular industry or political or economic region. If credit rating agencies perceive there to be adverse changes in the factors affecting an issuer's credit rating, including by virtue of changes to applicable ratings methodologies, the credit rating agencies may downgrade, suspend or withdraw the ratings assigned to an issuer and/or its securities. Revisions to ratings methodologies and actions on the Issuer's ratings by the credit rating agencies may occur in the future.

If the Issuer determines to no longer maintain one or more ratings, or if any credit rating agency withdraws, suspends or downgrades the credit ratings of the Issuer or the Securities, or if such a withdrawal, suspension or downgrade is anticipated (or any credit rating agency places the credit ratings of the Issuer or, if applicable, the Securities on credit watch status in contemplation of a downgrade, suspension or withdrawal), whether as a result of the factors described above or otherwise, such event could adversely affect the liquidity or market value of the Securities (whether or not the Securities had an assigned rating prior to such event).

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

The 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 Securities.

You may be subject to U.S. tax upon adjustments (or failure to make adjustments) to the Conversion Price and the Conversion Shares Offer Price even though you do not receive a corresponding cash distribution.

The Conversion Price and the Conversion Shares Offer Price are subject to adjustment in certain circumstances, as described under *Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Anti-Dilution* below. If, as a result of adjustments (or failure to make adjustments), your proportionate interest in our assets or earnings were deemed to be increased for U.S. federal income tax purposes, you may be treated as having received a taxable distribution for these purposes, without the receipt of any cash or property. See *Tax Considerations U.S. Federal Income Tax Consequences Adjustment of the Conversion Price and the Conversion Shares Offer Price* for a further discussion of these U.S. federal tax implications.

Our gross-up obligation under the Securities is limited to payments of interest.

Our obligation to pay Contingent Convertible Additional Amounts in respect of any withholding or deduction in respect of UK taxes under the terms of the Securities applies only to payments of interest in respect of the Securities and not to payments of principal. Accordingly, we would not be required to pay any Contingent Convertible Additional Amounts under the terms of the Securities to the extent any such withholding or deduction applied to payments of principal. In such circumstances, you may receive less than the full amount of principal due in respect of the Securities, and the market value of the Securities may be adversely affected. See *Description of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities Payment of Contingent Convertible Additional Amounts*.

You may be subject to FATCA withholding.

Under certain provisions of the U.S. Internal Revenue Code of 1986, as amended, and Treasury regulations promulgated thereunder (commonly referred to as **FATCA**), as well as certain intergovernmental agreements between the United States and certain other countries (including the U.K.) together with local country

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implementing legislation, a 30% withholding tax may be imposed on all or some of the payments on the Securities and Conversion Shares, if those payments are treated as foreign passthru payments, to holders of the Securities and non-U.S. financial institutions receiving payments on behalf of such holders that, in each case, fail to comply with information reporting, certification and related requirements. Under current regulations, the term foreign passthru payments is not defined, and it is not yet clear whether or to what extent payments on the Securities and Conversion Shares may be subject to this withholding tax. However, the U.S. Internal Revenue Service (the **IRS**) has indicated that it will not apply withholding tax to any foreign passthru payments made prior to two years after the date on which final regulations on this issue are published. This withholding tax, if it applies, could apply to any payment made with respect to the Securities and Conversion Shares, including payments of both principal and interest. Moreover, withholding may be imposed at any point in a chain of payments if a non-U.S. payee fails to comply with U.S. information reporting, certification and related requirements. Accordingly, Securities and Conversion Shares held through a non-compliant institution may be subject to withholding even if the holder of the Securities otherwise would not be subject to withholding.

If withholding is required in respect of this withholding tax, the Issuer will not be required to pay any additional amounts with respect to any amounts withheld. Holders are urged to consult their tax advisers and any banks or brokers through which they will hold the Securities and Conversion Shares as to the consequences (if any) of these rules to them.

