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CALCULATION OF REGISTRATION FEE		
Title of Each Class of Securities Offered	Maximum Aggregate Offering Price	Amount of Registration Fee
5.140% Lower Tier 2 Notes due October 2020	\$1,250,000,000	
(1) Calculated in accordance with Rule 457(r) of the Securities Act of 1933.		

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Prospectus Supplement to Prospectus dated August 31, 2010



\$1,250,000,000 5.140% Lower Tier 2 Notes due October 2020
Barclays Bank PLC

We, Barclays Bank PLC, are issuing \$1,250,000,000 aggregate principal amount of 5.140% Lower Tier 2 Notes due October 2020.

From and including the date of issuance, interest will accrue on the notes at a rate of 5.140% per year. Interest will be payable semi-annually of each year, commencing on April 14, 2011. The notes will constitute our direct, unsecured and subordinated obligations, ranking themselves and ranking junior in right of payment to the payment of any of our existing and future senior indebtedness.

We may, at our option, redeem the notes, in whole but not in part, at 101% of their principal amount, together with any accrued but unpaid interest, in the event of a change in certain U.K. regulatory capital requirements as described in this prospectus supplement under "Description of Lower Tier 2 Notes—Event Redemption." We may also redeem the notes, in whole but not in part, at any time at 100% of their principal amount plus accrued interest, in the event of events described in this prospectus supplement under "Description of Lower Tier 2 Notes—Redemption—Tax Redemption" and the accompanying prospectus. The notes or other repayment of amounts due under the notes prior to their scheduled maturity date, under the practice of the Financial Services Authority (the "FSA") prevailing as of the date of this prospectus supplement, will be subject to our providing to the FSA, at least one month before we provide notice in writing (in the form required by the FSA) of the proposed repayment, detailing how, following such repayment, we will (1) satisfy the requirement and (2) have sufficient overall financial resources, including capital and liquidity resources which are adequate both as to the amount and timing, so that there is no significant risk that our liabilities cannot be met as they fall due.

We will apply to list the notes on the New York Stock Exchange ("NYSE") under the symbol "BCS/20."

Investing in the notes involves risks. See "Risk Factors" beginning on page S-9 of this prospectus supplement, "Risk management and governance" on page 54 of our Annual Report on Form 20-F for the year ended December 31, 2009, which is incorporated by reference herein, and the accompanying prospectus for a discussion of the factors you should consider in investing in the notes.

The securities are not deposit liabilities of Barclays Bank PLC and are not insured by the U.S. Federal Deposit Insurance Corporation or any other jurisdiction of the United States, the United Kingdom or any other jurisdiction.

Price to Public⁽¹⁾

<http://www.sec.gov/Archives/edgar/data/312070/000119312510226834/d424b2.htm>

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Per note		99.93%	
Total	\$1,249,125,000		\$

(1) Plus accrued interest, if any, from and including October 14, 2010.

The underwriters expect to deliver the notes to purchasers in book-entry form only through the facilities of The Depository Trust Company. Beneficial interests in the notes will be shown on, and transfers thereof will be effected only through, records maintained by DTC and its participants, including Euroclear Bank S.A./N.V.

Neither the U.S. Securities and Exchange Commission nor any U.S. state securities commission has approved or disapproved of the prospectus supplement or is responsible for its truthfulness or completeness. Any representation to the contrary is a criminal offense.

Barclays Capital

CIBC
SunTrust Robinson Humphrey

Fifth Third Securities, Inc.
US Bancorp

Prospectus Supplement dated October 6, 2010

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FORWARD-LOOKING STATEMENTS

This prospectus supplement and certain documents incorporated by reference herein contain 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 certain of our plans and current goals and expectations relating to our future financial condition and performance. We caution readers that no forward-looking statement is a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking statements. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements sometimes use words such as “may,” “will,” “seek,” “continue,” “aim,” “anticipate,” “target,” “expect,” “estimate,” “intend,” “plan,” “goal,” “believe” or other words of similar meaning. Examples of forward-looking statements include, among others, statements regarding our future financial position, income growth, assets, impairments, charges, business strategy, capital ratios, leverage, payment of dividends, projected levels of growth in the banking and financial markets, projected costs, estimates of capital expenditures, and plans and objectives for future operations.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances, including, but not limited to, U.K. domestic and global economic and business conditions, the effects of continued volatility in credit markets, market related risks such as changes in interest rates and exchange rates, effects of changes in valuation of credit market exposures, changes in valuation of issued notes, the policies and actions of governmental and regulatory authorities including classification of financial instruments for regulatory capital purposes, changes in legislation, the further development of standards and interpretations under International Financial Reporting Standards (“IFRS”) applicable to past, current and future periods, evolving practices with regard to the interpretation and application of standards under IFRS, the outcome of pending and future litigation, the success of future acquisitions and other strategic transactions and the impact of competition—a number of which factors are beyond our control. As a result, our actual future results may differ materially from the plans, goals, and expectations set forth in such forward-looking statements. Additional risks and factors are identified in our filings with the U.S. Securities and Exchange Commission (the “SEC”) including in our Annual Report on Form 20-F for the fiscal year ended December 31, 2009, which is available on the SEC’s website at <http://www.sec.gov>. Any forward-looking

statements made herein or in the documents incorporated by reference herein are only as of the date they are made. Except as may be required by the Financial Conduct Authority of the United Kingdom (the “FSA”) or other applicable law, we expressly disclaim any obligation to publicly update or revise any forward-looking statements in this prospectus supplement or the documents incorporated by reference herein. Any changes in expectations with regard thereto or circumstances on which any such statements are based may occur. However, we will, however, consult any additional disclosures required by applicable law. We may file with the SEC additional documents we have filed or may file with the SEC.

INCORPORATION OF DOCUMENTS

This prospectus supplement is part of a registration statement (SEC No. 333-169119) we have filed with the SEC. The prospectus supplement omits some information that is included in the registration statement in accordance with SEC rules and regulations. The information in and exhibits to the registration statement are part of the information we are offering to you and the securities we are offering. Statements made in this prospectus supplement concerning any document we have filed or will file with the SEC are statements or that we have otherwise filed with the SEC. These statements are comprehensive and are qualified in their entirety. You should review the complete document to evaluate the information.

The SEC allows us to “incorporate by reference” information we have filed with the SEC, which means that we can disclose information by referring you to those publicly available documents that we have incorporated by reference in this prospectus supplement. For information on how to find documents incorporated by reference in this prospectus supplement and the documents we have incorporated by reference in this prospectus supplement, see the section titled “Incorporation of Certain Documents” in the accompanying prospectus.

In addition to the documents listed in the accompanying prospectus, we have incorporated by reference in this prospectus supplement all documents we may file with the SEC under the Exchange Act from the date of this prospectus supplement to the date of the prospectus supplement contemplated in this prospectus supplement is filed with the SEC. We may furnish to the SEC after the date of this prospectus supplement (and thereafter) are incorporated by reference in

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this prospectus supplement only to the extent that the report expressly states that it (or such portions) is 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 we referred to above or in the accounts referred to above, if such documents are incorporated in this prospectus supplement by reference. For requests to Barclays Treasury, Barclays Bank PLC, 1 Churchill Square, Canary Wharf, London E14 5HP, United Kingdom (telephone: 011-44-20-76000000), please contact Barclays Treasury at the above address.

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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 the accompanying prospectus and any documents incorporated by reference therein. You should base your investment decision on the prospectus supplement, the accompanying prospectus and any documents incorporated by reference therein, as a whole.

We will issue the notes under the Dated Subordinated Debt Securities Indenture to be entered into prior to or on October 14, 2010 by Barclays Bank PLC, as trustee (the "Indenture"). The terms of the notes include those stated in the Indenture and any supplements thereto, and those stated in the U.S. Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"). We will file the Indenture as an exhibit to this prospectus supplement. The Indenture replaces the Dated Subordinated Debt Securities Indenture dated as of June 30, 1998 between us and The Bank of New York Mellon in the accompanying prospectus.

Because this section is a summary, it does not describe every aspect of the notes in detail. This summary is subject to, and qualified by, the provisions of the Indenture, any supplement thereto and the notes. Certain terms used in this prospectus supplement (including in this "Summary") are defined herein, have the meaning given to them in the Indenture. Words and expressions defined in "Description of Lower Tier 2 Securities" have the meanings in this summary.

The Issuer

Barclays Bank PLC

Barclays Bank PLC, including its subsidiary undertakings, is a major financial institution engaged in retail banking, credit cards, corporate banking, investment management and other financial services. The whole of the issued ordinary shares of Barclays Bank PLC are beneficially owned by Barclays PLC, which is the ultimate holding company. Barclays Bank PLC is one of the largest financial services companies in the world by market capitalization.

The Securities We Are Offering

We are offering \$1,250,000,000 aggregate principal amount of 5.140% Dated Subordinated Debt Securities maturing on October 14, 2020. The notes will constitute a series of Dated Subordinated Debt Securities.

Issue Date

October 14, 2010

Maturity

We will pay the notes at 100% of their principal amount plus accrued interest on the maturity date.

Interest Rate

The notes will bear interest at a rate of 5.140% per annum.

Interest Payment Dates

Every April 14 and October 14, commencing on April 14, 2011.

Regular Record Dates

The 15th calendar day preceding each interest payment date, whether or not a business day. The term "business day" means any weekday, other than one on which business is closed by law or executive order to close in London, England, or in New York, New York.

Ranking

The notes will constitute our direct, unsecured and subordinated obligations and will rank in preference among themselves and ranking junior in right of payment to all other obligations.

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and future senior indebtedness. In the event of our winding up or adm
jurisdiction in which we may be organized), the claims of the trustee
postponed to the claims of all of our other

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creditors, including any claims related to our senior indebtedness, except:

- claims in respect of Existing Senior Subordinated Obligations (as defined in the Indenture), Note Claims (as defined in the Indenture) and any other claim in respect of the notes *passu* therewith and/or with claims in respect of the notes (“Dated Claims”); and
- any other claims ranking junior to the excepted claims referred to above at the time of the point and/or to claims in respect of the notes.

The claims of such other creditors, with the exceptions of the claims referred to above, are referred to in this prospectus supplement as “Dated Claims.” The amount will be payable in our winding up in respect of claims in relation to the Senior Claims admitted in our winding up have been satisfied.

Regulatory Event Redemption

We may, at our option, redeem the notes, in whole but not in part, together with any accrued but unpaid interest on October 14, 2015 if a “Regulatory Event” occurs prior to such date. A “Regulatory Event” means any event (including a change (including any announced prospective change or adoption of any applicable laws or regulations or official interpretations thereof, or any official administrative pronouncement or judicial decision interpreting applicable laws or regulations, including any pronouncement or publication from any regulatory authority) that increases the risk of the notes that for any reason results in there being more than a reasonable expectation of an increase in risk, that, for the purposes of the capital adequacy requirements of the FSA, the notes may not be included in Lower Tier 2 Capital, as reasonably determined by the FSA.

Any redemption of the notes or other repayment of amounts due under the notes prior to their maturity date, under the practice of the FSA prevailing as of the date of such redemption, shall be subject to our providing to the FSA, at least one month before we begin such redemption, notice in writing (in the form required by the FSA) of the proposed redemption. If we make such repayment, we will (1) continue to meet our capital resources requirements and (2) our overall financial resources, including capital and liquidity resources, will be sufficient in amount and quality, to ensure that there is no significant risk that our obligations will not be paid in full when due.

Tax Redemption

In the event of various tax law changes and other limited circumstances, we may redeem amounts as described in this prospectus supplement under “Description of the Notes—Tax Redemption,” we may call all, but not less than all, of the notes at their maturity.

Event of Default and Defaults

If either a court of competent jurisdiction issues an order which is a judgment in favor of the

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days, or an effective shareholders' resolution is validly adopted, for
than under or in connection with a scheme of reconstruction, merger

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or amalgamation not involving a bankruptcy or insolvency) that or
“Event of Default” with respect to the notes. If an Event of Default oc
the holders of at least 25% in aggregate principal amount of the outstar
amount of, and any accrued but unpaid interest on, the notes to be due
after this declaration, but before the trustee obtains a judgment or de
holders of a majority in aggregate principal amount of the outstanding
acceleration and its consequences, but only if the Event of Default
payments due, other than those due as a result of acceleration, have bee

A “Default” with respect to the notes shall result if we do not pay any
part of the principal of, and any premium on, any notes on the date
payable, whether upon redemption or otherwise, and the failure continu

If an Event of Default or Default occurs and is continuing, and such Ev
been cured nor waived within a period of 14 days following the pr
Default or Default to us from the trustee, the trustee may at its discre
institute proceedings in England (or such other jurisdiction in whi
elsewhere) for our winding up.

No Deferred Payments provisions

The “Deferred Payments” provisions described in “Description of I
Payments; Missed Payments–Dated Subordinated Debt Securities” in
form part of the terms and conditions of the notes.

Book-Entry Issuance, Settlement and Clearance

We will issue the notes in fully registered form in denominations of
\$1,000 in excess thereof. The notes will be represented by one or mo
name of a nominee of DTC. You will hold beneficial interests in the r
indirect participants, including Euroclear and Clearstream Luxemb
indirect participants will record your beneficial interest on their books
except in limited circumstances that we explain under “Global Se
Global Security Will Be Terminated” in the accompanying prospectu
through DTC in same day funds. For information on DTC’s book
Settlement–The Clearing Systems–DTC” in the accompanying prospec

Conflicts of Interest

Barclays Capital Inc. is an affiliate of Barclays Bank PLC and, as suc
offering within the meaning of Rule 2720 of the Conduct Rules of th
Dealers, Inc., as administered by the Financial Industry Regulatory
thereto) (“Rule 2720”). Consequently, this offering is being conducte
of Rule 2720. Barclays Capital Inc. is not permitted to sell notes in this
exercises discretionary authority without the prior specific written appr

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CUSIP	06739G BP3
ISIN	US06739GBP37
Common Code	054922035
Listing and Trading	We will apply to list the notes on the New York Stock Exchange (“NY
Trustee and Principal Paying Agent	The Bank of New York Mellon, One Canada Square, London E14 5A trustee and initial principal paying agent for the notes.
Timing and Delivery	We currently expect delivery of the notes to occur on October 14, 2010
Further Issues	We may, without the consent of the holders of the notes, issue additional notes with the same interest rate, maturity date, redemption terms and other terms as the notes offered by this prospectus supplement except for the price to the public and issue date. Any such additional notes, if issued, will constitute a separate issue of notes under the Indenture. There is no limitation on the amount of notes or other securities that we may issue under the Indenture.
Use of Proceeds	We intend to use the net proceeds of the offering for general corporate purposes and to maintain or expand our capital base.
Governing Law	The Indenture and the notes are governed by, and construed in accordance with, the laws of New York, except for the subordination provisions in Section 12.01 of the Indenture, which are governed by, and construed in accordance with, the laws of England.
Risk Factors	Investing in the notes offered under this prospectus supplement involves risks that should be considered in connection with an investment in the notes. These risks are described on page S-9 of this prospectus supplement and “Risk management and risk factors” are described on page 54 of our Annual Report on Form 20-F for the year ended December 31, 2009, which is incorporated by reference herein.

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DESCRIPTION OF LOWER TIER 2 NOTES

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

The notes will constitute a series of Dated Subordinated Debt Securities issued under the Dated Subordinated Debt Securities Indenture to be entered into prior to or on October 14, 2010 between us and The Bank of New York Mellon, as trustee. The terms of the notes 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 will file the Indenture as an exhibit to a current report on Form 6-K. The Indenture replaces the Dated Subordinated Debt Securities Indenture dated as of June 30, 1998 between us and The Bank of New York Mellon, as trustee, which is described in the accompanying prospectus.

The notes will be issued in an aggregate principal amount of \$1,250,000,000 and will mature on October 14, 2020. The notes will bear interest at 5.140% per annum, payable semi-annually in arrear on April 14 and October 14 of each year, commencing April 14, 2011. The regular record dates for the notes will be the 15th calendar day preceding each interest payment date, whether or not such day is a business day.

If any scheduled 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 scheduled interest payment date. If the scheduled maturity date or date of redemption or repayment is not a business day, we may pay interest and principal on the next succeeding business day, but interest on that payment will not accrue during the period from and after the scheduled maturity date or date of redemption or repayment.

The notes will constitute our direct, unsecured and subordinated obligations, ranking equally without any preference among themselves and ranking junior in right of payment to the payment of any of our existing and future senior indebtedness.

General

Book-entry interests in the notes will be issued in minimum denominations of

and, in the case of an incomplete month, the amount of such month.

The principal corporate trust office of the trust will be designated as the principal paying agent. We may replace the paying agents or rescind the designation of paying agent at any office through which any paying agent acts.

We will issue the notes in fully registered form as one or more global securities registered in the name of the trust. Holders may hold beneficial interest in the notes through the facilities of Euroclear and Clearstream Luxembourg. The notes will be held through the facilities of DTC on October 14, 2010. Beneficial interests in the notes through the facilities of DTC will be settled through the funds settlement system and pay in immediate cash. Beneficial interests in the notes through the facilities of Euroclear and Clearstream, Luxembourg, will be settled through 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 and settlement procedures.

Definitive debt securities will only be issued in the event of a “Global Securities–Special Situations Event” or “Global Securities Terminated” in the accompanying prospectus.

Payment of principal of and interest on the notes represented by global securities, will be made through the settlement system of DTC, and secondary market transactions will therefore settle in same-day funds.

We may, without the consent of the holders of the notes having the same ranking and same interest rate, amend or modify other terms as the notes described in this prospectus supplement to the public and issue date. Any such amendments or modifications offered by this prospectus supplement, will constitute amendments to the Indenture. There is no limitation on the number of securities that we may issue under the Indenture.

