

## **NOTICE TO COVERED BONDHOLDERS**

**BARCLAYS BANK PLC**  
**1 Churchill Place**  
**London E14 5HP**  
(the "Issuer")

(incorporated with limited liability in England and Wales with registered number 1026167)

**€35 billion Global Covered Bond Programme**  
**unconditionally and irrevocably guaranteed as to payments of interest and principal by**  
**BARCLAYS COVERED BONDS LLP**  
(the "RCB Programme")

**£3,054,000,000 Covered Bond Issuance**  
**unconditionally and irrevocably guaranteed as to payments by**  
**BARCLAYS COVERED BOND FUNDING LLP**  
(the "LACB Programme")

### **NOTICE OF PROPOSED CHANGES TO THE RCB PROGRAMME AND LACB PROGRAMME**

**to the holders of the outstanding Covered Bonds issued pursuant to the RCB Programme and the LACB Programme (together, the "Covered Bonds")**

- 1. PROPOSED CHANGES TO THE STRUCTURE OF THE BARCLAYS GROUP DUE TO RING-FENCING**
  - 1.1 The "Ring-fencing" of day-to-day banking services is one of the reforms brought in by the UK government, aiming to strengthen the UK financial system, following the financial crisis that began in 2008.
  - 1.2 Barclays intends to satisfy this requirement by setting up a ring-fenced bank, Barclays Bank UK PLC, which will be separate from Barclays Bank PLC. The two entities will operate alongside, but independently from, one another as part of the Barclays Group under Barclays PLC.
- 2. PROPOSED SUBSTITUTION OF BARCLAYS BANK PLC AS ISSUER OF THE COVERED BONDS**
  - 2.1 In order to effect ring-fencing, Barclays intends to transfer businesses from Barclays Bank PLC and certain of its subsidiaries to Barclays Bank UK PLC, which are materially those businesses that currently comprise the Barclays UK division (including the related mortgage business). This transfer will include the transfer of all of the Issuer's obligations in respect of the Covered Bonds then outstanding with the effect that Barclays Bank PLC will be substituted with Barclays Bank UK PLC as Issuer of the Covered Bonds.

3. **PROPOSED SUBSTITUTION OF BARCLAYS BANK PLC AS A TRANSACTION COUNTERPARTY**

3.1 Save as set out in paragraph 3.2 below, it is intended that Barclays Bank PLC will be substituted by Barclays Bank UK PLC as a transaction counterparty in the roles currently undertaken by Barclays Bank PLC (including but not limited to seller, administrator, cash manager and swap provider) relating to the RCB Programme and LACB Programme.

3.2 Barclays Bank PLC's roles as N Covered Bond Paying Agent, N Covered Bond Transfer Agent and N Covered Bond Registrar (the **N Bond Roles**) in relation to the RCB Programme will not be transferred to Barclays Bank UK PLC. Instead, the N Bond Roles will be transferred to a suitable third party service provider. Holders of Covered Bonds issued pursuant to the RCB Programme will be notified when this change has been agreed with the Bond Trustee on the RCB Programme.

4. **HOW WILL THESE CHANGES BE EFFECTED?**

4.1 Holders of Covered Bonds do not need to take any action for the changes described above to take place. Barclays is seeking approval from the Prudential Regulation Authority and the High Court of England and Wales (the "**Court**") to complete the restructuring, outlined above, using a legal process called a Ring-Fencing Transfer Scheme (the "**Scheme**") under Part VII of the Financial Services and Markets Act 2000. A hearing is scheduled in November 2017 for the Court to initiate the process to consider and approve the Scheme. Subject to approval, Barclays expects to implement the restructuring and fully establish the ring-fenced bank in April 2018, ahead of the 1 January 2019 legislative deadline for implementation of ring-fencing.

5. **WAYS TO MAKE SURE YOUR VIEWS ARE CONSIDERED AT COURT**

5.1 For further details, including key Court dates and guidance on how to participate in the process, please refer to our website home.Barclays/ring-fencing-explained.

6. **FURTHER INFORMATION**

For further information regarding the matters set out in this notice, please contact:

Barclays Treasury  
1 Churchill Place  
London E14 5HP

Dated: 27 October 2017

This notice does not constitute or form part of any offer to sell or the solicitation of an offer to subscribe for or otherwise acquire any securities.

**Information regarding forward-looking statements**

This notice contains certain forward-looking statements with respect to the Issuer. 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", "expect", "intend", "plan" or other words of similar meaning.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances.

Subject to the Issuer's obligations under the applicable laws and regulations of the UK in relation to disclosure and ongoing information, the Issuer undertakes no obligation to update publicly or revise any forward looking statements, whether as a result of new information, future events or otherwise.