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USE OF PROCEEDS

After deduction of the underwriting compensation stated on the cover of this prospectus supplement and expenses payable by us estimated at \$, the net proceeds from the sale of the Securities are estimated to be \$. We intend to use the proceeds of the offering for general corporate purposes of the Issuer and its subsidiaries and/or the Group and to strengthen further the capital base of the Issuer and its subsidiaries and/or the Group.

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The following description of the Securities supplements (and, where different from, supersedes) the description of the Securities in the accompanying prospectus. If this prospectus supplement is inconsistent with the accompanying prospectus, this prospectus supplement will prevail with regard to the Securities.

The Securities will constitute a series of Contingent Convertible Securities issued under the Contingent Convertible Securities Indenture dated as of August 14, 2018 among us and The Bank of New York Mellon, London Branch, as Trustee and The Bank of New York Mellon SA/NV, Luxembourg Branch, as Contingent Convertible Security Registrar (as heretofore supplemented, the Base Indenture), as further supplemented by the second supplemental indenture expected to be entered into on _____, 2019 (the Second Supplemental Indenture), and together with the Base Indenture, the Indenture). The terms of the Securities include those stated in the Indenture and any supplements thereto, and those terms made part of the Indenture by reference to the Trust Indenture Act. Certain terms used in this prospectus supplement, unless otherwise defined herein, have the meaning given to them in the Indenture. We filed the Base Indenture as an exhibit to the Form 6-K filed on August 14, 2018 (Film No. 181018017), and will file the Second Supplemental Indenture as an exhibit to a report on Form 6-K on or about _____, 2019.

The Securities will be issued in an aggregate principal amount of \$ _____ and will have no fixed maturity or fixed redemption date. From (and including) the Issue Date to (but excluding) _____, 2024, the interest rate on the Securities will be _____ % per annum (the Initial Interest Rate). From (and including) each Reset Date to (but excluding) the next following Reset Date (each such period, a Reset Period), the applicable per annum interest rate (the Subsequent Interest Rate) will be equal to the sum, as determined by the Calculation Agent, of the applicable U.S. Treasury Rate (such term subject to the provisions described under *Determination of Subsequent Interest Rate* below) on the relevant Reset Determination Date and _____ % (the Margin). Subject to the conditions described under *Interest Cancellation* below and to the last sentence of this paragraph, interest, if any, will be payable quarterly in arrear on _____, _____, and _____ of each year (each an Interest Payment Date). The first date on which interest may be paid will be _____, 2019 for the period commencing on (and including) _____, 2019, and ending on (but excluding) _____, 2019 [(and thus a long first interest period)]. Subject to the conditions described herein, interest on the Securities, if any, will be computed and payable on the basis of a year of 360 days consisting of 12 months of 30 days each and, in the case of an incomplete month, the actual number of days elapsed (Day Count Fraction).

The Regular Record Dates for the Securities will be the close of business on the Business Day immediately preceding each Interest Payment Date (or, if the Securities are held in definitive form, the close of business on the 15th Business Day preceding each Interest Payment Date).

The Reset Dates are _____, 2024 and each fifth (5th) anniversary date thereafter.

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

If any Interest Payment Date is not a Business Day, we will pay interest on the next Business Day, but interest on that payment will not accrue during the period from and after the Interest Payment Date. If a date of redemption is not a Business Day, we may pay interest (if any) and principal on the next Business Day, but interest on that payment will not accrue during the period from and after the date of redemption.

The term Business Day means any weekday, other than one on which banking institutions are authorized or obligated by law, regulation or executive order to close in London, United Kingdom, or in New York City, New York.

References to you and holder in the subsections *Interest Cancellation, Ranking, Agreement with Respect to th*
Exercise of U.K. Bail-in Power, Automatic Conversion Upon Capital Adequacy Trigger

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Event, *Definitions* and *Subsequent Holders Agreement* below, and in *Certain Definitions* above, include beneficial owners of the Securities.