The term “business day” means any weekday on which financial institutions are authorized or obligated by law to open for business in England, or in New York City.

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\$100,000 and in integral multiples of \$1,000 in excess thereof. Interest on the notes will be computed on the basis of a year of 360 days consisting of 12 months of 30 days each

S- The “Deferred Payments” provisions describe
10 Payments; Deferred Payments; Missed Payments

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Ranking

The notes will constitute our direct, unsecured and subordinated obligations.

- claims in respect of Existing Senior Subordinated Obligations (as defined in the Indenture), Capital Note Claims (as defined in the Indenture) and any other claims ranking or expressed to rank *pari passu* therewith and/or with claims in respect of notes issued under the Indenture (“Dated Debt Other *Pari Passu* Claims”) (with all of which excepted claims the notes shall rank *pari passu*); and
- any other claims ranking junior to the excepted claims referred to in the immediately preceding bullet point and/or to claims in respect of notes issued under the Indenture.

Any amounts in respect of the notes paid to the holders of such notes or to the trustee pari passu with the amounts payable to other creditors admitted in such winding up will be held by such holders or the trustee upon trust to be applied in the following order: (i) to the amounts due to the trustee in or about the execution of the trusts of the Indenture; (ii) in payment of all Dated Debt Senior Claims outstanding at the commencement of, or arising solely by virtue of, our winding up to the extent that such claims shall be admitted in the winding up and shall not be satisfied out of our other resources; and (iii) in payment of notes issued under the Indenture. By accepting the notes, each holder agrees to be bound by the Indenture's subordination

Payment of Additional Amounts

We will pay any amounts to be paid by us withholding for, or on account of, any and all other taxes, levies, imposts, duties, charges (“taxes”) now or hereafter imposed, levied, collected on behalf of, the United Kingdom or any U.K. person or therein that has the power to tax (each a “tax”) if a deduction or withholding is required by law. If we are required to deduct or withhold taxes, we will deduct or withhold taxes, in respect of, the principal of, any premium, and any Additional Amounts”) that are necessary so that the net amount payable after deduction or withholding, shall equal the amount payable had no such deduction or withholding been required. We will pay any Additional Amounts for taxes that are payable

- the holder or the beneficial owner of the property is a resident of, or engages in business of, or is physically present in, a U.S. state or territory, or deduction or withholding, or otherwise subject to the taxing jurisdiction other than the holder's country of collection of any payment of, or in respect of, the property

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provisions and irrevocably authorizes our liquidator to perform on behalf of the holder the above subordination trust.

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of, the principal of, any premium, or any interest on, any notes;

- except in the case of our winding up in England the relevant note is presented for payment in the United Kingdom;
- the relevant note is presented for payment more than 30 days after the date payment became due or was provided for, whichever is later, except to the extent that the holder would have been entitled to the Additional Amounts on presenting the note for payment at the close of such 30-day period;
- the holder or the beneficial owner of the relevant notes or the beneficial owner of any payment of (or in respect of) principal of, premium, if any, or any interest on notes 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;
- such taxes are imposed on a payment to an individual and are required to be made pursuant to the European Union Directive on the taxation of savings income, adopted on June 3, 2003, or any law implementing or complying with, or introduced in order to conform to, such Directive;
- the relevant note is presented for payment by, or on behalf of, a holder who would have been able to avoid such deduction or withholding by presenting the relevant debt security to another paying agent in a member state of the European Union (the “EU”) or elsewhere;
- 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 notes had been the holder of the notes.

Whenever we refer in this prospectus supplement and in the accompanying prospectus to the payment of the principal of (and premium, if any) or any interest on, or in respect of, the notes, we mean to include the payment of Additional Amounts to the extent that, in context, Additional Amounts are, were or would be payable.

The government of any jurisdiction where Barclays Bank PLC is incorporated may require Barclays Bank

PLC to withhold amounts from payments on the notes, in which case, in the case may be, for taxes or any other government charges. If this type is required, Barclays Bank PLC may withhold an amount so that the net amount you receive will be the amount to which you are entitled.

Redemption

Regulatory Event Redemption

We may, at our option, redeem the notes, in whole or in part, on or after January 1, 2015 if a Regulatory Event has occurred on or after January 1, 2015. “Regulatory Event” means any event (including any amendment, modification, prospective change, or prospective change) in applicable laws or regulations, or policies with respect thereto, or any pronouncement or judicial decision interpreting or modifying such regulations, including any pronouncement or decision by a regulatory authority) that occurs after the issue date of the notes, and there being more than an insubstantial risk, in our opinion, for the purposes of the capital adequacy requirements of the Basel Accords, that the notes may not be included in Lower Tier 2 Capital.

Any redemption of the notes resulting from a Regulatory Event will be providing not less than 30 days’ and not more than 60 days’ notice to the holders of the notes. The redemption price will be the outstanding principal balance of the notes to be redeemed plus interest (the “Redemption Price”) to the date of redemption (the “Redemption Date”). If the Redemption Price in respect of the notes to be redeemed on the Redemption Date, interest on the outstanding principal balance of the notes will continue to accrue until the Redemption Date. Payment of the Redemption Price will be made on the Redemption Date.

Tax Redemption

For purposes of the notes, the discussion set forth in the “Description of Debt Securities” section of the “Notice to the FSA” and “Limitations on Redemption” section of the discussion set forth in “Description of Debt Securities” or Conversion for Tax Reasons” in the accompanying prospectus.

We will have the option to redeem the notes

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than 60 days' notice to the holders if:

- we are required to issue definitive Securities—Special Situations When

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Will Be Terminated” in the accompanying prospectus supplement) and, as a result, we are or would be required to pay Additional Amounts with respect to the notes; or

- we determine that as a result of a change in, or amendment to, the laws or regulations of a taxing jurisdiction, including any treaty to which the relevant taxing jurisdiction is a party, or a change in an official application or interpretation of those laws or regulations, including a decision of any court or tribunal, which becomes effective on or after the issue date of the notes (and, in the case of a successor entity, which becomes effective on or after the date of that entity’s assumption of our obligations), we (or any successor entity) will or would be required to pay holders Additional Amounts, or we (or any successor entity) would not be entitled to claim a deduction in respect of any payments in computing our (or its) taxation liabilities or the amount of the deduction would be materially reduced.

In each case, before we give a notice of redemption, we shall be required to deliver to the trustee a written legal opinion of independent counsel of recognized standing, chosen by us, in a form satisfactory to the trustee confirming that we are entitled to exercise our right of redemption. The redemption must be made in respect of all, but not some, of the notes. The redemption price will be equal to 100% of the principal amount of notes being redeemed together with any accrued but unpaid interest in respect of such notes to the date fixed for redemption.

You have no right to require us to call the notes. Notes will stop bearing interest on the redemption date, even if you do not collect your money.

We will give notice to DTC of any redemption we propose to make at least 30 days, but not more than 60 days, before the redemption date. Notice by DTC to participating institutions and by these participants to street name holders of indirect interests in the notes will be made according to arrangements among them and may be subject to statutory or regulatory requirements.

Notice to the FSA

Any redemption of the notes or other repayment of amounts due under the notes prior to their scheduled maturity date, under the practice of the FSA prevailing as of the date of this prospectus supplement, will be subject to our providing to the FSA, at least one month before we become committed to the repayment, notice in writing (in the form required by the FSA) of the proposed repayment, detailing how, following such repayment,

we will (1) continue to meet our capital and liquidity requirements, (2) have sufficient overall financial resources, including cash and cash equivalents, that are adequate both as to the amount and quality to meet our obligations, and (3) face no material risk that our liabilities cannot be met as they fall due.

Limitations on Redemption

We may redeem the notes prior to the fifth anniversary of the issue date (1) with the prior consent of the FSA; (2) if the exercise of that right of redemption is the result of a change in the law of the relevant jurisdiction or in the interpretation of the law by a court of competent authority entitled to do so; and (3) if at the time of the redemption, we comply with the FSA’s main purpose test for the firms (within the meaning of the FSA’s General Principles of Supervision) to continue to do so after the redemption of the notes.

Event of Default and Defaults

For purposes of the notes, the following definitions shall apply: “Event of Default” shall mean the discussion set forth in “Description of Debt” and “Description of Subordinated Events of Default and Defaults”; “Default” shall mean the Events of Default” and “–Dated Debt Default”.

If either a court of competent jurisdiction issues an order or resolution that is appealed within 30 days, or an effective share of the net assets for our winding up (in each case, other than under a plan of reorganization, merger or amalgamation not in accordance with that order or resolution will constitute an “Event of Default” for the notes. Subject to certain limitations relating to the exercise of that right (including those limitations set forth in “–Redemption”), if an Event of Default occurs and is continuing, the trustee or the holder of the notes may, at its principal amount of the outstanding notes may, at its discretion, suspend any accrued but unpaid interest on, the notes. However, after this declaration, but before the notes are paid in full for payment of money due, the holders of a note may, at their option, rescind the consequences, but only if the Event of Default is continuing. Payments due, other than those due as a result of an Event of Default, shall not be affected.

A “Default” with respect to the notes shall result if we fail to pay interest upon, or any part of the principal of, any

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notes on the date on which the payment is due and payable, whether upon redemption or otherwise, and the failure continues for 14 days.

If an Event of Default or Default occurs and is continuing, and such Event of Default or Default has neither been cured nor waived within a period of 14 days following the provision of notice of such Event of Default or Default to us from the trustee, 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.

Failure to make any payment in respect of the notes shall not be a Default if the payment is withheld or refused either:

- in order to comply with any fiscal or other law or regulation or with the order of any court of competent jurisdiction, in each case applicable to such payment; or
- in case of doubt as to the validity or applicability of any such law, regulation or order, in accordance with advice given as to such validity or applicability at any time before the expiry of the 14-day period by independent legal advisers acceptable to the trustee.

In the second case, however, the trustee may, by notice to us, require us to take action, including proceedings for a court declaration, to resolve the doubt, if counsel advises it that the action is appropriate and reasonable. In this situation we will take the action promptly and be bound by any final resolution of the doubt. If the action results in a determination that we can make the relevant payment without violating any law, regulation or order, then the payment shall become due and payable on the expiration of the 14-day period after the trustee gives us written notice informing us of the determination.

By accepting a note, each holder and the trustee will be deemed to have waived any right of set-off or counterclaim that they might otherwise have against us. No holder of notes shall be entitled to proceed directly against us unless the trustee has become bound to proceed but fails to do so within a reasonable period and the failure is continuing.

Defeasance and Discharge

We can legally release ourselves from any payment or other obligations on the notes, except for various obligations described below, if we, in addition to other actions, put in place the following arrangements for you to be repaid:

government or U.S. government agency, we must have enough cash to make interest, principal and other payments on notes on their various due dates. In addition, we must not be in default. For purposes of this section, we would include a Default that has occurred or is continuing as described above under “—Event of Default or Default” and this purpose would also include any event that would constitute an Event of Default or Default if the trustee had not, in our Event of Default or Default has occurred or is continuing time were disregarded; and

- we must deliver to the trustee a legal opinion from counsel that under current U.S. federal income tax law, we can deposit without causing you to be taxable, and if we did not make the deposit and judgment is entered in our case of notes being discharged, we must obtain a private letter ruling from the U.S. Internal Revenue Service or a revenue ruling pertaining to a case of notes being discharged effect published by the U.S. Internal Revenue Service.

However, even if we take these actions, a number of notes will remain. These include the following:

- to register the transfer and exchange of notes;
- to replace mutilated, destroyed, lost or stolen notes;
- to maintain paying agencies; and
- to hold money for payment in trust.

Trustee

The trustee for the holders of the notes will be the trustee for the “—Event of Default and Defaults” above for a period of 10 years and remedies available in connection with an Event of Default or Default.

TAX CONSIDERATIONS

For a discussion of the tax consequences of the offering, see “Tax Considerations” in the accompanying prospectus supplement.

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- we must deposit in trust for your benefit and the benefit of all other direct holders of the notes a combination of money and U.S.

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UNDERWRITING

Subject to the terms and conditions set forth in the Underwriting Agreement–Standard Provisions, dated October 6, 2010, incorporated in 2010, between us and the underwriters named below, we have agreed to issue to the underwriters, and each underwriter has severally underwritten, of notes set forth opposite its name below:

Underwriters

Barclays Capital Inc.
CIBC World Markets Corp.
Fifth Third Securities, Inc.
RBC Capital Markets Corporation
SunTrust Robinson Humphrey, Inc.
U.S. Bancorp Investments, Inc.
Wells Fargo Securities, LLC

Total

The underwriting agreement and the pricing agreement provide that the obligations of the underwriters are subject to certain conditions precedent and that the underwriters have undertaken to purchase all the notes offered by this prospectus supplement if any of these notes are purchased.

The underwriters propose to offer the notes directly to the public at the price to public set forth on the cover of this prospectus supplement and may offer the notes to certain dealers at the price to public less a concession not in excess of 0.30%. The underwriters may allow, and such dealers may reallocate, a concession not in excess of 0.25% to other brokers and dealers.

We estimate that our total expenses for the offering, excluding underwriting commissions, will be approximately \$496,000.

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act.

The notes are new issue securities with no established trading market. We will apply to list the notes on the NYSE under the symbol “BCS/20.”

The notes will settle through the facilities of DTC and its participants (including Euroclear and Clearstream Banking). The CUSIP number for the notes is 06739G

Certain of the underwriters and their affiliates will provide certain underwriting and advisory services for us from time to time for customary fees and expenses. The underwriters will not be engaged in any transactions with and perform services for us in connection with the offering.

It is expected that delivery of the notes will be made on or about October 14, 2010, which will be the first business day following the date of pricing of the notes. Under the Securities Exchange Act of 1934, purchases of notes in the secondary market generally are required to settle within five business days of the parties to any such transaction expressly agree to settle. The underwriters of the notes who wish to trade the notes on the next succeeding business day, will be required to settle within five business days (T+5) in the next settlement cycle at the time of any such trade. Purchasers of the notes who wish to trade on the next succeeding business day should contact their broker or the next succeeding business day should contact their broker.

Conflicts of Interest

Barclays Capital Inc. is an affiliate of Barclays Bank PLC, which may have a “conflict of interest” in this offering within the meaning of the Securities Act.

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BP3, the ISIN is US06739GBP37 and the Common Code is 054922035.

Certain of the underwriters may not be U.S. registered broker-dealers and accordingly will not effect any sales within the United States except in compliance with applicable U.S. laws and regulations, including the rules of the FSA.

Consequently, this offering is being conducted under Rule 2720. Barclays Capital Inc. is not permitted to sell securities to the account over which it exercises discretionary authority without the written approval of the account holder.

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Stabilization Transactions and Short Sales

In connection with the offering, the underwriters may purchase and sell notes in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the underwriters of a greater number of notes than they are required to purchase in the offering. The underwriters may close a short position by purchasing notes in the open market. Stabilizing transactions consist of various bids for or purchases of the notes made by the underwriters in the open market prior to the completion of the offering.

Purchases to cover a short position and stabilizing transactions may have the effect of preventing or retarding a decline in the market price of the notes. As a result, the price of the notes may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued at any time.

Market-Making Resales

For purposes of the notes, the following discussion replaces in its entirety the discussion set forth in “Plan of Distribution–Market-Making Resales” and “Plan of Distribution–Matters Relating to Initial Offering and Market-Making Resales” in the accompanying prospectus.

This prospectus supplement may be used by an affiliate of Barclays Bank PLC in connection with offers and sales of the notes in market-making transactions. In a market-making transaction, such affiliate may resell the notes it acquires from other holders, after the original offering and sale of the notes. Resales of this kind may occur in the open market or may be privately negotiated, at prevailing market prices at the time of resale or at related or negotiated prices. In these transactions, such affiliate may act as principal, or agent, including as agent for the counterparty in a transaction in which such affiliate acts as principal, or as agent for both counterparties in a transaction in which such affiliate does not act as principal. Such affiliate may receive compensation in the form of discounts and commissions, including from both counterparties in some cases.

The aggregate initial offering price specified on the cover of this prospectus supplement relates to the initial offering of the notes. This amount does not include securities sold in market-making transactions.

We do not expect to receive any proceeds from market-making transactions.

Information about the trade and settlement dates, as well as the purchase price, for a

Selling Restrictions

United Kingdom

Each underwriter has represented, warranted and

- (i) it has only communicated or caused to be communicated, or will only communicate or cause to be communicated, an offer or invitation to engage in investment activity (within the meaning of the Financial Services and Markets Act 2000) in connection with the issue or sale of the notes, and no such communication or communication of an offer or invitation in connection with Section 21(1) of the FSMA would not be made by a “authorized person,” apply to Barclays
- (ii) it has complied and will comply with all requirements of the FSMA with respect to anything done in connection with the issue or sale of the notes or otherwise involving the United Kingdom

European Economic Area

Each underwriter has represented and agreed that it has not, and will not, offer or sell the notes in any Relevant Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “Relevant Member State”) with effect from the date the Prospectus Directive is implemented in that Relevant Member State (the “Relevant Implementation Date”) it has not made, and will not make, an offer or sale of the notes to the public in that Relevant Member State prior to the Relevant Implementation Date:

- (i) to legal entities which are authorized to operate in financial markets or, if not so authorized, which have their sole purpose is solely to invest in securities
- (ii) to any legal entity which has two or more employees during the last financial year and (1) an annual turnover of more than €43,000,000 and (2) an annual balance sheet total of more than €50,000,000, all as shown in its last annual financial statement
- (iii) in any other circumstances falling within the scope of the Prospectus Directive, save that no offer of the notes shall be made by reliance on the numerical exemption provided in Article (2)(b) of the Prospectus Directive.

