(For Intermediaries and Distributors)

BARCLAYS

LIBOR transition

How are Floating Rate Note (FRN) coupon interest payments impacted by the new RFRs?

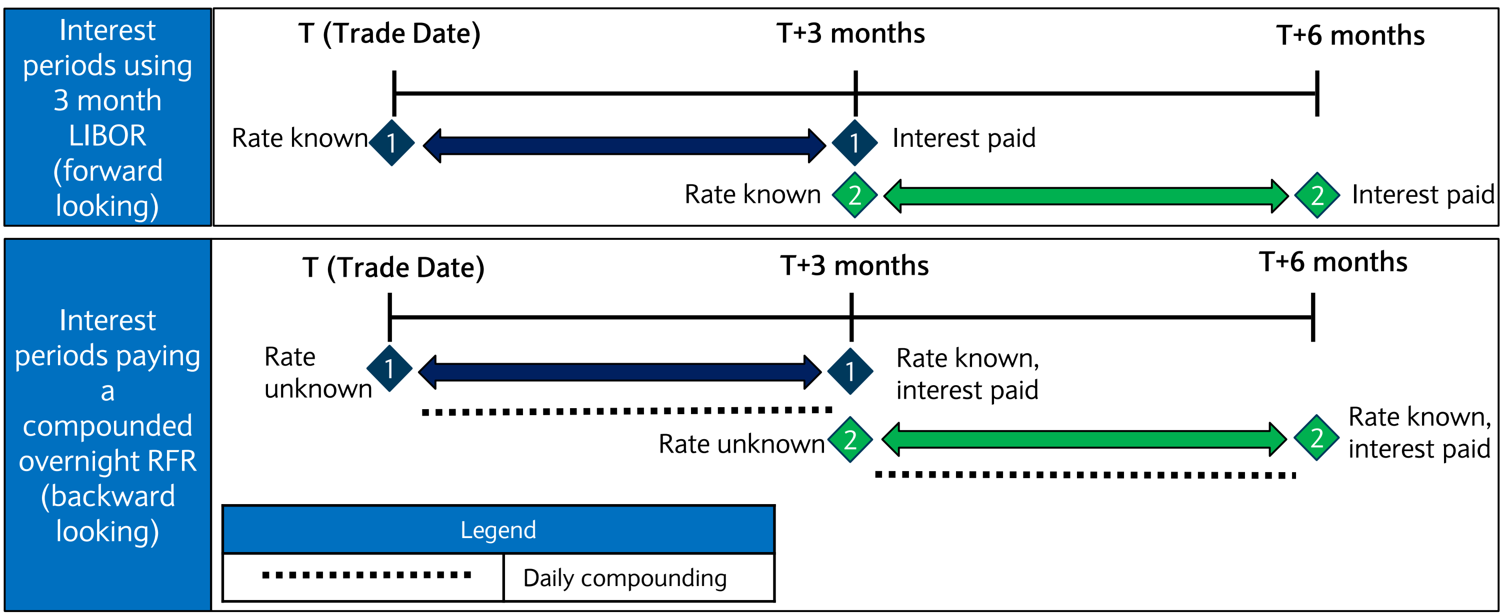
The below information is illustrative and not complete. For further information about the rate for any particular floating rate note, including the full details of how the rate is calculated, refer to the terms and conditions of the relevant bond. The alternative reference rates are structurally different from LIBOR in a few, key ways:

i. RFRs do not embed bank credit risk; by their nature they are nearly risk free

ii. The interest rate used to determine a payment is not known at the start of the payment period

iii. Unlike LIBOR, forward looking tenors are not published for RFRs. They are, after all, overnight rates. The interest rate for a payment period can only be determined at the end of the period, by averaging previously published daily rates.

Comparing forward vs. backward looking payment approach



RFR Accrued Interest Calculation – Additional Information

- In addition, risk-free rates may differ from LIBOR, EURIBOR or other interbank offered rates in a number of material respects, including (without limitation) by being backwards-looking in most cases, calculated on a compounded or weighted average basis, risk-free overnight rates, whereas such interbank offered rates are generally expressed on the basis of a forward-looking term and include a risk-element based on interbank lending. As such, investors should be aware that LIBOR, EURIBOR and other interbank offered rates and any risk-free rates may behave materially differently as interest reference rates for bonds.

- Interest on bonds which reference a backwards-looking risk-free rate is only capable of being determined immediately prior to the relevant interest payment date. It may be difficult for investors in bonds which reference such risk-free rates to reliably estimate the amount of interest which will be payable on such bonds, and some investors may be unable or unwilling to trade such bonds without changes to their IT systems, both of which could adversely impact the liquidity of such bonds.
- Further, in contrast to LIBOR linked Notes or EURIBOR-linked bonds, if bonds referencing backwards-looking SONIA, SOFR or €STR become due and payable, or are otherwise redeemed early on a date which is not an interest payment date, the final rate of interest payable in respect of such bonds shall be determined by reference to a shortened period ending immediately prior to the date on which the bonds become due and payable or are scheduled for redemption.
- In addition, the manner of adoption or application of risk-free rates in the Eurobond markets may differ materially compared with the application and adoption of risk-free rates in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of such reference rates in the bond, loan and derivatives markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of bonds referencing such risk-free rates.

For more information please contact your Barclays sales representative.