General

Book-entry interests in the Securities will be issued in minimum denominations of \$200,000 and in integral multiples of \$1,000 in excess thereof (the denomination of each book-entry interest being the *Tradable Amount* of such book-entry interest). Prior to an Automatic Conversion, the aggregate *Tradable Amount* of the book-entry interests in each Security shall be equal to such Security's principal amount. Following an Automatic Conversion, the principal amount of each Security shall be zero (as described below under *Automatic Conversion Upon Capital Adequacy Trigger Event*) but the *Tradable Amount* of the book-entry interests in each Security shall remain unchanged.

The principal corporate trust office of the Trustee in the City of London, United Kingdom is designated as the principal paying agent. We may at any time designate additional paying agents or rescind the designation of paying agents or approve a change in the office through which any paying agent acts.

We will issue the Securities in fully registered form. The 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 Securities through DTC and its participants, including Euroclear and Clearstream Luxembourg. The underwriters expect to deliver the Securities through the facilities of DTC on _____, 2019. Indirect holders trading their beneficial interests in the Securities through DTC must trade in DTC's same-day funds settlement system and pay in immediately available funds. Secondary market trading through Euroclear and Clearstream, Luxembourg will occur in the ordinary way following the applicable rules and operating procedures of Euroclear and Clearstream, Luxembourg. See *Clearance and Settlement* in the accompanying prospectus for more information about these clearing systems.

Definitive securities will only be issued in the limited circumstances described under *Description of Certain Provisions Relating to Debt Securities and Contingent Convertible Securities Special Situations When a Global Security Will Be Terminated* in the accompanying prospectus.

Payment of principal of and interest (if any) on the Securities, so long as the Securities are represented by global certificates, will be made in immediately available funds. Beneficial interests in the global certificates will trade in the same-day funds settlement system of DTC, and secondary market trading activity in such interests will therefore settle in same-day funds. The Issuer currently expects such trading and settlement to continue in the period between the Conversion Date and the Suspension Date.

Determination of Subsequent Interest Rate***U.S. Treasury Rate and fallbacks***

U.S. Treasury Rate means, with respect to any Reset Date for which such rate applies, the rate per annum equal to: (1) the yield, under the heading which represents the average for the week immediately prior to the Reset Determination Date, appearing in the most recently published statistical release designated *H.15*, or any successor publication that is published by the Board of Governors of the Federal Reserve System that establishes yields on actively traded U.S. Treasury securities adjusted to constant maturity, under the caption *Treasury Constant Maturities*, for the maturity of five years; or (2) if such release (or any successor release) is not published during the week immediately prior to the Reset Determination Date or does not contain such yields, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, calculated using a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury

Price for such Reset Date.

The U.S. Treasury Rate shall be calculated by the Calculation Agent (as defined below).

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If the U.S. Treasury Rate cannot be determined, for whatever reason, as described under (1) or (2) above, U.S. Treasury Rate means the rate in percentage per annum as notified by the Calculation Agent to the Issuer equal to the yield on U.S. Treasury securities having a maturity of five years as set forth in the most recently published statistical release designated H.15 under the caption Treasury constant maturities (or any successor publication that is published weekly by the Board of Governors of the Federal Reserve System and that establishes yields on actively traded U.S. Treasury securities adjusted to constant maturity under the caption Treasury constant maturities for the maturity of five years) at 5:00 p.m. (New York City time) on the last available date preceding the Reset Determination Date on which such rate was set forth in such release (or any successor release).

Comparable Treasury Issue means, with respect to any Reset Period, the U.S. Treasury security or securities selected by the Issuer with a maturity date on or about the last day of such Reset Period and that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities denominated in U.S. dollars and having a maturity of five years.

Comparable Treasury Price means, with respect to any Reset Date, (i) the arithmetic average of the Reference Treasury Dealer Quotations for such Reset Date (calculated on the Reset Determination Date preceding such Reset Date), after excluding the highest and lowest such Reference Treasury Dealer Quotations, or (ii) if fewer than five such Reference Treasury Dealer Quotations are received, the arithmetic average of all such quotations, or (iii) if fewer than two such Reference Treasury Dealer Quotations are received, then such Reference Treasury Dealer Quotation as quoted in writing to the Calculation Agent by a Reference Treasury Dealer.