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market-making transaction will be provided to the purchaser in a separate confirmation of sale.

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provided, that no such offer of notes shall require the underwriters or us to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression “an offer of the notes to the public” in relation to any notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the notes to be offered so as to enable an investor to decide to purchase or subscribe the notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “Prospectus Directive” means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

This Prospectus Supplement has been prepared on the basis that any offer of notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a “Relevant Member State”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of notes. Accordingly

any person making or intending to make an offer of notes which are the subject of the placement, this Prospectus Supplement may only do so in circumstances where Barclays Bank PLC or any of the underwriters have obtained Article 3 of the Prospectus Directive or supplemented Article 16 of the Prospectus Directive, in each case by the making of any offer of notes in circumstances where Barclays Bank PLC or the underwriters to publish such offer.

VALIDITY OF SE

Sullivan & Cromwell LLP, our United States legal counsel, has passed on the validity of the notes under New York law. Clifford Chance LLP, our English legal counsel, will pass upon the validity of the notes under English law. The underwriters, will pass upon the validity of the notes under English law.

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BARCLAYS BANK PLC

Debt Securities

Warrants

Preference Shares

American Depositary Shares

This prospectus describes some of the general terms that may apply to these securities and the general manner in which they may be offered.

We will give you the specific terms of the securities, and the manner in which they are offered, in supplements to this prospectus. You should read the prospectus supplements carefully before you invest. We may offer and sell these securities to or through one or more underwriters, dealers or brokers, or directly to purchasers, on a delayed or continuous basis. We will indicate the names of any underwriters in the applicable prospectus supplement.

We may use this prospectus to offer and sell debt securities, warrants or preference shares from time to time. In addition, Barclays Capital Inc. may use this prospectus in market-making transactions in any of these securities after their initial sale. *Unless we or our agent informs you otherwise, this prospectus is being used in market-making transactions.*

The securities are not deposit liabilities of Barclays Bank PLC and are not insured by the United States Federal Deposit Insurance Corporation or any other insurance provider of the United States, the United Kingdom or any other jurisdiction. Unless otherwise indicated in the applicable prospectus supplement, Barclays Bank PLC does not guarantee or assume any other obligations in respect of our securities.

This prospectus may not be used to sell securities unless it is accompanied by a prospectus supplement.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or the adequacy of this prospectus. Any representation to the contrary is a criminal offense.



BofA Merri

The date of this prospectus is August 31, 2010

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FORWARD-LOOKING STATEMENTS

This prospectus and certain documents incorporated by reference herein contain forward-looking statements within the meaning of Section 2701 of the 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 our current goals and expectations relating to our future financial condition and performance. We caution readers that no forward-looking statement represents a guarantee of performance and that actual results could differ materially from those contained in the forward-looking statements. These forward-looking statements are based on assumptions that they do not relate only to historical or current facts. Forward-looking statements sometimes use words such as “may”, “will”, “seek”, “could”, “anticipate”, “expect”, “estimate”, “intend”, “plan”, “goal”, “believe” or other words of similar meaning. Examples of forward-looking statements include statements regarding our future financial position, income growth, assets, impairments, charges, business strategy, capital ratios, leverage, payment of dividends, operations in the banking and financial markets, projected costs, estimates of capital expenditures, and plans and objectives for future operations.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances, including, but not limited to, global economic and business conditions, the effects of continued volatility in credit markets, market related risks such as changes in interest rates, changes in valuation of credit market exposures, changes in valuation of issued notes, the policies and actions of governmental and regulatory agencies, changes in financial instruments for regulatory capital purposes, changes in legislation, the further development of standards and interpretations under International Financial Reporting Standards (“IFRS”) applicable to past, current and future periods, evolving practices with regard to the interpretation and application of standards, pending and future litigation, the success of future acquisitions and other strategic transactions and the impact of competition—a number of factors that are outside of our control. As a result, our actual future results may differ materially from the plans, goals, and expectations set forth in such forward-looking statements. We have identified in our filings with the U.S. Securities and Exchange Commission (the “SEC”) including in our Annual Report on Form 20-F for the year ended December 31, 2009, which is available on the SEC’s website at <http://www.sec.gov>. Any forward-looking statements made herein or in the documents incorporated by reference herein are only as of the date they are made. Except as required by the U.K. Financial Services Authority (the “FSA”), the London Stock Exchange plc, we do not intend to disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained in this prospectus. We do not intend to reference herein to reflect any changes in expectations with regard thereto or any changes in events, conditions or circumstances on which a forward-looking statement is based. You should, however, consult any additional disclosures that we have made or may make in documents we have filed or may file with the SEC.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The SEC allows us to “incorporate by reference” the information we file with them, which means we can disclose important information to you by referring you to those documents. The most recent information that we file with the SEC automatically updates and supersedes earlier information.

We have filed with the SEC a registration statement on Form F-3 relating to the securities covered by this prospectus. This prospectus is a part of the registration statement and does not contain all the information in the registration statement. Whenever a reference is made in this prospectus to a contract or other document, it is only a summary and you should refer to the exhibits that are a part of the registration statement for a copy of the contract or other document. You may obtain a copy of the registration statement at the SEC’s public reference room in Washington, D.C., as well as through the SEC’s internet site, as discussed below.

We filed our annual report on Form 20-F for the fiscal year ended December 31, 2009 (the “2009 Form 20-F”) with the SEC on March 19, 2010. We have incorporated by reference into this prospectus our Current Reports on Form 6-K furnished to the SEC on March 19, 2010, April 30, 2010, May 5, 2010, May 13, 2010, August 5, 2010, August 19, 2010 and August 31, 2010 (which Current Report includes certain segmental disclosures in respect of certain

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disclosures that were made in the 2009 Form 20-F), in each case to the same extent as such report was designated on the cover thereof for inclusion in the Registration Statement on Form F-3 (File No. 333-145845).

In addition, we incorporate by reference into this prospectus all documents that we file with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, if any, we designate therein, reports on Form 6-K we furnish to the SEC after the date of this prospectus and prior to the termination of any offering covered by this prospectus.

We will provide to you, upon your written or oral request, without charge, a copy of any or all of the documents referred to above which we have incorporated by reference. You should direct your requests to Barclays Bank PLC, 745 Seventh Avenue, New York, New York 10019, Attention: General Counsel.

You may read and copy any document that we file with or furnish to the SEC at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549, or obtain information on the operation of the public reference room by calling the SEC at 1-800-SEC-0330. The SEC maintains an internet site that contains reports and other information regarding issuers that file electronically with the SEC at www.sec.gov. We maintain an internet site at www.barclays.com.

THE BARCLAYS BANK GROUP

Barclays Bank PLC and its subsidiary undertakings (taken together, the "Group") is a major global financial services provider engaged in retail banking, investment banking, wealth management and investment management services, with an extensive international presence in Europe. Together with the predecessor companies, the Group has over 300 years of history and expertise in banking, and today the Group operates in more than 144,000 people. The Group moves, lends, invests and protects money for more than 48 million customers and clients worldwide. The vast majority of the capital of Barclays Bank PLC is beneficially owned by Barclays PLC, which is the ultimate holding company of the Group and one of the largest companies in the world by market capitalization.

USE OF PROCEEDS

Unless otherwise indicated in the accompanying prospectus supplement, the net proceeds from the offering of the securities will be used to fund our business and to strengthen further our capital base. That development and expansion may occur through the development of existing subsidiaries or acquisitions if suitable opportunities should arise.

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DESCRIPTION OF DEBT SECURITIES

The following is a summary of the general terms of the debt securities. It sets forth possible terms and provisions for each series of debt securities. For each series of debt securities, we will prepare and file a prospectus supplement with the SEC, which you should read carefully. The prospectus supplement may contain additional terms and provisions of those securities. If there is any inconsistency between the terms and provisions presented here and those in the prospectus supplement, the terms and provisions in the prospectus supplement will apply and will replace those presented here.

The debt securities of any series will be either our senior obligations (the “Senior Debt Securities”) or our subordinated obligations (the “Subordinated Debt Securities”). The Senior Debt Securities nor the Subordinated Debt Securities will be secured by any assets or property of Barclays Bank PLC or any of its subsidiaries (collectively, “Barclays Bank PLC”), Barclays PLC, its parent. The Subordinated Debt Securities will either have a stated maturity (the “Dated Subordinated Debt Securities”) or no stated maturity (the “Undated Subordinated Debt Securities”). Some Undated Subordinated Debt Securities may be entirely or partially convertible into our common equity.

We will issue Senior Debt Securities, Dated Subordinated Debt Securities and Undated Subordinated Debt Securities under indentures (respectively, “Dated Debt Indenture” and “Undated Debt Indenture”) between us and The Bank of New York Mellon, as trustee. The terms of the debt securities will be governed by the relevant indenture and any supplements thereto, and those terms made part of the indenture by reference to the U.S. Trust Indenture Act of 1939 (the “U.S. Trust Indenture Act”). The Senior, Dated and Undated Debt Indentures are sometimes referred to in this prospectus individually as an “indenture” and collectively as “indentures.” We have filed or incorporated by reference a copy of, or the forms of, each indenture as exhibits to the registration statement, of which this prospectus supplement is a part.

Because this section is a summary, it does not describe every aspect of the debt securities in detail. This summary is subject to, and qualified by, the terms, conditions and provisions of the relevant indenture, any supplement to the relevant indenture and each series of debt securities. Certain terms, unless otherwise defined, have the meaning given to them in the relevant indenture.

General

The debt securities are not deposits and are not insured by any regulatory body of the United States or the United Kingdom. Unless otherwise indicated, Barclays PLC, our parent, has not guaranteed or assumed any obligations in respect of our debt securities.

Because we are a holding company as well as an operating company, our rights to participate in the assets of any of our subsidiaries upon the liquidation of the subsidiaries’ creditors, including, in the case of our bank subsidiaries, their respective depositors, except, in our case, to the extent of our recognized claims against the relevant subsidiary.

The indentures do not limit the amount of debt securities that we may issue. We may issue the debt securities in one or more series, or as undivided interests in a series. The prospectus supplement will indicate for each series or of two or more related series of debt securities:

- whether the debt securities have a maturity date and if so, what that date is;
- the specific designation and aggregate principal amount of the debt securities;
- the prices at which we will issue the debt securities;
- if interest is payable, the interest rate or rates, or how to calculate the interest rate or rates;

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- whether we will issue the Senior Debt Securities or Dated Subordinated Debt Securities as Discount Securities, as explained below;
- provisions, if any, for the discharge and defeasance of Senior Debt Securities or Dated Subordinated Debt Securities of any series;
- any condition applicable to payment of any principal, premium or interest on Senior Debt Securities or Dated Subordinated Debt Securities;
- the dates and places at which any payments are payable;
- the terms of any mandatory or optional redemption;
- the denominations in which the debt securities will be issued, which may be an integral multiple of either \$1,000, \$25 or any other amount;
- the amount, or how to calculate the amount, that we will pay to the Senior Debt Security holder or Dated Subordinated Debt Security holder if the Senior Debt Security or Dated Subordinated Debt Security is redeemed before its stated maturity or accelerated, or for which the trustee shall be required to make a sinking fund payment;
- whether and how the debt securities may or must be converted into any other type of securities, or their cash value, or a combination thereof;
- the currency or currencies in which the debt securities are denominated, and in which we make any payments;
- whether we will issue the debt securities wholly or partially as one or more global debt securities;
- what conditions must be satisfied before we will issue the debt securities in definitive form (“definitive debt securities”);
- any reference asset we will use to determine the amount of any payments on the debt securities;
- any other or different Senior Events of Default, in the case of Senior Debt Securities, or any other or different Subordinated Events of Default, in the case of Subordinated Debt Securities, or covenants applicable to any of the debt securities, and the consequences of such events or covenants from the terms in the applicable indenture;
- any restrictions applicable to the offer, sale and delivery of the debt securities;
- if we will pay Additional Amounts, as defined below, on the debt securities;
- whether we will issue the debt securities in registered form (“registered securities”) or in bearer form (“bearer securities”) or both;
- for registered securities, the record date for any payment of principal, interest or premium;
- any listing of the debt securities on a securities exchange;
- any other or different terms of the debt securities; and
- what we believe are any additional material U.S. federal and U.K. tax considerations.

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If we issue debt securities in bearer form, the special restrictions and considerations relating to such bearer debt securities, including applicable considerations, will be described in the relevant prospectus supplement.

Debt securities may bear interest at a fixed rate or a floating rate or we may sell Senior Debt Securities or Dated Subordinated Debt Securities at interest at a rate below the prevailing market interest rate or at a discount to their stated principal amount ("Discount Securities"). The relevant special U.S. federal income tax considerations applicable to Discount Securities or to debt securities issued at par that are treated for U.S. federal income tax purposes as having been issued at a discount.

Holders of debt securities have no voting rights except as explained below under "—Modification and Waiver" and "Senior Events of Default; Defaults; Limitation of Remedies".

Market-Making Transactions. If you purchase your debt security and/or any of our other securities we describe in this prospectus in a market-making transaction, we will provide you with information about the price you pay and your trade and settlement dates in a separate confirmation of sale. A market-making transaction is one in which one of our affiliates resells a security that it has previously acquired from another holder. A market-making transaction in a particular debt security occurs in connection with the issuance and sale of the debt security.

Legal Ownership; Form of Debt Securities

Street Name and Other Indirect Holders. Investors who hold debt securities in accounts at banks or brokers will generally not be recognized as the owners of the securities. This is called holding in "street name".

Instead, we would recognize only the bank or broker, or the financial institution the bank or broker uses to hold its debt securities. These intermediaries pass along principal, interest and other payments on the debt securities, either because they agree to do so in their customary practice or because they are legally required to do so. An investor who holds debt securities in street name should check with the investor's own intermediary institution

- how it handles debt securities payments and notices;
- whether it imposes fees or charges;
- how it would handle voting if it were ever required;
- whether and how the investor can instruct it to send the investor's debt securities registered in the investor's own name so the investor can exercise the rights described below; and
- how it would pursue rights under the debt securities if there were a default or other event triggering the need for holders to act together.

Direct Holders. Our obligations, as well as the obligations of the trustee and those of any third parties employed by us or the trustee, run only to the direct holders of debt securities. As noted above, we do not have obligations to an investor who holds in street name or other indirect means, either by holding the debt securities in that manner or because the debt securities are issued in the form of global securities as described below. For example, once we have paid a direct holder, we have no further responsibility for the payment even if that holder is legally required to pass the payment along to the investor as a result of its relationship with the investor.

Global Securities. A global security is a special type of indirectly held security, as described above under "—Legal Ownership; Form of Debt Securities".

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Indirect Holders”. If we issue debt securities in the form of global securities, the ultimate beneficial owners can only be indirect holders.

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We require that the global security be registered in the name of a financial institution we select. In addition, we require that the debt security be transferred to the name of any other direct holder unless the special circumstances described in the section “Global Securities” occur. The first direct holder of the global security is called the depositary. Any person wishing to own a security must do so indirectly by virtue of an account with a financial institution that in turn has an account with the depositary. Unless the applicable prospectus supplement indicates otherwise, each security is held only in the form of global securities.

Further details of legal ownership are discussed in the section “Global Securities” in this prospectus.

In the remainder of this section, “holders” means direct holders and not street name or other indirect holders of debt securities. Indirect holders are entitled to—Legal Ownership; Form of Debt Securities—Street Name and Other Indirect Holders”.

Payment and Paying Agents. We will pay interest to direct holders listed in the trustee’s records at the close of business on a particular day in advance, even if the direct holder no longer owns the security on the interest due date. That particular day, usually about one business day in advance of the regular record date and is stated in the applicable prospectus supplement.

We will pay interest, principal and any other money due on the debt securities at the corporate trust office of the trustee in New York City. We will make arrangements to have their payments picked up at or wired from that office. We may also choose to pay interest by mailing checks.

Street name and other indirect holders should consult their banks or brokers for information on how they will receive payments.

We may also arrange for additional payment offices, and may cancel or change these offices, including our use of the trustee’s corporate trust department or paying agents. We may also choose to act as our own paying agent. We must notify the trustee of changes in the paying agents for any particular series of debt securities.

Payments; Deferred Payments; Missed Payments

The relevant prospectus supplement will specify the date on which we will pay interest, if any, and, in the case of Senior Debt Securities or Subordinated Debt Securities, the date for payments of principal and any premium, on any particular series of debt securities. The prospectus supplement will also specify the rate or rates which will be calculated.

Dated Subordinated Debt Securities

Unless the relevant prospectus supplement provides otherwise, and subject also to the following paragraph, if we do not make a payment on the due date of the Securities on any payment date, our obligation to make that payment shall be deferred (a “Deferred Payment”), until:

- if it is an interest payment, the date we pay a dividend on any class of our share capital; and
- if it is a payment of principal, the first business day after the date that falls six months after the original payment date.

Each of the above dates is a “deferred payment date”. Our failure to make a payment on or before the deferred payment date is not a default by us, nor shall it entitle any holder to sue us or take any other action for the payment. Each Deferred Payment will accrue interest at the rate which prevailed for that series of debt securities immediately before the payment’s original payment date. Any such Deferred Payment shall not be treated as due for any purpose, including determining whether a default has occurred, until the deferred payment date. The term “business day” means any weekday, other than one on which the New York Stock Exchange is closed.

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institutions are authorized or obligated by law or executive order to close in London, England, or in any jurisdiction where payments on the

In the case of Dated Subordinated Debt Securities that qualify as “Upper Tier 3 Capital”, we will by notice in writing to the trustee (a “deferral notice”) defer payment of any principal, premium or interest in respect of that series of Dated Subordinated Debt Securities where our “capital resources” requirement” after payment of any such principal or interest in whole or in part. In addition, we will be entitled to give a deferral notice if we are required to make that deferral. Accordingly, on providing a deferral notice, the payment due date of the principal, premium or interest (the “Deferred Payment Date”) shall be deferred. As a result, we will not have to make that payment on the date that it would otherwise have become due and payable.

Interest will continue to accrue on the deferred principal at the rate prevailing immediately before the due date of that principal amount, unless we otherwise specifies. This interest, however, shall only become due and payable according to this paragraph. In the case of a Tier 3 Deferred Payment, if our capital resources would have been less than our capital resources requirement if such payment had been made when due, we will give notice to the trustee of our intention to make such Tier 3 Deferred Payment promptly upon being satisfied that our capital resources would not be less than our capital resources requirement. The whole or of any part of such payment (unless such payment is also a “Deferred Payment” as described above). In the case of a Tier 3 Deferred Payment because of a request or requirement of the FSA, we will give notice to the trustee of our intention to make such Tier 3 Deferred Payment promptly upon being satisfied that the FSA would no longer object to our payment of the whole or any part of such payment (unless such payment is also a “Deferred Payment” as described above). In the case of a Tier 3 Deferred Payment, or the appropriate part of it, and any accrued interest shall become due and payable on the seventh day after the date of the “Deferred Payment Date”. In addition, if a Subordinated Event of Default occurs, all unpaid Tier 3 Deferred Payments in respect of Dated Subordinated Debt Securities shall become due and payable in full upon acceleration of payment of the Dated Subordinated Debt Securities of that relevant series. In case of acceleration, if a Deferred Payment remains unpaid in respect of Dated Subordinated Debt Securities of any series, payment shall be made pro rata according to the amount of the Deferred Payments and the interest accrued at the time a Subordinated Event of Default has occurred.

Our failure to make any payment prior to a Tier 3 Deferred Payment Date to the extent permitted by the provisions we have just described shall not, by us or otherwise allow any holder to sue or take any action for that payment. Any Tier 3 Deferred Payment deferred according to these provisions shall, for any purpose, including for the purpose of ascertaining whether a Dated Debt Default has occurred, until the Tier 3 Deferred Payment Date.

We are currently obliged to notify the FSA if our capital for regulatory capital adequacy purposes falls below its target capital requirement, and we will continue to do so.

Undated Subordinated Debt Securities

We are not required to make payments on any series of Undated Subordinated Debt Securities on any payment date except as we discuss in the following two paragraphs. Any payment made on any series of Undated Subordinated Debt Securities (unless the payment is required as we describe in the following two paragraphs) shall not constitute an Undated Debt Default. Any payment that we do not make in respect of any series of Undated Subordinated Debt Securities on any applicable payment date, together with any other payments that they remain unpaid, constitute “Missed Payments”. Missed Payments will accumulate until paid, but will not bear interest.

We may choose to pay any Missed Payments in whole or in part at any time on not less than 14 days’ notice to the trustee. However, all outstanding Undated Subordinated Debt Securities of a particular series shall, subject to the solvency condition as explained below, become due and payable on the earlier of:

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- the date on which a dividend is next paid on any class of share capital of Barclays PLC, or any other ultimate holding company, ourselves, or on any class of our preference share capital;
- the date fixed for any redemption of the Undated Subordinated Debt Securities; and
- the commencement of our winding-up in England.

If we give notice of our intention to pay the whole or part of the Missed Payments on the Undated Subordinated Debt Securities of any series upon our being solvent at the time of our payment, and remaining solvent immediately after our payment. This is called the “solvency condition”, to do so at the time specified in our notice. When Missed Payments in respect of Undated Subordinated Debt Securities of any series are made, payment shall be in respect of the full amount of Missed Payments accrued on the payment date or consecutive payment dates furthest from the date of the Missed Payments.

All payments of principal, premium and interest, including any Missed Payments, on or with respect to the Undated Subordinated Debt Securities of any series shall be made upon our being solvent at the time of our payment, and remaining solvent immediately after our payment. This is called the “solvency condition”. Payment shall be satisfied when, and immediately after, we or any of our subsidiaries repurchase Undated Subordinated Debt Securities, except for any purchase of Undated Subordinated Debt Securities in the ordinary course of our business dealing in securities. For the purposes of the solvency condition, we shall be solvent if:

- we are able to pay our debts as they fall due; and
- our total unconsolidated gross tangible assets exceed our total unconsolidated gross liabilities, subject to certain adjustments specified in the indenture. As to any event conditional on the solvency condition other than an optional redemption or repurchase, liabilities shall exclude the Undated Debt Senior Creditors (as defined below).

A report as to our solvency by one Director or a senior executive or, in certain circumstances as provided in the indenture, our auditors, or, in the case of a liquidator, shall, absent proven error, be treated and accepted by us, the trustee and the holders of Undated Subordinated Debt Securities and any other persons thereto, as correct and sufficient evidence of solvency or insolvency.

If we are unable to make any payment on or with respect to the Undated Subordinated Debt Securities of any series because we are unable to meet our obligations, the amount of any such payment which we would otherwise make will be available to meet our losses. If we are wound-up, applicable insolvency law shall apply to the claim for any amount payable, including interest and Missed Payments, on the Undated Subordinated Debt Securities.

Ranking

Senior Debt Securities. Senior Debt Securities and the coupons (if any) appertaining thereto constitute our direct, unconditional, unsecured and unsubordinated obligations, *pari passu*, without any preference among themselves, with all our other outstanding unsecured and unsubordinated obligations, present and future, and are not preferred by operation of law.

Dated Subordinated Debt Securities. Dated Subordinated Debt Securities and the coupons (if any) appertaining thereto constitute our direct and unsubordinated obligations *pari passu* without any preference among themselves. In the event of our winding-up in England (liquidation), the claims of the trustee, the holders of the Undated Subordinated Debt Securities and the holders of the coupons (if any) appertaining thereto, will be postponed to the claims of all of our other creditors, including holders of Senior Debt Securities, except for:

- claims in respect of Existing Senior Subordinated Obligations, Capital Note Claims and Subordinated Guarantee Claims (each as defined in the indenture) and any other claims ranking or expressed to rank in priority to the claims of the holders of the Undated Subordinated Debt Securities.

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to rank equally with them and/or with claims in respect of the Dated Subordinated Debt Securities (“Dated Debt Other Pari Pas

- any other claims ranking junior to the excepted claims referred to above and/or to claims in respect of Dated Subordinated Debt

The claims of such other creditors, with the foregoing exceptions, are referred to in this document as “Dated Debt Senior Claims”. According to our winding-up in respect of claims in relation to the Dated Subordinated Debt Securities or the coupons (if any) appertaining thereto until all Dated Debt Senior Claims have been satisfied.

Any amounts in respect of the Dated Subordinated Debt Securities and the coupons (if any) appertaining thereto paid to the holders of such securities or the holders of the coupons (if any) appertaining thereto or to the trustee pari passu with the amounts payable to other creditors admitted in such winding-up shall be applied in the following order: (i) to the amounts due to the trustee in or about the execution of the trust for the payment of all Dated Debt Senior Claims outstanding at the commencement of, or arising solely by virtue of, our winding-up to the extent that such claims are not satisfied out of our other resources; and (iii) in payment of the Dated Subordinated Debt Securities and the coupons (if any) appertaining thereto. Accepting the Dated Subordinated Debt Securities or the coupons (if any) appertaining thereto, each holder agrees to be bound by the Dated Subordinated Debt Securities and the coupons (if any) appertaining thereto and irrevocably authorizes our liquidator to perform on behalf of the holder the above subordination trust.

Because of subordination, in the event of our winding-up in England, our creditors who hold Dated Debt Senior Claims may recover more, in full or in part, of the Dated Subordinated Debt Securities or the coupons (if any) appertaining thereto and Dated Debt Other Pari Passu Claims. At June 30, 2010, the amount of Dated Debt Senior Claims on a consolidated basis was approximately £1,500.190 billion (including £455.297 billion of deposits and £151.728 billion of debt securities). At December 31, 2009, Dated Debt Senior Claims on a consolidated basis were approximately £16.686 billion, consisting of debt securities we issued, our guarantees in respect of outstanding debt securities issued by our subsidiaries and intra-group loans denominated in a currency other than pounds sterling included in the above amounts. The amounts of all securities, guarantees or intra-group loans denominated in a currency other than pounds sterling included in the above amounts are stated at the exchange rates prevailing on June 30, 2010 or December 31, 2009, as applicable.

Undated Subordinated Debt Securities. The Undated Subordinated Debt Securities of each series will be our unsecured obligations, subject to the subordination provisions described here. They will rank equally without any preference among themselves and will also rank equally as to the Undated Debt Other Pari Passu Claims (as defined in the Undated Debt Indenture).

The rights of the trustee and the holders of Undated Subordinated Debt Securities and the coupons (if any) appertaining thereto will be subordinated to the claims of:

- who are our depositors and/or other unsubordinated creditors;
- whose claims are, or are expressed to be, subordinated to the claims of depositors and other unsubordinated creditors (whether or not such claims are expressed to rank pari passu with or junior to the claims of the holders of the Undated Subordinated Debt Securities); but not to other claims; or
- who are subordinated creditors (whether as above or otherwise) other than creditors whose claims constitute Undated Debt Other Pari Passu Claims (as defined in the Undated Debt Indenture) whose claims are expressed to rank pari passu with or junior to the claims of the holders of the Undated Subordinated Debt Securities.

These creditors, with the foregoing exceptions, are referred to in this document as “Undated Debt Senior Creditors” and the claims of Undated Debt Senior Creditors are referred to in this document as “Undated Debt Senior Claims”. In the event of our winding-up in England (liquidation) there shall be payable in respect of

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Subordinated Debt Securities and the coupons (if any) appertaining thereto, in lieu of any other payment but subject to the solvency conditions, have been payable as if on the day immediately before the commencement of our winding-up and thereafter, the holders of Undated Subordinated Debt Securities of a class of preference shares in our capital having a preferential right to a return of assets over the holders of all other classes of shares in our capital result the holders of the Undated Subordinated Debt Securities would therefore be treated as entitled, to the exclusion of any other rights or claims, to the capital in the winding-up an amount equal to the principal amount of the Undated Subordinated Debt Securities then outstanding, together with interest to the date of repayment and any Missed Payments. Accordingly, no amount will be payable in our winding-up in England in respect of claims in relation to Undated Debt Securities and the coupons (if any) appertaining thereto, until all Undated Debt Senior Claims admitted in such winding-up have been paid.

Because of the subordination, in the event of our winding-up in England, holders of Undated Debt Senior Claims may recover more, ratably, than holders of Undated Subordinated Debt Securities, the coupons (if any) appertaining thereto and Undated Debt Other Pari Passu Claims. In this context, the claimants of Undated Subordinated Debt Securities, Dated Subordinated Debt Securities then outstanding, the coupons (if any) appertaining thereto and Dated Debt Other Pari Passu Claims are included in Undated Debt Senior Claims.

On June 30, 2010, the amount of outstanding Undated Debt Senior Claims on a consolidated basis was approximately £1,517.132 billion (in pounds sterling) and £151.728 billion of debt securities in issue). On December 31, 2009, an aggregate of approximately £1.987 billion of Undated Debt Other Pari Passu Claims were outstanding. Currently there is no limitation on our issuing indebtedness which would constitute Undated Debt Senior Claims. If the Undated Debt Senior Claims payable with respect to the Undated Subordinated Debt Securities and any Undated Debt Other Pari Passu Claims are not paid in full, the holders of Undated Debt Senior Claims will participate in the distribution of our assets in proportion to the respective amounts to which they are entitled. The amounts of all securities, guarantees or intra-currency other than pounds sterling included in the above totals have been converted at the exchange rates prevailing on June 30, 2010 or December 31, 2009.

Additional Amounts

Unless the relevant prospectus supplement provides otherwise, we will pay any amounts to be paid by us on any series of debt securities with interest on account of, any and all present or future income, stamp and other taxes, levies, imposts, duties, charges, fees, deductions or withholdings payable by or levied, collected, withheld or assessed by or on behalf of the United Kingdom or any U.K. political subdivision or authority thereof or thereof (a "taxing jurisdiction"), unless the deduction or withholding is required by law. Unless the relevant prospectus supplement provides otherwise, if we are required to deduct or withhold taxes, we will pay the additional amounts of, or in respect of, the principal of, any premium, and any interest on, Deferred Payments and Missed Payments on the debt securities ("Additional Amounts") that are necessary so that the net amounts paid to the holders of the debt securities shall equal the amounts which would have been payable had no such deduction or withholding been required. However, we will not pay Additional Amounts payable because:

- the holder or the beneficial owner of the debt securities is a domiciliary, national or resident of, or engages in business or maintains a permanent establishment, physically present in, a U.K. taxing jurisdiction requiring that deduction or withholding, or otherwise has some connection with the holding or ownership of the debt security, or the collection of any payment of, or in respect of, the principal of, any premium, or interest on, Tier 3 Deferred Payments or Missed Payments on, any debt securities of the relevant series;
- except in the case of our winding-up in England, the relevant debt security is presented for payment in the United Kingdom;

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- the relevant debt security is presented for payment more than 30 days after the date payment became due or was provided for, or that the holder would have been entitled to the Additional Amounts on presenting the debt security for payment at the close of such day;
- in the case of Senior Debt Securities only, such deduction or withholding is imposed on a payment made pursuant to the European Union Directive (“Directive”) implementing the conclusions of the ECOFIN Council meeting of November 26-27, 2000 on the taxation of savings income, or complying with, or introduced in order to conform to, such Directive;
- in the case of Senior Debt Securities only, the relevant debt security is presented for payment by or on behalf of a holder who would be entitled to a deduction or withholding by presenting the relevant debt security to another paying agent in a member state of the European Union;
- the holder or the beneficial owner of the relevant debt securities or the beneficial owner of any payment of, or in respect of, the interest, Deferred Payments, Tier 3 Deferred Payments or Missed Payments on the debt securities failed to make any necessary certification, identification or other requirements concerning the nationality, residence, identity or connection with the taxing jurisdiction of the owner, if such claim or compliance, as applicable, is required by statute, treaty, regulation or administrative practice of a U.K. tax authority, or relief or exemption from the taxes; or
- if the taxes would not have been imposed or would have been excluded under one of the preceding points if the beneficial owner had obtained an interest in, the debt securities had been the holder of the debt securities.

Whenever we refer in this prospectus and any prospectus supplement to the payment of the principal of, any premium, or any interest, Deferred Payments or Missed Payments, if any, on, or in respect of, any debt securities of any series, we mean to include the payment of Additional Amounts, if any, that are, were or would be payable.

Redemption

Redemption or Conversion for Tax Reasons. Unless the relevant prospectus supplement provides otherwise and, in the case of Undated Subordinated Debt Securities, the solvency condition is satisfied, we will have the option to redeem the debt securities of any series upon not less than 30 nor more than 60 days after the date specified in the applicable prospectus supplement, and we will have the option of converting any Undated Subordinated Debt Securities into shares, if:

- we are required to issue definitive debt securities (see “Global Debt Securities—Special Situations When a Global Security Will Be Issued”) or are or would be required to pay Additional Amounts with respect to the debt securities; or
- we determine that as a result of a change in or amendment to the laws or regulations of a taxing jurisdiction, including any treaty with such jurisdiction is a party, or a change in an official application or interpretation of those laws or regulations, including a decision of such jurisdiction effective on or after the date of the applicable prospectus supplement (and, in the case of a successor entity, which becomes effective upon the entity’s assumption of our obligations), we (or any successor entity) will or would be required to pay holders Additional Amounts, if any, that would not be entitled to claim a deduction in respect of any payments in computing our (or its) taxation liabilities.

In each case, before we give a notice of redemption or conversion, we shall be required to deliver to the trustee a written legal opinion of independent counsel, chosen by us, in a form satisfactory to the trustee confirming that we are entitled to exercise our right of redemption or conversion.

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conversion must be made in respect of all, but not some, of the debt securities of the relevant series. The redemption price will be equal to 100% of the principal amount of the debt securities being redeemed together with any accrued but unpaid interest, Deferred Payments, Tier 3 Deferred Payments and Missed Payments on the debt securities to the date fixed for redemption or, in the case of Discount Securities, such portion of the principal amount of such Discount Securities as will result in the redemption price being equal to 100% of the principal amount of such Discount Securities on the redemption date, plus any accrued but unpaid interest on such Discount Securities to the redemption date, in accordance with the terms.

Optional Redemption. The relevant prospectus supplement will specify whether we may redeem the debt securities of any series, in whole or in part, under the following circumstances. The prospectus supplement will also specify the notice we will be required to give, what prices and any premium we will pay on the redemption of the debt securities. Any notice of redemption of debt securities will state:

- the date fixed for redemption;
- the amount of debt securities to be redeemed if we are only redeeming a part of the series;
- the redemption price;
- that on the date fixed for redemption the redemption price will become due and payable on each debt security to be redeemed and will cease to accrue on or after the redemption date;
- the place or places at which each holder may obtain payment of the redemption price; and
- the CUSIP number or numbers, if any, with respect to the debt securities.

In the case of a partial redemption, the trustee shall select the debt securities that we will redeem in any manner it deems fair and appropriate.

We or any of our subsidiaries may at any time purchase debt securities of any series in the open market or by tender (available alike to each series) or by private agreement, if applicable law allows, and, in the case of Undated Subordinated Debt Securities, if the solvency condition is satisfied, and no longer issued and outstanding any debt securities of any series that we purchase beneficially for our own account, other than a purchase in the ordinary course of a business dealing in securities.