Reference Treasury Dealer means each of up to five banks selected by the Issuer (following, where practicable, consultation with the Calculation Agent), or the affiliates of such banks, which are (i) primary U.S. Treasury securities dealers, and their respective successors, or (ii) market makers in pricing corporate bond issues denominated in U.S. dollars.

Reference Treasury Dealer Quotations means with respect to each Reference Treasury Dealer and any Reset Date, the arithmetic average, as determined by the Calculation Agent, of the bid and offered prices for the applicable Comparable Treasury Issue, expressed in each case as a percentage of its principal amount, at 11:00 a.m. (New York City time), on the Reset Determination Date.

Further Issues

We may, without the consent of the holders of the Securities, issue additional securities having the same ranking and same interest rate, interest cancellation terms, redemption terms, Conversion Price and other terms as the Securities described in this prospectus supplement except for the price to the public and issue date (the additional securities).

Any such additional securities, together with the Securities offered by this prospectus supplement, will constitute a single series of securities under the Indenture. There is no limitation on the amount of Securities or other debt securities that we or our subsidiaries may issue under the Indenture and there is no restriction on us issuing securities that may have preferential rights to the Securities or securities with similar or different provisions to those described herein.

Interest Cancellation

Interest Payments Discretionary

Interest on the 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,

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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.

If the Issuer provides notice to cancel a portion, but not all, of an interest payment and the Issuer subsequently does not make a payment of the remaining portion of such interest payment on the relevant Interest Payment Date, such non-payment shall evidence the Issuer's exercise of its discretion to cancel such remaining portion of the interest payment, and accordingly such remaining portion of the interest payment shall also not be due and payable.

Because the Securities are intended to qualify as Additional Tier 1 Capital under CRD IV, the Issuer may cancel (in whole or in part) any interest payment at its discretion and may pay dividends on its ordinary or preference shares notwithstanding such cancellation. In addition, the Issuer may use such cancelled payments without restriction to meet its obligations as they fall due.

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

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 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 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 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 the 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.

The Issuer will be responsible for determining compliance with this restriction on interest payments and neither the Trustee nor any agent shall be required to monitor such compliance or to perform any calculations in connection therewith.

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

Agreement to Interest Cancellation

By subscribing for, purchasing or otherwise acquiring the Securities, holders of the 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 the Issuer at its 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

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- (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 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 Securities shall have no rights thereto or to receive any additional interest or compensation as a result of such cancellation or deemed cancellation. The Issuer may use such cancelled payments without restriction to meet its obligations as they fall due.

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 Securities through the DTC (or, if the Securities are held in definitive form, to the holders at their addresses shown on the register for the 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 Securities any rights as a result of such failure.

Ranking

The Securities will constitute our direct, unsecured and subordinated obligations, ranking *pari passu* without any preference among themselves. In the event of our winding up or administration, the rights and claims of the holders of the Securities in respect of or arising from the 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 Security (in lieu of any other payment by the Issuer) such amount, if any, as would have been payable to a holder of Securities if, on the day prior to the commencement of such winding-up or administration and thereafter, such holder of 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 such winding-up or 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 such winding-up or 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 Securities was entitled to receive in respect of such preference shares, on a return of assets in such winding-up or administration,

was an amount equal to the principal amount of the relevant 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 Securities in such winding-up or 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.

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Furthermore, other than in the event of a winding-up or administration of the Issuer specified in (a) or (b) above, payments in respect of or arising from the Securities are conditional upon the Issuer being solvent at the time of payment by the Issuer and in that no sum in respect of or arising from the 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). For purposes of determining whether the Solvency Condition is met, 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 (as defined below) has been met.

An officer's certificate executed in accordance with the Indenture as to the Issuer's solvency at any particular point in time shall be treated by the Issuer, the Trustee, the holders of the Securities and all other interested parties as correct and sufficient evidence thereof.

Any payment of interest not due by reason of these provisions relating to ranking shall be deemed cancelled as provided under *Interest Cancellation* 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 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 Securities.

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).