We may not redeem at our option any Dated Subordinated Debt Securities, nor may we or any of our subsidiaries purchase beneficially or purchase for our accounts any Dated Subordinated Debt Securities, other than a purchase in the ordinary course of a business dealing in securities, until the trustee within six months before such redemption or purchase that, in their opinion, based on the most recent published consolidated balance sheet of the Company and its Subsidiary Undertakings, as defined in the indenture, available at the date of such report, the aggregate book value of the tangible assets of us and our Subsidiary Undertakings is at least equal to the aggregate book value of the liabilities of us and our Subsidiary Undertakings. We may not redeem any Undated Subordinated Debt Securities unless the solvency condition is satisfied.

In addition, we may not redeem or repurchase any Subordinated Debt Securities, other than a repurchase in the ordinary course of a business dealing in securities, on the anniversary of their date of issue (or, in the case of Dated Subordinated Debt Securities qualifying as "Upper Tier 3 capital", prior to the second anniversary of their date of issue) unless:

- the circumstances that entitle us to exercise that right of redemption are a change in law or regulation in any relevant jurisdiction or a change in regulation by any court or authority entitled to do so;

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- at the time of the exercise of that right of redemption, we comply with the FSA's main Pillar 1 rules applicable to BIPRU firms (General Prudential Sourcebook) and continue to do so after the redemption of the relevant securities; and
- we have given the FSA notice in writing (in the form required by the FSA) of the redemption of the relevant securities at least 10 business days before the redemption and have provided the FSA with certain information in connection with such repayment as required by the FSA.

Convertible or Exchangeable Securities

Unless the applicable prospectus supplement specifies otherwise, optionally convertible or exchangeable securities will entitle the holder, during the term of the securities, to convert or exchange optionally convertible or exchangeable securities into or for the underlying security, basket or baskets of securities, index or indices of securities, or a combination of these, at a specified rate of exchange. Optionally convertible or exchangeable securities will be redeemable at our option prior to maturity. The applicable prospectus supplement so states. If a holder does not elect to convert or exchange the optionally convertible or exchangeable securities before the redemption date, the holder will receive the principal amount of the optionally convertible or exchangeable securities.

Unless the applicable prospectus supplement specifies otherwise, the holder is not entitled to convert or exchange mandatorily convertible or exchangeable securities prior to maturity. At maturity, the holder must convert or exchange the mandatorily convertible or exchangeable securities for the underlying security, basket or baskets of securities, index or indices of securities, or a combination of these, at a specified rate of exchange, and, therefore, the holder may receive less than the principal amount of the mandatorily convertible or exchangeable security. If the applicable prospectus supplement so indicates, the specified rate at which a mandatorily convertible or exchangeable security is converted or exchanged may vary depending on the value of the underlying securities, basket or baskets of securities, index or indices of securities, or a combination of these, upon conversion or exchange, the holder participates in a percentage, which may be other than 100%, of the change in value of the underlying securities, basket or baskets of securities, index or indices of securities, or a combination of these.

Upon conversion or exchange, at maturity or otherwise, the holder of a convertible or exchangeable security may receive, at the specified exchange rate, the underlying security or the securities constituting the relevant basket or baskets, index or indices, or combination of these, or the cash value thereof, as the applicable prospectus supplement may specify.

In addition, subject to certain conditions specified in the applicable prospectus supplement and unless it specifies otherwise, we may choose to convert Undated Subordinated Debt Securities into preference shares, on any payment date. You should refer to the applicable prospectus supplement for the conditions of this conversion.

Modification and Waiver

We and the trustee may make certain modifications and amendments to the indenture applicable to each series of debt securities without the consent of the holder(s) of the debt securities. We may make other modifications and amendments with the consent of the holder(s) of not less than, in the case of the Senior Debt Securities, 66 2/3% in aggregate principal amount of the debt securities of the series outstanding under the applicable indenture at the time of the modification or amendment. However, we may not make any modification or amendment without the consent of the holder of each affected series of debt securities.

- change the terms of any debt security to include, in the case of an Undated Subordinated Debt Security, a maturity date of its principal amount; or, in the case of any other debt security, change the stated maturity date of its principal amount;

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- the principal amount of, or any premium, or interest, Deferred Payments, Tier 3 Deferred Payments or Missed Payments, with interest
- reduce the amount of principal on a Discount Security that would be due and payable upon an acceleration of the maturity date of the Security or Dated Subordinated Debt Securities;
- change our obligation, or any successor's, to pay Additional Amounts;
- change the places at which payments are payable or the currency of payment;
- impair the right to sue for the enforcement of any payment due and payable;
- reduce the percentage in aggregate principal amount of outstanding debt securities of the series necessary to modify or amend the terms of the indenture with certain provisions of the indenture and any past Senior Event of Default, Subordinated Event of Default, Dated Debt Default or Undated Debt Default (each case as defined below);
- change our obligation to maintain an office or agency in the place and for the purposes specified in the indenture;
- change the terms and conditions of the preference shares or other securities into which the Undated Subordinated Debt Securities may be converted;
- modify the subordination provisions, if any, or the terms and conditions of our obligations in respect of the due and punctual payment of the debt securities, in either case in a manner adverse to the holders; or
- modify the foregoing requirements or the provisions of the indenture relating to the waiver of any past Senior Event of Default, Subordinated Event of Default, Debt Default or Undated Debt Default or covenants, except as otherwise specified.

In addition, under the practice of the FSA prevailing as of the date of this prospectus, material variations in the terms and conditions of Subordinated Debt Securities, including modifications relating to the subordination or redemption provisions of such securities, may not be made unless at least one month before the variation takes effect we have given the FSA notice in writing (in the form required by the FSA) of the proposed amendment and the FSA has not objected to the variation.

Senior Events of Default; Subordinated Events of Default and Defaults; Limitation of Remedies

Senior Events of Default

Unless the relevant prospectus supplement provides otherwise, a "Senior Event of Default" with respect to any series of Senior Debt Securities of that series occurs if:

- we do not pay any principal or interest on any Senior Debt Securities of that series within 14 days from the due date for payment and we have not been duly paid within a further 14 days following written notice from the trustee or from holders of 25% in principal amount of the series to us requiring the payment to be made. It shall not, however, be a Senior Event of Default if during the 14 days after the due date the sums ("Withheld Amounts") were not paid in order to comply with a law, regulation or order of any court of competent jurisdiction and the validity or applicability of any such law, regulation or order, it shall not be a Senior Event of Default if we act on the advice given by our independent legal advisers approved by the trustee; or

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- we breach any covenant or warranty of the Senior Debt Indenture (other than as stated above with respect to payments when due) and the trustee does not remedy the breach within 21 days of receipt of a written notice from the trustee certifying that in its opinion the breach is materially prejudicial to the Senior Debt Securities of that series and requiring the breach to be remedied or from holders of at least 25% in principal amount of the Senior Debt Securities of that series requiring the breach to be remedied; or
- either an English court of competent jurisdiction issues an order which is not successfully appealed within 30 days, or an effectual order is adopted, for our winding-up (other than under or in connection with a scheme of reconstruction, merger or amalgamation not in connection with our winding-up).

If a Senior Event of Default occurs and is continuing, the trustee or the holders of at least 25% in outstanding principal amount of the Senior Debt Securities may, in their discretion declare the Senior Debt Securities of that series to be due and repayable immediately (and the Senior Debt Securities of that series shall be due and repayable) at their outstanding principal amount (or at such other repayment amount as may be specified in or determined in accordance with the Senior Debt Securities of that series together with accrued interest, if any, as provided in the prospectus supplement. The trustee may at its discretion and without further notice to the holders of the Senior Debt Securities of that series think suitable against us to enforce payment. Subject to the indenture provisions for the indemnification of the trustee, the holders of a majority in principal amount of the outstanding Senior Debt Securities of any series shall have the right to direct the time, method and place of conducting any proceeding for the enforcement of any remedy available to the trustee or exercising any trust or power conferred on the trustee with respect to the series. However, the trustee shall not be bound to exercise any such right with any rule of law or the Senior Debt Indenture, and must not be unjustly prejudicial to the holder(s) of any Senior Debt Securities of that series as determined by the trustee. The trustee may also take any other action, consistent with the direction, that it deems proper.

If lawful, Withheld Amounts or a sum equal to Withheld Amounts shall be placed promptly on interest bearing deposit as described in the Senior Debt Securities of that series notice if at any time it is lawful to pay any Withheld Amount to holders of Senior Debt Securities or holders of coupons or if such payment is not prohibited by the validity or applicability of the law, regulation or order is resolved. The notice will give the date on which the Withheld Amount and the interest on it shall be paid. The date will be the earliest day after the day on which it is decided Withheld Amounts can be paid on which the interest bearing deposit falls due without penalty. On such date, we shall be bound to pay the Withheld Amount together with interest accrued on it. For the purposes of this section, the date for those sums. Our obligations under this paragraph are in lieu of any other remedy against us in respect of Withheld Amounts. Payment of any Withheld Amount shall be subject to any regulations or court orders, but in the case of payment of any Withheld Amount, without prejudice to the provisions described under “—Additional Payments” any Withheld Amount will be paid net of any taxes required by applicable law to be withheld or deducted and we shall not be obliged to pay any such withholding or deduction.

The holders of a majority of the aggregate principal amount of the outstanding Senior Debt Securities of any affected series may waive any default in respect to the series, except any default in respect of either:

- the payment of principal of, or any premium, or interest, on any Senior Debt Securities; or
- a covenant or provision of the relevant indenture which cannot be modified or amended without the consent of each holder of Senior Debt Securities of that series.

Subject to exceptions, the trustee may, without the consent of the holders, waive or authorize a Senior Event of Default if, in the opinion of the trustee, the Senior Event of Default would not be materially prejudicial to the interests of the holders.

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The trustee will, within 90 days of a default with respect to the Senior Debt Securities of any series, give to each affected holder of the Senior Debt Securities notice of any default it knows about, unless the default has been cured or waived. However, except in the case of a default in the payment of interest, if any, on the Senior Debt Securities, the trustee will be entitled to withhold notice if the board of directors, the executive committee or other responsible officers of the trustee determine in good faith that withholding of notice is in the interest of the holders.

We are required to furnish to the trustee annually a statement as to our compliance with all conditions and covenants under the Senior Debt Securities.

Notwithstanding any contrary provisions, nothing shall impair the right of a holder, absent the holder's consent, to sue for any payments due on the Senior Debt Securities.

Street name and other indirect holders should consult their banks or brokers for information on how to give notice or direction to or make a waiver a Senior Event of Default.

Subordinated Events of Default

If either a court of competent jurisdiction issues an order which is not successfully appealed within 30 days, or an effective shareholders' resolution for winding-up, other than under or in connection with a scheme of amalgamation, merger or reconstruction not involving a bankruptcy or insolvency, constitute a "Subordinated Event of Default" with respect to all of the Subordinated Debt Securities. If a Subordinated Event of Default occurs, the holders of at least 25% in aggregate principal amount of the outstanding Subordinated Debt Securities of each series may declare any accrued interest on the Subordinated Securities, the portion of principal amount specified in its terms, on the debt securities of the series to be due and payable immediately, but before the trustee obtains a judgment or decree for payment of money due, the holders of a majority in aggregate principal amount of the Subordinated Securities of the series may rescind the declaration of acceleration and its consequences, but only if the Subordinated Event of Default has been cured, other than those due as a result of acceleration, have been made.

Dated Debt Defaults. Unless the relevant prospectus supplement provides otherwise, a "Dated Debt Default" with respect to any series of Dated Subordinated Debt Securities will result if we do not pay any installment of interest upon, or any part of the principal of, and any premium on, any Dated Subordinated Debt Security when which the payment is due and payable, whether upon redemption or otherwise, and the failure continues for 14 days in the case of interest and 90 days in the case of principal. Current FSA regulations do not permit us to provide for any additional events of default with respect to Dated Subordinated Debt Securities.

If a Dated Debt Default occurs and is continuing, the trustee may pursue all legal remedies available to it, including the institution of proceedings in the court of competent jurisdiction (but not elsewhere), but the trustee may not declare the principal amount of any outstanding Dated Subordinated Debt Securities due and payable until payment in respect of a series of Dated Subordinated Debt Securities shall not be a Dated Debt Default if the payment is withheld or refused.

- in order to comply with any fiscal or other law or regulation or with the order of any court of competent jurisdiction; or
- in case of doubt as to the validity or applicability of any such law, regulation or order, in accordance with advice given as to such law, regulation or order by counsel before the expiry of the 14-day period in the case of payment of interest or 7-day period in the case of payment of principal by the trustee.

In the second case, however, the trustee may, by notice to us, require us to take action, including proceedings for a court declaration, to resolve the action is appropriate and reasonable. In this situation we will take the action promptly and be bound by any final resolution of the doubt.

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determination that we can make the relevant payment without violating any law, regulation or order then the payment shall become due and period in the case of payment of interest or seven-day period in the case of payment of principal after the trustee gives us written notice info

By accepting a Dated Subordinated Debt Security each holder and the trustee will be deemed to have waived any right of set-off or counter against us. No holder of Dated Subordinated Debt Securities shall be entitled to proceed directly against us unless the trustee has become bo a reasonable period and the failure is continuing.

Undated Debt Defaults. Unless the relevant prospectus supplement provides otherwise, an Undated Debt Default shall result if, with respect Debt Securities, we fail to pay:

- any Missed Payments on or prior to any date upon which a dividend is next paid on any class of share capital of Barclays PLC, of us, or if there is no holding company, ourselves, or on any class of our preference share capital, and this failure continues for
- the principal amount and any premium, or any accrued but unpaid interest and any Missed Payments on the date fixed for rede Debt Securities and this failure continues for seven business days.

If any Undated Debt Default occurs and is continuing, the trustee may pursue all legal remedies available to it, including the institution of p England (but not elsewhere), but the trustee may not declare the principal amount of any outstanding Undated Subordinated Debt Securities determining whether an Undated Debt Default has occurred, a payment shall not be deemed to be due on any date on which the solvency co apply in regard to proceedings by the trustee for our winding-up in England. However, the trustee may not commence proceedings for our w make any payment in respect of a series of Undated Subordinated Debt Securities if the payment is withheld or refused either:

- in order to comply with any fiscal or other law or regulation or with the order of any court of jurisdiction; or
- in case of doubt as to the validity or applicability of any such law, regulation or order, in accordance with advice given as to su before the expiry of the 30-day or seven-business day period, as applicable, by independent legal advisers acceptable to the trust

In the second case, however, the trustee may, by notice to us, require us to take action, including proceedings for a court declaration, to reso the action is appropriate and reasonable. In this case we shall proceed with the action promptly and be bound by any final resolution of the c determination that we can make the relevant payment without violating any law, regulation or order then the payment shall become due and or seven-business day period, as applicable, after the trustee gives us written notice informing us of the determination.

By accepting an Undated Subordinated Debt Security, each holder and the trustee will be deemed to have waived any right of set-off or cou have against us with respect to the Undated Subordinated Debt Security or the applicable indenture. No holder of Undated Subordinated De directly against us unless the trustee has become bound to proceed but fails to do so within a reasonable period, and the failure is continuing

Waiver; Trustee's Duties—Subordinated Debt Securities. The holders of not less than a majority in aggregate principal amount of the debt s waive any past Subordinated Event of Default, Dated Debt Default or Undated Debt Default with respect to the series, except any default in

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- the payment of principal of, or any premium, or interest, Deferred Payments, Tier 3 Deferred Payments or Missed Payments on
- a covenant or provision of the relevant indenture which cannot be modified or amended without the consent of each holder of S series.

Subject to the applicable indenture provisions regarding the trustee's duties, in case a Subordinated Event of Default, Dated Debt Default or continuing with respect to the debt securities of any series, the trustee will have no obligation to any holders of the Subordinated Debt Securities offered the trustee reasonable indemnity. Subject to the indenture provisions for the indemnification of the trustee, the holders of a majority of outstanding Subordinated Debt Securities of any series shall have the right to direct the time, method and place of conducting any proceeding against the trustee for any remedy available to the trustee or exercising any trust or power conferred on the trustee with respect to the series. However, with any rule of law or the applicable indenture, and must not be unjustly prejudicial to the holder(s) of any Subordinated Debt Securities of any series, in any direction, as determined by the trustee. The trustee may also take any other action, consistent with the direction, that it deems proper.

The trustee will, within 90 days of a default with respect to the Subordinated Debt Securities of any series, give to each affected holder of the affected series notice of any default it knows about, unless the default has been cured or waived. However, except in the case of a default in principal, premium, if any, or interest, if any, on any Subordinated Debt Securities, the trustee will be entitled to withhold notice if the board of directors or committee of directors or responsible officers of the trustee determine in good faith that withholding of notice is in the interest of the holder(s).

We are required to furnish to the trustee annually a statement as to our compliance with all conditions and covenants under each Subordinated Debt Security.

Limitations on Suits. Before a holder may bypass the trustee and bring its own lawsuit or other formal legal action or take other steps to enforce its rights relating to the debt securities, the following must occur:

- The holder must give the trustee written notice that an event of default has occurred and remains uncured.
- The holders of 25% in principal amount of all outstanding debt securities of the relevant series must make a written request that the trustee take action against the default, and the holder must offer reasonable indemnity to the trustee against the cost and other liabilities of taking that action.
- The trustee must not have taken action for 60 days after receipt of the above notice and offer of indemnity, and the trustee must follow the direction from the majority in principal amount of all outstanding debt securities of the relevant series during that period.
- In the case of our winding-up in England, such legal action or proceeding is in the name and on behalf of the trustee to the same extent that the holder would have been entitled to do.

Notwithstanding any contrary provisions, nothing shall impair the right of a holder, absent the holder's consent, to sue for any payments due on any Subordinated Debt Securities.

Street name and other indirect holders should consult their banks or brokers for information on how to give notice or direction to or make a request to waive any past Subordinated Event of Default, Dated Debt Default or Undated Debt Default.

Consolidation, Merger and Sale of Assets; Assumption

We may, without the consent of the holders of any of the debt securities, consolidate with, merge into or transfer or lease our assets substantially

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persons specified in the applicable indenture.

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However, any successor corporation formed by any consolidation or amalgamation, or any transferee or lessee of our assets, must be a bank in the United Kingdom that assumes our obligations on the debt securities and the applicable indenture, and a number of other conditions must be met.

Subject to applicable law and regulation, any of our wholly-owned subsidiaries may assume our obligations under the debt securities of any series. We, however, must irrevocably guarantee (on a subordinated basis in substantially the manner described under “—Ranking” above, and in the Debt Securities) the obligations of the subsidiary under the debt securities of that series. If we do, all of our direct obligations under the debt securities of that series shall immediately be discharged. Unless the relevant prospectus supplement provides otherwise, any Additional Amounts under the debt securities shall be payable in respect of taxes imposed by the jurisdiction in which the successor entity is organized, rather than taxes imposed by a U.K. taxing jurisdiction, equivalent to those that apply to any obligation to pay Additional Amounts in respect of taxes imposed by a U.K. taxing jurisdiction. However, if we provide a guarantee, we shall also be required to pay Additional Amounts related to taxes (subject to the exceptions set forth in “—Additional Amounts”) in the jurisdiction due to this guarantee payment. A subsidiary that assumes our obligations will also be entitled to redeem the debt securities of that series described under “—Redemption” above with respect to any change or amendment to, or change in the application or interpretation of the law of the assuming corporation’s jurisdiction of incorporation as long as the change or amendment occurs after the date of the subsidiary’s assumption of the debt securities. The determination of whether the applicable solvency condition has been satisfied shall continue to be made with reference to us, unless applicable law provides otherwise.

The U.S. Internal Revenue Service might deem an assumption of our obligations as described above to be an exchange of the existing debt securities, resulting in a recognition of taxable gain or loss and possibly other adverse tax consequences. Investors should consult their tax advisors regarding the tax consequences of such an assumption.

Governing Law

The debt securities and indentures will be governed by and construed in accordance with the laws of the State of New York, except that, as to the Debt Indenture, the subordination provisions of each series of Subordinated Debt Securities and the related indenture will be governed by the laws of England.

Notices

Notices regarding the debt securities will be valid:

- with respect to global debt securities in bearer form, if in writing and delivered or mailed to each direct holder;
- if registered debt securities are affected, if given in writing and mailed to each direct holder as provided in the applicable indenture;
- with respect to bearer definitive debt securities, if published at least once in an Authorized Newspaper (as defined in the indenture) in New York City and as the applicable prospectus supplement may specify otherwise.

Any notice shall be deemed to have been given on the date of such publication or, if published more than once, on the date of the first publication. If no notice is published, notice will be valid if given in any other manner, and deemed to have been given on the date, as we shall determine.

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The Trustee

The Bank of New York Mellon will be the trustee under the indentures. The trustee has two principal functions:

- first, it can enforce a holder's rights against us if we default on debt securities issued under the indenture. There are some limitations on a holder's behalf, described under "Senior Events of Default; Subordinated Events of Default and Defaults; Limitation of Remedies";
- second, the trustee performs administrative duties for us, such as sending the holder's interest payments, transferring debt securities, and sending notices to holders.

We and some of our subsidiaries maintain deposit accounts and conduct other banking transactions with the trustee in the ordinary course of business.

Consent to Service

The indentures provide that we irrevocably designate Barclays Bank PLC, 745 Seventh Avenue, New York, New York 10019, Attention: General Counsel, for service of process in any proceeding arising out of or relating to the indentures or debt securities brought in any federal or state court in New York or in any other jurisdiction. We submit to the jurisdiction of these courts.

DESCRIPTION OF WARRANTS

The following is a summary of the general terms of the warrants. It sets forth possible terms and provisions for each series of warrants. Each series of warrants will have its own set of terms and provisions. We will prepare and file a prospectus supplement with the SEC, which you should read carefully. The prospectus supplement may contain additional information about the warrants. If there is any inconsistency between the terms and provisions presented here and those in the prospectus supplement, those in the prospectus supplement will replace those presented here.

We will issue each series of warrants under either an indenture between us and The Bank of New York Mellon, as trustee, or a warrant agreement with a warrant agent. The terms of the warrants include those stated in the relevant indenture or agreement and any supplements thereto. We have filed the indenture and warrant agreement as an exhibit to the registration statement, of which this prospectus is a part. If we issue a series of warrants, we will file that agreement either as an exhibit to an amendment to the registration statement of which this prospectus is a part or as an exhibit to a prospectus supplement.

Because this section is a summary, it does not describe every aspect of the warrants in detail. This summary is subject to, and qualified by, the provisions of the relevant indenture or agreement, any supplement to the relevant indenture or agreement and each series of warrants. Certain terms used here, have the meaning given to them in the relevant indenture or agreement.

General

We may issue warrants that are debt warrants or universal warrants. We will issue each series of warrants under either a warrant indenture or a warrant agreement. We may issue warrants separately or together with our debt securities. When we refer to a series of warrants, we mean all warrants issued as part of the same indenture or agreement. We may issue warrants in such amounts or in as many distinct series as we wish.

Debt Warrants

We may issue warrants for the purchase of our debt securities on terms to be determined at the time of sale. We refer to this type of warrant as a "debt warrant."

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Universal Warrants

We may also issue warrants, on terms to be determined at the time of sale, for the purchase or sale of, or whose cash value is determined by value of, one or more of the following:

- securities of one or more issuers, including our preferred stock or other securities (other than our ordinary shares or ordinary shares) prospectus or debt or equity securities of third parties;
- one or more currencies;
- one or more commodities;
- any other financial, economic or other measure or instrument, including the occurrence or non-occurrence of any event or circumstance;
- one or more indices or baskets of the items described above.

We refer to this type of warrant as a “universal warrant”. When we refer to “warrant property”, we mean such of each property described in the prospectus supplement as may be purchased or sold pursuant to a warrant, or by reference to which the cash value of a warrant is determined or linked.

We may satisfy our obligations, if any, and the holder of a universal warrant may satisfy its obligations, if any, with respect to any universal warrant by:

- the warrant property;
- the cash value of the warrant property; or
- the cash value of the warrants determined by reference to the performance, level or value of the warrant property.

The prospectus supplement will describe what we may deliver to satisfy our obligations, if any, and what the holder of a universal warrant may deliver to satisfy its obligations, if any, with respect to any universal warrants.

Legal Ownership; Form of Warrants

Street Name and Other Indirect Holders. Investors who hold warrants in accounts at banks or brokers will generally not be recognized by us as holders of warrants called holding in “street name”.

Instead, we would recognize only the bank or broker, or the financial institution the bank or broker uses to hold its warrants. These intermediary institutions pass along warrant property and other payments on the warrants, either because they agree to do so in their customer agreements with us. An investor who holds warrants in street name should check with the investor’s own intermediary institution to find out:

- how it handles warrant payments or delivers warrant property and notices;
- whether it imposes fees or charges;

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- how it would handle voting if it were ever required;
- whether and how the investor can instruct it to send the investor's warrants, registered in the investor's own name so the investor can exercise them; and

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- how it would pursue rights under the warrants if there were a default or other event triggering the need for holders to act to protect their interests.

Direct Holders. Our obligations, as well as the obligations of the trustee or any warrant agent and those of any third parties employed by us under the warrants, the warrant indenture and any warrant agreement run only to persons who are registered as holders of warrants. As noted, an investor who holds in street name or other indirect means, either because the investor chooses to hold warrants in that manner or because of global securities as described below. For example, once we make payment to the registered holder, we have no further responsibility for the payment required to pass the payment along to the investor as a street name customer but does not do so.

Global Securities. A global security is a special type of indirectly held security, as described above under “—Legal Ownership; Form of Warrants—Holders”. If we issue warrants in the form of global securities, the ultimate beneficial owners can only be indirect holders.

We require that the global security be registered in the name of a financial institution we select. In addition, we require that the warrants not be transferred to the name of any other direct holder unless the special circumstances described in the section “Global Securities” occur. The financial institution that is the direct holder of the global security is called the depositary. Any person wishing to own a security must do so indirectly by virtue of an account with the financial institution that in turn has an account with the depositary. Unless the applicable prospectus supplement indicates otherwise, each security will be issued in the form of global securities.

Further details of legal ownership are discussed in the section “Global Securities” below.

In the remainder of this description “holder” means direct holders and not street name or other indirect holders of warrants. Indirect holders are entitled “—Legal Ownership; Form of Warrants—Street Name and Other Indirect Holders”.

General Terms of Warrants

Because we are a holding company, our ability to perform our obligations on the warrants will depend in part on our ability to participate in the operations of our subsidiaries. We discuss these matters above under “Description of Debt Securities—General”.

Neither the indenture nor any warrant agreement limits the number of warrants that we may issue.

The prospectus supplement will indicate, where applicable, for each series or of two or more related series of warrants:

- the specific designation and aggregate number of, the warrants;
- the prices at which we will issue the warrants;
- the currency with which the warrants may be purchased;
- the date on which the right to exercise the warrants will begin and the date on which that right will expire or, if the warrants may be exercised throughout that period, the specific date or dates on which the warrants may be exercised;
- the minimum number, if any, of warrants that must be exercised at any one time, other than upon automatic exercise, if applicable.

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- the maximum number, if any, of warrants that may be exercised on any exercise date or during any exercise period, as applicable;
- any provisions for the automatic exercise of the warrants at expiration or otherwise;
- in the case of universal warrants, if the warrant property is an index or a basket of securities, a description of the index or basket;
- in the case of universal warrants, if the warrant property is an index, a description of the method of providing for a substitute in the amount payable if any index changes or ceases to be made available by its publisher;
- if applicable, the period or periods within which, the price or prices at which and the terms and conditions upon which we may option, in whole or in part and, if other than by a board resolution, the manner in which such election is evidenced;
- the indenture or agreement under which we will issue the warrants;
- whether the warrants will be registered securities or bearer securities or both;
- if applicable, that any warrants shall be issuable in whole or in part in the form of one or more global securities and, in such case, the identities of the trustee or warrant agent, any depositaries and any paying, transfer, calculation or other agents for the warrants;
- any listing of the warrants on a securities exchange; and
- any other terms of the warrants.
- If we issue warrants in bearer form, the special restrictions and considerations relating to such bearer warrants, including applicable considerations, will be described in the relevant prospectus supplement.

No holder of a warrant will have any rights of a holder of the warrant property purchasable or deliverable under the warrant.

Holders of warrants have no voting rights except as explained below under “—Modification and Waiver” and “—Warrant Events of Default”.

Our affiliates may resell warrants in market-making transactions after their initial issuance. We discuss these transactions above under “Description of Market-Making Transactions”.

Additional Terms of Warrants

Debt Warrants

The prospectus supplement will further indicate, for each series or two or more related series of debt warrants:

- the designation, aggregate principal amount, currency and terms of the debt securities that may be purchased upon exercise of the warrants;
- the exercise price and whether the exercise price may be paid in cash, by the exchange of any debt warrants or other securities or by cash or other securities.

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debt warrants; and

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- the designation, terms and amount of debt securities, if any, to be issued together with each of the debt warrants and the date, if any, that the debt securities will be separately transferable.

Universal Warrants

The prospectus supplement will further indicate for each series or two or more related series of universal warrants:

- whether the universal warrants are call warrants or put warrants, including in either case warrants that may be settled by means of cash, property, debt securities, or any other type of warrants;
- the specific warrant property, as well as the amount or the method for determining the amount of the warrant property purchasable upon exercise of that warrant; and
- the price at which and the currency with which the warrant property may be purchased or sold by or on behalf of the holder of the warrant upon exercise of that warrant, or the method of determining that price;
- whether the exercise price may be paid in cash, by the exchange of any universal warrants or other securities or both, and the method of determining that price;
- whether the exercise of the universal warrants is to be settled in cash or by delivery of the warrant property or both and whether the exercise is to be at our option or at the option of the holder of such warrant.

General Provisions of Warrant Indenture

We may issue universal warrants under the warrant indenture. Warrants of this kind will not be secured by any property or assets of Barclays. By owning a warrant issued under the indenture, you hold one of our unsecured obligations.

Ranking

The warrants issued under the indenture constitute our direct, unconditional, unsecured and unsubordinated obligations ranking pari passu, with themselves, with all our other outstanding unsecured and unsubordinated obligations, present and future, except such obligations as are preferred.

Redemption

Redemption for Tax Reasons. Unless the relevant prospectus supplement provides otherwise, we will have the option to redeem the warrants on or after the date of the applicable prospectus supplement, if we determine that as a result of the application of the laws or regulations of a taxing jurisdiction, including any treaty to which the taxing jurisdiction is a party, or a change in an official application of the laws or regulations, including a decision of any court or tribunal, which becomes effective on or after the date of the applicable prospectus supplement, we (or any successor entity), which becomes effective on or after the date of that entity's assumption of our obligations), we (or any successor entity) will become subject to adverse tax consequences.

Before we give a notice of redemption or conversion, we shall be required to deliver to the trustee a written legal opinion of independent counsel to us, in a form satisfactory to the trustee confirming that we are entitled to exercise our right of redemption or conversion. The redemption or conversion will be for all, but not some, of the warrants of the relevant series. The relevant pricing supplement will specify the applicable redemption price for the

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Optional Redemption. The relevant prospectus supplement will specify whether we may redeem the warrants of any series, in whole or in part, under the following circumstances. The prospectus supplement will also specify the notice we will be required to give, what prices and any premium we will pay to redeem the warrants. Any notice of redemption of warrants will state:

- the date fixed for redemption;
- the redemption price;
- the amount of warrants to be redeemed if we are only redeeming a part of the series;
- that on the date fixed for redemption the redemption price will become due and payable on each warrant to be redeemed;
- the place or places at which each holder may obtain payment of the redemption price;
- if applicable, the terms of exercise, the date on which the right to exercise the warrant terminates and the place or places where exercise is permitted; and
- the CUSIP number or numbers, if any, with respect to the warrants.

In the case of a partial redemption, the trustee shall select the warrants that we will redeem in any manner it deems fair and appropriate.

We or any of our subsidiaries may at any time purchase warrants of any series in the open market or by tender (available alike to each holder) or by private agreement, if applicable law allows. We will treat as cancelled and no longer issued and outstanding any warrants of any series that we purchase on our own account, other than a purchase in the ordinary course of a business dealing in securities.

Modification and Waiver

We and the trustee may make certain modifications and amendments to the indenture applicable to each series of warrants without the consent of the holders of the warrants. We may make other modifications and amendments with the consent of the holder(s) of not less than a majority in number of the warrants of the series that are affected by the modification or amendment. However, we may not make any modification or amendment without the consent of the trustee if it would:

- change the terms of any warrant with respect to the payment or settlement date of the warrant;
- change the exercise price of the warrant;
- reduce the amount of money payable or reduce the amount or change the kind of warrant property deliverable upon the exercise of the warrant;
- change the places at which payments are payable or the currency of payment;
- permit redemption of a warrant if not previously permitted;

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- impair a holder's right to exercise its warrant, or sue for payment or delivery of any money or warrant property payable or deliverable after the payment or settlement date, or in the case of redemption, the redemption date;

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- reduce the percentage in number of outstanding warrants of the series necessary to modify or amend the indenture or to waive or
- the indenture and any past Warrant Event of Default (as defined below);
- change our obligation to maintain an office or agency in the place and for the purposes specified in the indenture;
- modify the terms and conditions of our obligations in respect of the due and punctual payment or delivery of money or warrant
- on the warrants, in a manner adverse to the holders; or
- modify the foregoing requirements or the provisions of the indenture relating to the waiver of any past Warrant Event of Default
- specified.

Warrant Events of Default; Limitation of Remedies

Warrant Events of Default. Unless the relevant prospectus supplement provides otherwise, a “Warrant Event of Default” with respect to any

- we do not pay any money or deliver any warrant property with respect to that warrant on the payment or settlement date in accordance with the indenture. It shall not, however, be a Warrant Event of Default if we satisfy the trustee that such sums or warrant property (“Withheld Amounts”) are being withheld in order to comply with a law, regulation or order of any court of competent jurisdiction. Where there is doubt as to the validity of such law, regulation or order, it shall not be a Warrant Event of Default if we act on the advice given to us during a 14-day period by independent legal counsel or the trustee; or
- we breach any covenant or warranty of the warrant indenture (other than as stated above with respect to payments when due) and we fail to cure the breach within 21 days of receipt of a written notice from the trustee requiring the breach to be remedied or from holders of at least 25% of the relevant series requiring the breach to be remedied; or
- either an English court of competent jurisdiction issues an order which is not successfully appealed within 30 days, or an effectual order is adopted, for our winding-up (other than under or in connection with a scheme of reconstruction, merger or amalgamation not in

If a Warrant Event of Default occurs and is continuing, the trustee may at its discretion and without further notice institute such proceedings as it may deem proper to enforce payment. Subject to the indenture provisions for the indemnification of the trustee, the holders of a majority in number of the outstanding warrants shall have the right to direct the time, method and place of conducting any proceeding in the name of and on the behalf of the trustee for any remedy available to the trust or power conferred on the trustee with respect to the series. However, this direction must not be in conflict with any rule of law or the validity of the indenture, and must not be unjustly prejudicial to the holder(s) of any warrants of that series not taking part in the direction, as determined by the trustee. The trustee may, in its discretion, with the direction, that it deems proper.