Because of the subordination described above, in the event of our winding-up in England (or in any other jurisdiction which we are incorporated), our Senior Creditors may recover more, ratably, than the holders of the Securities and any Parity Securities. Currently, we have no limitations on issuing indebtedness which would constitute the claims of Senior Creditors.

In addition, the Issuer is a holding company that currently has no significant assets other than its loans to, and investment in, its subsidiaries, including BBPLC and BBUKPLC. As a holder of ordinary shares in BBPLC or BBUKPLC (or any of its subsidiaries), the Issuer's right to participate in the assets of BBPLC or BBUKPLC (or any other subsidiary) if such subsidiary is liquidated will be subject to the prior claims of such subsidiary's third party creditors and preference shareholders, except in the limited circumstance where the Issuer is a creditor with claims that are recognized to be ranked *pari passu* with such claims of other of the subsidiary's third party creditors and/or preference shareholders against such subsidiary. See *Risk Factors The Issuer is a holding company, which means that the Issuer's right to participate in the assets of any of its subsidiaries (including those of BBPLC, BBUKPLC, the group service company or any other present or future subsidiary) upon the liquidation of such subsidiaries and the extent to which the Issuer suffers losses if it or any of its subsidiaries are subject to bank resolution proceedings, may depend, amongst other things, upon the degree to which the Issuer's loans to, and investments in, such subsidiaries are subordinated.*

No Set-off

The Securities are subject to the waiver of set-off provisions set forth in the accompanying prospectus under *Description of Contingent Convertible Securities No Set-off*.

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Notwithstanding any other agreements, arrangements, or understandings between us and any holder of the Securities (which for the purposes of this paragraph includes each holder of a beneficial interest in the Securities) by acquiring the Securities, each holder of the Securities acknowledges, accepts, 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 (i) the reduction or cancellation of all, or a portion of, the principal amount of, or interest on, the Securities; (ii) the conversion of all, or a portion, of the principal amount of, or interest on, the Securities into shares or other securities or other obligations of the Issuer or another person (and the issue to, or conferral on, the holder of the Securities such shares, securities or obligations); and/or (iii) the amendment of the amount of interest due on the Securities, or the dates on which interest becomes payable, including by suspending payment for a temporary period; which U.K. Bail-in Power may be exercised by means of a variation of the terms of the Securities solely to give effect to the exercise by the Relevant U.K. Resolution Authority of such U.K. Bail-in Power. For more information, see *Description of Contingent Convertible Securities Agreement with Respect to the Exercise of U.K. Bail-in Power* in the accompanying prospectus. See also *Risk Factors Under the terms of the Securities, you have agreed to be bound by the exercise of any U.K. Bail-in tool by the Relevant U.K. Resolution Authority.*

Payment of Contingent Convertible Additional Amounts

All payments made under or with respect to the Securities will be made without deduction or withholding for, or on account of, any and all present or future income, stamp and other taxes, levies, imposts, duties, charges, fees, deductions or withholdings (Taxes) now or hereafter imposed, levied, collected, withheld or assessed by or on behalf of the United Kingdom or any political subdivision or authority thereof or therein that has the power to tax (each, a Taxing Jurisdiction), unless the deduction or withholding is required by law.

If at any time a Taxing Jurisdiction requires us to deduct or withhold Taxes, we will pay such additional amounts in respect of any payments of interest on the Securities (but not, for the avoidance of doubt, in respect of the payment of principal in respect of the Securities) (Contingent Convertible Additional Amounts) as may be necessary so that the net amounts (including Contingent Convertible Additional Amounts) paid to the holders of the Securities, after such deduction or withholding, will be equal to the respective amounts of interest which the holders would have been entitled to receive in respect of the Securities in the absence of such deduction or withholding. However, we will not pay Contingent Convertible Additional Amounts for Taxes that are payable because:

the holder of the Securities is domiciled in, or is a national or resident of, or engaging in business or maintaining a permanent establishment or being physically present in, the Taxing Jurisdiction requiring that deduction or withholding, or otherwise has some connection with the Taxing Jurisdiction other than the holding or ownership of the Securities, or the collection of any principal or interest payments on, or the enforcement of, the Securities;