If lawful, Withheld Amounts or a sum equal to Withheld Amounts shall be placed promptly on interest bearing deposit as described in the warrant indenture. At any time it is lawful to pay any Withheld Amount to holders of warrants or if such payment is possible as soon as any doubt as to the validity of such law, regulation or order is resolved. The notice will give the date on which the Withheld Amount and the interest accrued on it will be paid. This date shall be the day on which it is decided Withheld Amounts can be paid on which the interest bearing deposit falls due for repayment or may be repaid with interest. We are bound to pay the Withheld Amount together with interest accrued on it. For the purposes of this sub-section this date will be the due date for payment of the paragraph are in lieu of

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any other remedy against us in respect of Withheld Amounts. Payment will be subject to applicable laws, regulations or court orders. Interest will be paid net of any taxes required by applicable law to be withheld or deducted.

The holders of a majority in number of the outstanding warrants of any affected series may waive any past Warrant Event of Default with respect to either:

- the payment or delivery of money or warrant property in respect of any warrant of the series; or
- a covenant or provision of the indenture which cannot be modified or amended without the consent of the holder of each outstanding warrant of the series.

Subject to exceptions, the trustee may, without the consent of the holders, waive or authorize a Warrant Event of Default if, in the opinion of the trustee, such action or authorization would not be materially prejudicial to the interests of the holders.

The trustee will, within 90 days of a default with respect to the warrants of any series, give to each affected holder of the warrants of the affected series notice of the default, unless the trustee knows about, unless the default has been cured or waived. However, except in the case of a default in the payment or delivery of any money or warrant property, the trustee is not entitled to withhold notice if the board of directors, the executive committee or a trust committee of directors or responsible officers of the trust determine that the withholding of notice is in the interest of the holders.

We will furnish to the trustee annually a statement as to our compliance with all conditions and covenants under the warrant indenture.

Limitations on suits. Before a holder may bypass the trustee and bring its own lawsuit or other formal legal action or take other steps to enforce its rights relating to the warrants, the following must occur:

- The holder must give the trustee written notice that an event of default has occurred and remains uncured.
- The holders of 25% in number of the outstanding warrants of the relevant series must make a written request that the trustee take action and the holder must offer reasonable indemnity to the trustee against the cost and other liabilities of taking that action.
- The trustee must not have taken action for 60 days after receipt of the above notice and offer of indemnity, and the trustee must not have taken action in the direction from the majority in number of the outstanding warrants of the relevant series during that period.
- In the case of our winding-up in England, such legal action or proceeding is in the name and on behalf of the trustee to the same extent as if the holder would have been entitled to do.

Notwithstanding any contrary provisions, nothing shall impair the right of a holder, absent the holder's consent, to sue for any payments or warrant property, if applicable, due but unpaid or not delivered with respect to the warrants.

Street name and other indirect owners should consult their banks or brokers for information on how to give notice or direction to or make a request to waive any Warrant Event of Default.

Consolidation, Merger and Sale of Assets; Assumption

We may, without the consent of the holders of any of the warrants, consolidate with, merge into or transfer or lease our assets substantially all of our assets to

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persons specified in the indenture. However, any successor corporation formed by any consolidation or amalgamation, or any transferee or

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be a bank organized under the laws of the United Kingdom that assumes our obligations on the warrants and the applicable indenture, and a met.

Subject to applicable law and regulation, any of our wholly-owned subsidiaries may assume our obligations under the warrants of any series however, must irrevocably guarantee the obligations of the subsidiary under the warrants of that series. If we do, all of our direct obligations the applicable indenture shall immediately be discharged. A subsidiary that assumes our obligations will also be entitled to redeem the warrants in the circumstances described under “—Redemption” above with respect to any change or amendment to, or change in the application or interpretation (including any treaty) of the assuming corporation’s jurisdiction of incorporation as long as the change or amendment occurs after the date of the obligations.

The U.S. Internal Revenue Service might deem an assumption of our obligations as described above to be an exchange of the existing warrants for the recognition of taxable gain or loss and possibly other adverse tax consequences. Investors should consult their tax advisors regarding the tax consequences.

Governing Law and Waiver of Jury Trial

The warrants and indenture will be governed by and construed in accordance with the laws of the State of New York. We and the trustee hereby waive the right to a jury with respect to any legal proceeding arising out of or relating to the warrant indenture or the warrants.

Notices

Notices regarding the warrants will be valid:

- with respect to global warrants in bearer form, if in writing and delivered or mailed to each direct holder;
- if registered warrants are affected, if given in writing and mailed to each direct holder as provided in the indenture; or
- with respect to bearer definitive warrants, if published at least once in an Authorized Newspaper (as defined in the indenture) in New York City and as the applicable prospectus supplement may specify otherwise.

Any notice shall be deemed to have been given on the date of such publication or, if published more than once, on the date of the first publication. Any notice will be valid if given in any other manner, and deemed to have been given on the date, as we shall determine.

Payment and Paying Agents

We will pay or deliver money or warrant property due on the warrants at the corporate trust office of the trustee in New York City. Holders may have their payments wired from or warrant property picked up at, as applicable, that office.

Street name and other indirect holders should consult their banks or brokers for information on how they will receive payments or deliveries.

We may also arrange for additional payment offices, and may cancel or change these offices, including our use of the trustee’s corporate trust or paying agents. We may also choose to act as our own paying agent. We must notify the trustee of changes in the paying agents for any particular series.

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The Trustee

The Bank of New York Mellon will be the trustee under the indenture. The trustee has two principal functions:

- first, the trustee can enforce a holder's rights against us if we default under the indenture. There are some limitations on the extent of the trustee's enforcement on the holder's behalf, described under "—Warrant Events of Default; Limitation of Remedies"; and
- second, the trustee performs administrative duties for us, such as sending the holder's payments or warrant property, transferring notices to holders.

We and some of our subsidiaries maintain deposit accounts and conduct other banking transactions with the trustee in the ordinary course of business.

The trustee will not be liable for special, indirect or consequential damages and will not be liable for any failure of its obligations caused by actions beyond its control.

Consent to Service

The indenture provides that we irrevocably designate Barclays Bank PLC, 745 Seventh Avenue, New York, New York 10019, Attention: General Counsel, as our agent for service of process in any proceeding arising out of or relating to the indenture or warrants brought in any federal or state court in New York or in the jurisdiction of these courts.

General Provisions of Warrant Agreements

We may issue debt warrants and some universal warrants in one or more series under one or more warrant agreements, each to be entered into with a third party as warrant agent. We may add, replace or terminate warrant agents from time to time. We may also choose to act as our own warrant agent. The general provisions of the form of warrant agreement filed as an exhibit to the registration statement of which this prospectus is a part. The specific terms under which we issue any warrants will be described in the applicable prospectus supplement, and we will file that agreement with the SEC. See "Where You Can Find More Information" to the registration statement of which this prospectus is a part or as an exhibit to a current report on Form 6-K. See "Where You Can Find More Information" for information on how to obtain a copy of a warrant agreement when it is filed.

We may also issue universal warrants under the warrant indenture. For these warrants, the applicable provisions of the warrant indenture determine the provisions described in this section.

Enforcement of Rights

The warrant agent under a warrant agreement will act solely as our agent in connection with the warrants issued under that agreement. The warrant agent has no obligation or relationship of agency or trust for or with any holders of those warrants. Any holder of warrants may, without the consent of the warrant agent, bring a legal action, on its own behalf, its right to exercise those warrants in accordance with their terms. No holder of any warrant will be entitled to sue for or recover on securities or warrant property purchasable or deliverable upon exercise of the warrant, including any right to receive payments on those debt securities, or to enforce any covenants or rights in the relevant indenture or any other agreement.

Modifications Without Consent of Holders

We and the applicable warrant agent may make certain amendments to any warrant or warrant agreement without the consent of any holder.

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- to cure any ambiguity;

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- to cure, correct or supplement any defective or inconsistent provision; or
- to make any other change that we believe is necessary or desirable and will not adversely affect the interests of the affected holders.

We do not need any approval to make changes that affect only warrants to be issued after the changes take effect. We may also make changes to a particular warrant in any material respect, even if they adversely affect other warrants in a material respect. In those cases, we do not need to obtain the approval of the holders of the unaffected warrant; we need only obtain any required approvals from the holders of the affected warrants.

Modifications with Consent of Holders

We may not amend any particular warrant or a warrant agreement with respect to any particular warrant unless we obtain the consent of the holders of the warrant to the amendment would:

- change the amount of the warrant property or other consideration purchasable or saleable upon exercise of the warrant;
- change the exercise price of the warrant;
- shorten the period of time during which the holder may exercise the warrant;
- otherwise impair the holder's right to exercise the warrant in any material respect; or
- reduce the number of outstanding, unexpired warrants of any series or class the consent of whose holders is required to amend the warrant agreement with regard to that series or class, as described below.

Any other change to a particular warrant agreement and the warrants issued under that agreement would require the following approval:

- If the change affects only the warrants of a particular series issued under that agreement, the change must be approved by the holders of the unexpired warrants of that series.
- If the change affects the warrants of more than one series issued under that agreement, the change must be approved by the holders of the unexpired warrants of all series affected by the change, with the warrants of all the affected series voting together as one class for the purpose of the vote.

Warrant Agreement Will Not Be Qualified Under the Trust Indenture Act

No warrant agreement will be qualified as an indenture, and no warrant agent will be required to qualify as a trustee, under the Trust Indenture Act. Any warrant agreement issued under a warrant agreement will not have the protection of the Trust Indenture Act with respect to their warrants.

Mergers and Similar Transactions Permitted; No Restrictive Covenants or Events of Default

The warrant agreements and any warrants issued under the warrant agreements will not restrict our ability to merge or consolidate with, or sell all or substantially all of our assets to, another corporation or other entity or to engage in any other transactions. Unless otherwise specified in the applicable pricing supplement, we may merge or consolidate with, or sell our assets substantially as an entirety to, another corporation or other entity, the successor entity will succeed to and assume all of our obligations under the warrants and warrant agreements. We will then be relieved of any further obligation under the warrants and warrant agreements.

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The warrant agreements and any warrants issued under the warrant agreements will not include any restrictions on our ability to put liens on our subsidiaries, nor will they restrict our ability to sell our assets. The warrant agreements and any warrants issued under the warrant agreements will not include any events of default or remedies upon the occurrence of any events of default.

Governing Law

Each warrant agreement and any warrants issued under the warrant agreements will be governed by New York law.

Notices

We or the applicable warrant agent will give notice to holders of warrants by mailing written notice by first class mail, postage prepaid, to the addresses appear in the books and records of the applicable warrant agent.

Payments

We will pay or deliver money or warrant property due on the warrants at the applicable warrant agent's office. The warrant agent will transfer or upon the order of the holder of the warrants.

GLOBAL SECURITIES

Special Investor Considerations for Global Securities

As an indirect holder, an investor's rights relating to a global security will be governed by the account rules of the investor's financial institution and the general laws relating to securities transfers. We do not recognize this type of investor as a holder of securities and instead deal only with the security.

Investors in securities that are issued only in the form of global securities should be aware that:

- they cannot get securities registered in their own name;
- they cannot receive physical certificates for their interests in securities;
- they will be a street name holder and must look to their own bank or broker for payments on the securities (or delivery of warrants) and for the protection of their legal rights relating to the securities, as explained earlier under "Description of Debt Securities—Legal Ownership—Street Name and Other Indirect Holders" and "Description of Warrants—Legal Ownership; Form of Warrants—Street Name and Other Indirect Holders";
- they may not be able to sell interests in the securities to some insurance companies and other institutions that are required by law to hold physical certificates;
- the depositary's policies will govern payments, transfers, exchange and other matters relating to their interest in the global security, and the depositary's responsibility for any aspect of the depositary's actions or for its records of ownership interests in the global security. We and the depositary will not be responsible in any way; and
- the depositary will require that interests in a global security be purchased or sold within its system using same-day funds.

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Special Situations When a Global Security Will Be Terminated

In a few special situations described below, the global security will terminate and interests in it will be exchanged for physical certificates registered on the exchange, the choice of whether to hold the securities directly or in street name will be up to the investor. Investors must consult their own broker to have their interests in a global security transferred to their own name so that they will be direct holders. The rights of street name investors and direct holders are previously described in the sections entitled “Description of Debt Securities—Legal Ownership; Form of Debt Securities—Street Name and Other Indirect Holders” and “Description of Warrants—Legal Ownership; Form of Warrants—Street Name and Other Indirect Holders; Direct Holders”.

The special situations for termination of a global security are:

- when the depositary notifies us that it is unwilling, unable or no longer qualified to continue as depositary; and
- when a Senior Event of Default, in the case of Senior Debt Securities, a Subordinated Event of Default, Dated Debt Default or Warrant Event of Default, in the case of Subordinated Debt Securities, or a Warrant Event of Default in the case of warrants issued under a warrant indenture, has occurred. These events are discussed above under “Description of Debt Securities—Senior Events of Default; Subordinated Events of Default and Default Events of Warrants” and “Description of Warrants—General Provisions of Warrant Indenture—Warrant Events of Default; Limitation of Remedies”.

The prospectus supplement may also list additional situations for terminating a global security that would apply only to the particular series of securities described in the prospectus supplement. When a global security terminates, the depositary (and not us or the trustee) is responsible for deciding the names of the institutional investors and holders.

CLEARANCE AND SETTLEMENT

The securities we issue may be held through one or more international and domestic clearing systems. The principal clearing systems we will use are operated by The Depository Trust Company (“DTC”), in the United States, Clearstream Banking, société anonyme (“Clearstream, Luxembourg”) and Euroclear Bank S.A./N.V. (“Euroclear”), in Brussels, Belgium. These systems have established electronic securities and payment transfer, processing, and settlement for themselves and others, either directly or through custodians and depositaries. These links allow securities to be issued, held and transferred without the physical transfer of certificates.

Special procedures to facilitate clearance and settlement have been established among these clearing systems to trade securities across borders. For payments for securities we issue in global form will be made in U.S. dollars, these procedures can be used for cross-market transfers and the securities will be delivered on a delivery against payment basis.

Global securities will be registered in the name of a nominee for, and accepted for settlement and clearance by, one or more of Euroclear, Clearstream, or DTC, or other clearing system identified in the applicable prospectus supplement.

Cross-market transfers of securities that are not in global form may be cleared and settled in accordance with other procedures that may be established for these securities.

Euroclear and Clearstream, Luxembourg hold interests on behalf of their participants through customers’ securities accounts in the names of the customers in Luxembourg on the books of their respective depositories, which, in the case of securities for which a global security in registered form is delivered, such interests in customers’ securities accounts in the depositories’ names on the books of the DTC.

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The policies of DTC, Clearstream, Luxembourg and Euroclear will govern payments, transfers, exchange and other matters relating to the instruments. This is also true for any other clearance system that may be named in a prospectus supplement.

We have no responsibility for any aspect of the actions of DTC, Clearstream, Luxembourg or Euroclear or any of their direct or indirect participants or any aspect of the records kept by DTC, Clearstream, Luxembourg or Euroclear or any of their direct or indirect participants. We also do not have any liability for any aspect of the clearing system indicated in a prospectus supplement.

DTC, Clearstream, Luxembourg, Euroclear and their participants perform these clearance and settlement functions under agreements they have with their customers. Investors should be aware that DTC, Clearstream, Luxembourg, Euroclear and their participants are not obligated to perform these functions and may discontinue them at any time.

The description of the clearing systems in this section reflects our understanding of the rules and procedures of DTC, Clearstream, Luxembourg, Euroclear and their participants in effect. Those systems could change their rules and procedures at any time.

The Clearing Systems

DTC

DTC has advised us as follows:

- DTC is:
 - (1) a limited purpose trust company organized under the laws of the State of New York;
 - (2) a “banking organization” within the meaning of New York Banking Law;
 - (3) a member of the Federal Reserve System;
 - (4) a “clearing corporation” within the meaning of the New York Uniform Commercial Code; and
 - (5) a “clearing agency” registered pursuant to the provisions of Section 17A of the Exchange Act.
- DTC was created to hold securities for its participants and to facilitate the clearance and settlement of securities transactions by making book-entry changes to accounts of its participants. This eliminates the need for physical movement of securities.
- Participants in DTC include securities brokers and dealers, banks, trust companies and clearing corporations and may include clearing corporations partially owned by some of these participants or their representatives.
- Indirect access to the DTC system is also available to banks, brokers and dealers and trust companies that have custodial relationships with participants.
- The rules applicable to DTC and DTC participants are on file with the SEC.

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Clearstream, Luxembourg

Clearstream, Luxembourg has advised us as follows:

- Clearstream, Luxembourg is a duly licensed bank organized as a société anonyme incorporated under the laws of Luxembourg and supervised by the Luxembourg Commission for the Supervision of the Financial Sector (*Commission de Surveillance du Secteur Financier*).
- Clearstream, Luxembourg holds securities for its customers and facilitates the clearance and settlement of securities transactions and electronic book-entry transfers between the accounts of its customers. This eliminates the need for physical movement of securities.
- Clearstream, Luxembourg provides other services to its customers, including safekeeping, administration, clearance and settlement of securities, and lending and borrowing of securities. It interfaces with the domestic markets in over 30 countries through established depositaries.
- Clearstream, Luxembourg's customers include worldwide securities brokers and dealers, banks, trust companies and clearing corporations and other professional financial intermediaries. Its U.S. customers are limited to securities brokers and dealers and banks.
- Indirect access to the Clearstream, Luxembourg system is also available to others that clear through Clearstream, Luxembourg and its relationships with its customers, such as banks, brokers, dealers and trust companies.