except in the case of our winding-up in England, the certificate representing the relevant Security (i) is presented for payment in the United Kingdom, or (ii) is presented for payment more than thirty (30) days after the date payment became due or was provided for, whichever is later, except to the extent that the holder of the Security would have been entitled to such Contingent Convertible Additional Amounts on presenting the same for payment at the close of such 30-day period;

the holder of the Securities or the beneficial owner of any payment of (or in respect of) any interest on the Securities failed to make any necessary claim or to comply with any certification, identification or other requirements concerning the nationality, residence, identity or connection with the Taxing Jurisdiction of such holder or beneficial owner, if such claim or compliance is required by statute, treaty, regulation or administrative practice of the Taxing Jurisdiction as a condition to relief or exemption from such Taxes; or

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if the Taxes would not have been imposed or would have been excluded under one of the preceding points if the beneficial owner of, or person ultimately entitled to obtain an interest in, the Securities had been the holder of the Securities.

References in this prospectus supplement, in any context, to the payment of any interest on or in respect of any Securities, shall include the payment of Contingent Convertible Additional Amounts to the extent that, in context, Contingent Convertible Additional Amounts are, were or would be payable. However, for the avoidance of doubt, any limitations and restrictions on interest payments described under *Interest Cancellation* shall apply to any Contingent Convertible Additional Amounts *mutatis mutandis*.

All payments in respect of the Securities will be made subject to any withholding or deduction required pursuant to FATCA, and we will not be required to pay any Contingent Convertible Additional Amounts on account of any such deduction or withholding required pursuant to FATCA.

Redemption***Optional Redemption***

We may, at our option, redeem the Securities, in whole but not in part, on any Reset Date 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 Cancellation* above) to (but excluding) the date fixed for redemption. Any optional redemption will be subject, among other things, 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 the Securities that occurs on or after the Issue Date and that does, or would be likely to, result in the whole or any part of the outstanding aggregate principal amount of the Securities at any time being excluded from, or ceasing to count towards, the Group's Tier 1 Capital (a Regulatory Event), we may, at our option, at any time, redeem the 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 Cancellation* above) to (but excluding) the date fixed for redemption. Any redemption upon the occurrence of a Regulatory Event will be subject, among other things, to the provisions described under *Notice of Redemption* and *Condition to Redemption* below.

As a financial institution, we are required to hold certain kinds and amounts of capital to help us meet our obligations as they fall due. Under CRD IV, this capital includes both Tier 1 capital and Tier 2 capital, with Tier 1 capital divided into Common Equity Tier 1 Capital and Additional Tier 1 Capital. The Securities are intended to qualify as Additional Tier 1 Capital under CRD IV. Additional Tier 1 Capital under CRD IV consists of (i) perpetual subordinated capital instruments that meet the requirements set out in CRD IV to ensure that they are sufficiently loss absorbent on a going concern basis (i.e., capital that absorbs losses enabling the relevant credit institution to avoid insolvency) and (ii) the share premium account related to such instruments. Under CRD IV, Tier 2 capital broadly includes qualifying subordinated debt that provides loss absorption on a gone concern basis (i.e., capital that absorbs losses in an insolvency prior to senior creditors suffering any losses). Both Tier 1 capital and Tier 2 capital items are subject to deductions that are specific to each type of capital as provided under CRD IV. For more information, see *Risk Factors Risks Relating to the Securities Other changes in law may adversely affect the rights of holders of the Securities*.

Tax Redemption

We may, at our option, redeem the Securities, in whole but not in part, at any time, at a redemption price equal to 100% of their principal amount, together with any accrued but unpaid interest (which excludes any interest

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cancelled or deemed cancelled as described under *Interest Cancellation* above) to (but excluding) the date fixed for redemption, 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 of those laws or regulations, including a decision of any court or tribunal, which becomes effective on or after the Issue Date (or which becomes effective on or after the date of a successor entity's assumption of our obligations):

- (a) we will or would be required to pay holders of the Securities Contingent Convertible Additional Amounts;

- (b)