Euroclear

Euroclear has advised us as follows:

- Euroclear is incorporated under the laws of Belgium as a bank and is subject to regulation by the Belgian Banking, Finance and Insurance Commission (*Commission Bancaire, Financière et des Assurances*) and the National Bank of Belgium (*Banque Nationale de Belgique*).
- Euroclear holds securities for its customers and facilitates the clearance and settlement of securities transactions among them. It provides electronic book-entry delivery against payment, thereby eliminating the need for physical movement of certificates.
- Euroclear provides other services to its customers, including credit, custody, lending and borrowing of securities and tri-party collateral management for the domestic markets of several countries.
- Euroclear customers include banks, including central banks, securities brokers and dealers, trust companies and clearing corporations and other professional financial intermediaries.
- Indirect access to the Euroclear system is also available to others that clear through Euroclear customers or that have custodial relationships with Euroclear.
- All securities in Euroclear are held on a fungible basis. This means that specific certificates are not matched to specific securities.

Other Clearing Systems

We may choose any other clearing system for a particular series of securities. The clearance and settlement procedures for the clearing system chosen will be set forth in the applicable prospectus supplement.

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Primary Distribution

The distribution of the securities will be cleared through one or more of the clearing systems that we have described above or any other clearing system described in the applicable prospectus supplement. Payment for securities will be made on a delivery versus payment or free delivery basis. These payment procedures are described in the applicable prospectus supplement.

Clearance and settlement procedures may vary from one series of securities to another according to the currency that is chosen for the specific series. The clearance and settlement procedures are described below.

We will submit applications to the relevant system or systems for the securities to be accepted for clearance. The clearance numbers that are assigned to the securities will be specified in the prospectus supplement.

Clearance and Settlement Procedures—DTC

DTC participants that hold securities through DTC on behalf of investors will follow the settlement practices applicable to United States corporate debt securities in the Same-Day Funds Settlement System, or such other procedures as are applicable for other securities.

Securities will be credited to the securities custody accounts of these DTC participants against payment in same-day funds, for payments in U.S. dollars. For payments in a currency other than U.S. dollars, securities will be credited free of payment on the settlement date.

Clearance and Settlement Procedures—Euroclear and Clearstream, Luxembourg

We understand that investors that hold their securities through Euroclear or Clearstream, Luxembourg accounts will follow the settlement practices applicable to conventional Eurobonds in registered form for debt securities, or such other procedures as are applicable for other securities.

Securities will be credited to the securities custody accounts of Euroclear and Clearstream, Luxembourg participants on the business day following the settlement date. They will be credited either free of payment or against payment for value on the settlement date.

Secondary Market Trading

Trading Between DTC Participants

Secondary market trading between DTC participants will occur in the ordinary way in accordance with DTC's rules. Secondary market trading will be settled using procedures applicable to United States corporate debt obligations in DTC's Same-Day Funds Settlement System for debt securities, or such other procedures as are applicable for other securities.

If payment is made in U.S. dollars, settlement will be in same-day funds. If payment is made in a currency other than U.S. dollars, settlement will be made other than in U.S. dollars, separate payment arrangements outside of the DTC system must be made between the DTC participants involved.

Trading Between Euroclear and/or Clearstream, Luxembourg Participants

We understand that secondary market trading between Euroclear and/or Clearstream, Luxembourg participants will occur in the ordinary way in accordance with the operating procedures of Euroclear and Clearstream, Luxembourg. Secondary market trading will be settled using procedures applicable to conventional Eurobonds in registered form for debt securities, or such other procedures as are applicable for other securities.

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Trading Between a DTC Seller and a Euroclear or Clearstream, Luxembourg Purchaser

A purchaser of securities that are held in the account of a DTC participant must send instructions to Euroclear or Clearstream, Luxembourg for settlement. The instructions will provide for the transfer of the securities from the selling DTC participant's account to the account of the purchaser. Euroclear or Clearstream, Luxembourg, as the case may be, will then instruct the common depositary for Euroclear or Clearstream, Luxembourg to receive the securities either against payment or free of payment.

The interests in the securities will be credited to the respective clearing system. The clearing system will then credit the account of the participant. Credit for the securities will appear on the next day, European time. Cash debit will be back-valued to, and the interest on the securities will be valued as of, the preceding day, when settlement occurs in New York. If the trade fails and settlement is not completed on the intended date, the Luxembourg cash debit will be valued as of the actual settlement date instead.

Euroclear participants or Clearstream, Luxembourg participants will need the funds necessary to process same-day funds settlement. The margin position funds for settlement, either from cash or from existing lines of credit, as for any settlement occurring within Euroclear or Clearstream, Luxembourg participants may take on credit exposure to Euroclear or Clearstream, Luxembourg until the securities are credited to their accounts one business day after settlement.

As an alternative, if Euroclear or Clearstream, Luxembourg has extended a line of credit to them, participants can choose not to pre-position funds. A line to be drawn upon to finance settlement. Under this procedure, Euroclear participants or Clearstream, Luxembourg participants purchasing securities will incur charges for one business day (assuming they cleared the overdraft as soon as the securities were credited to their accounts). However, any interest earned from the value date. Therefore, in many cases, the investment income on securities that is earned during that one-business day period may offset the overdraft charges. This result will, however, depend on each participant's particular cost of funds.

Because the settlement will take place during New York business hours, DTC participants will use their usual procedures to deliver securities to Euroclear participants or Clearstream, Luxembourg participants. The sale proceeds will be available to the DTC seller on the settlement date. A cross-market transaction will settle no differently than a trade between two DTC participants.

Special Timing Considerations

Investors should be aware that they will only be able to make and receive deliveries, payments and other communications involving the securities on days when Euroclear and Clearstream, Luxembourg are open for business. Those systems may not be open for business on days when business is open for business in the United States.

In addition, because of time-zone differences, there may be problems with completing transactions involving Clearstream, Luxembourg and participants in the United States. U.S. investors who wish to transfer their interests in the securities, or to receive or make a payment or delivery of the securities, should be aware that the transactions will not be performed until the next business day in Luxembourg or Brussels, depending on whether Clearstream, Luxembourg is open for business.

DESCRIPTION OF PREFERENCE SHARES

The following is a summary of the general terms of the preference shares of any series we may issue under this registration statement. Each series of preference shares will prepare a prospectus supplement, which you should read carefully. The prospectus supplement relating to a series of preference shares that are convertible into or exchangeable for the preference shares will summarize the terms of the

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preference shares of the particular series. Those terms will be set out in the resolutions establishing the series that our Board of Directors or authorized committee may be different from those summarized below. If so, the applicable prospectus supplement will state that, and the description of the preference shares in the prospectus supplement will apply.

This summary does not purport to be complete and is subject to, and qualified by, our Articles of Association and the resolutions of the Board of Directors or authorized committee. You should read our Articles of Association as well as those resolutions, which we have filed or will file with the SEC as an exhibit to this prospectus, which this prospectus is a part. You should also read the summary of the general terms of the deposit agreement under which American Depositary Shares (“ADSs”) that may represent preference shares may be issued, under the heading “Description of American Depositary Shares.”

General

Under our Articles of Association, our Board of Directors or an authorized committee of the Board is empowered to provide for the issuance of preference shares, in one or more series, if a resolution of our shareholders has authorized the allotment of such preference shares.

The resolutions providing for their issue, adopted by the Board of Directors or the authorized committee, will set forth the dividend rights, liquidation provisions, voting rights, other rights, preferences, privileges, limitations and restrictions of the preference shares.

As of June 30, 2010, we have 100,000 issued, dollar-denominated preference shares, Series 1; 30,000,000 issued, dollar—denominated preference shares, Series 2; 10,000,000 issued, dollar-denominated preference shares, Series 3; 46,000,000 issued, dollar-denominated preference shares, Series 4; and 106,000,000 issued, dollar-denominated preference shares, Series 5.

The preference shares of any series will be U.S. dollar-denominated in terms of nominal value, dividend rights and liquidation value per preference share. The preference shares of any series will be fully paid and non-assessable. For each preference share issued, an amount equal to its nominal value will be credited to our issued share premium account. The difference between its issue price and its nominal value will be credited to our share premium account. The applicable prospectus supplement will describe the terms of the preference shares. The preference shares of a series deposited under the deposit agreement referred to in the section “Description of American Depositary Shares” will be represented by ADSs of a corresponding series, evidenced by ADRs of such series. The preference shares of such series may only be withdrawn if the ADSs are redeemed. See “Description of American Depositary Receipts”.

The preference shares of any series will have the dividend rights, rights upon liquidation, redemption provisions and voting rights described in the prospectus supplement unless the prospectus supplement provides otherwise. You should read the prospectus supplement for the specific terms of any series, including:

- the number of preference shares offered, the number of preference shares offered in the form of ADSs and the number of preference shares outstanding;
- the public offering price of the series;
- the liquidation value per preference share of that series;
- the dividend rate, or the method of calculating it;
- the place where we will pay dividends;
- the dates on which dividends (if paid) will be payable;

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- voting rights of that series of preference shares, if any;
- restrictions applicable to the sale and delivery of the preference shares;
- whether and under what circumstances we will pay additional amounts on the preference shares in the event of certain developments or information reporting laws;
- any redemption, conversion or exchange provisions;
- whether the preference shares shall be issued as units with shares of a related series;
- whether the preference shares will be registered securities or bearer securities or both;
- any listing on a securities exchange; and
- any other rights, preferences, privileges, limitations and restrictions relating to the series.

The applicable prospectus supplement will also describe additional material U.S. and U.K. tax considerations that apply to any particular series.

Title to preference shares of a series in registered form will pass by transfer and registration on the register that the registrar shall keep at its office. For more information on such registration, you should read “—Registrar and Paying Agent”. The registrar will not charge for the registration of preference shares. We will be liable for any taxes, stamp duties or other governmental charges.

We may issue preference shares in more than one related series if necessary to ensure that we continue to be treated as part of the Group for tax purposes. Preference shares of any two or more related series will be issued as preference share units, unless the applicable prospectus supplement specifies otherwise. Preference share units will effectively have the same rights, preferences and privileges, and will be subject to the same limitations and restrictions. The terms of the units may differ:

- the aggregate amount of dividends;
- the aggregate amounts which may be payable upon redemption;
- the redemption dates;
- the rights of holders to deposit the preference shares under the deposit agreement; and
- the voting rights of holders.

You should read the applicable prospectus supplement for the characteristics relating to any preference shares issuable in two or more related series.

Unless the applicable prospectus supplement specifies otherwise, the preference shares of each series will rank equally as to participation in dividends with the preference shares of each other series.

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Our affiliates may resell preferred shares after their initial issuance in market-making transactions. We describe these transactions above under “General—Market-Making Transactions”.

Dividend Rights

The holders of the preference shares will be entitled to receive cash dividends on the dates and at the rates as described in the applicable prospectus supplement under “Dividend Rights—Dividend Rights”.

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prospectus and in the applicable prospectus supplement, holders of preference shares will have no right to participate in our profits.

For information concerning the declaration of dividends out of our distributable profits, see “Description of Share Capital—Ordinary Shares”.

We will pay the dividends on the preference shares of a series to the record holders as they appear on the register on the record dates. A record date will be determined by the Directors or an authorized committee. Subject to applicable fiscal or other laws and regulations, each payment will be made by dollar check or by wire transfer to New York City and mailed to the record holder at the holder’s address as it appears on the register for the preference shares. If any date on which a dividend is payable on preference shares is not a “business day”, which is a day on which banks are open for business and on which foreign exchange dealings may be carried out in New York City, then payment of the dividend payable on that date will be made on the next business day. There will be no additional interest or other payment on dividends.

Dividends on the preference shares of any series will be non-cumulative. If a dividend on a series is not paid, or is paid only in part, the holder of the shares of that series will have no claim in respect of such unpaid amount. We will have no obligation to pay the dividend accrued for the relevant dividend period, whether or not dividends on the preference shares of that series or any other series or class of our shares are paid for any subsequent dividend period.

No full dividends will be paid or set apart for payment on the preference shares of any series on a dividend payment date unless full dividends on the preference shares of that series have been paid, or set aside for payment, on any preference shares or other class of shares ranking as to dividends in priority or equally with the preference shares of that series on that dividend payment date or (b) payable before such dividend payment date, but only if such preference shares or other class of shares carried no dividends in arrears.

Except as provided in the preceding sentence, unless full dividends on all outstanding preference shares of a series have been paid for the most recent dividend period, no dividends will be declared or paid or set apart for payment, or other distribution made, upon our ordinary shares or other shares ranking, in priority or equally with or below the preference shares of the series (other than a final dividend declared by Barclays PLC and paid by it to shareholders on the final dividend payment date and/or a dividend paid by Barclays Bank PLC to Barclays PLC or to another wholly-owned subsidiary). In addition, we will not, for so long as there are preference shares outstanding, acquire for consideration, or pay any money or make any money available for a sinking fund for the redemption of, any of our ordinary shares or other shares ranking, in priority or below the preference shares of the series as to dividends or upon liquidation, except by conversion into, or exchange for, shares ranking below the preference shares as to dividends and upon liquidation, until the earlier of (a) our resumption of payment of full dividends for four consecutive quarterly dividend periods on the preference shares of the series and (b) the date on or by which all outstanding preference shares of that series have either been redeemed in full or the date of liquidation on account of Barclays Bank PLC.

We will compute the amount of dividends payable on the preference shares of any series for each dividend period based upon the liquidation value of the shares of the series by annualizing the applicable dividend rate and dividing by the number of dividend periods in a year. However, we will compute the amount of dividends payable for any dividend period shorter than a full dividend period (a) in respect of any fixed rate dividend period, on the basis of a 360-day year with 12 months of 30 days each and, in the case of an incomplete month, on the basis of the actual number of days elapsed, and (b) in respect of any floating rate dividend period, on the basis of the actual number of days in the period divided by 360.

Rights Upon Liquidation

If there is a return of capital in respect of our voluntary or involuntary liquidation, dissolution, winding-up or otherwise, other than in respect of the preference shares of a series in whole or in part permitted by our Articles of Association and under applicable law, the holders of the outstanding preference shares will be entitled to receive liquidating distributions. Liquidating distributions will:

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- come from the assets we have available for distribution to shareholders, before any distribution of assets is made to holders of shares ranking below the preference shares upon a return of capital; and
- be in an amount equal to the liquidation value per share of the preference shares, plus an amount equal to accrued and unpaid dividends earned, for the then-current dividend period up to and including the date of commencement of our winding-up or the date of any other liquidation, dissolution or winding-up that may be.

If, upon a return of capital, the assets available for distribution are insufficient to pay in full the amounts payable on the preference shares and, in any distribution equally with the preference shares, the holders of the preference shares and of the other shares will share pro rata in any distribution of the full respective liquidating distributions to which they are entitled. After payment of the full amount of the liquidating distribution to which the preference shares of that series will have no claim on any of our remaining assets and will not be entitled to any further participation in the distribution of or substantially all of our assets, the distribution to our shareholders of all or substantially all of the consideration for the sale, unless the consideration is in cash, or the net proceeds consists entirely of cash, will not be deemed a return of capital in respect of our liquidation, dissolution or winding-up.

Redemption

Unless the relevant prospectus supplement specifies otherwise, we may redeem the preference shares of each series, at our option, in whole or in part, on the dates and at the redemption prices and on all other terms and conditions as set forth in the applicable prospectus supplement. Preference share units will be redeemed only as units.

If fewer than all of the outstanding preference shares of a series are to be redeemed, we will select by lot, in the presence of our independent directors, which shares will be redeemed.

If we redeem preference shares of a series, we will mail a redemption notice to each record holder of preference shares to be redeemed between 30 days before and 30 days after the redemption date. Each redemption notice will specify:

- the redemption date;
- the particular preference shares of the series to be redeemed;
- the redemption price, specifying the included amount of accrued and unpaid dividends;
- that any dividends will cease to accrue upon the redemption of the preference shares; and
- the place or places where holders may surrender documents of title and obtain payment of the redemption price.

No defect in the redemption notice or in the giving of notice will affect the validity of the redemption proceedings.

If we give notice of redemption in respect of the preference shares of a series, then, by 12:00 noon, London time, on the redemption date, we will have the paying agent funds sufficient to pay the applicable redemption price, including the amount of accrued and unpaid dividends (if any) for the period from the date of issuance to the date fixed for redemption. We will also give the paying agent irrevocable instructions and authority to pay the redemption price to the holders of the preference shares called for redemption.

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If we give notice of redemption, then, when we make the deposit with the paying agent, all rights of holders of the preference shares of the series will be terminated except the holders' right to receive the redemption price, but without interest, and these preference shares will no longer be outstanding. Subject to applicable laws and regulations, payments in respect of the redemption of preference shares of a series will be made by dollar check drawn on a bank in the United Kingdom upon presentation and surrender of the relevant share certificates at the office of the paying agent located in the United Kingdom.

In the event that any date on which a redemption payment on the preference shares is to be made is not a business day, then payment of the redemption price will be made on the next business day. There will be no interest or other payment due to the delay. If payment of the redemption price is made on a date other than the date on the preference shares will continue to accrue at the then applicable rate, from the redemption date to the date of payment of the redemption price.

Subject to applicable law, including U.S. securities laws, and the prior notification of the FSA, we may purchase outstanding preference shares of any series in the open market or by private agreement. Unless we tell you otherwise in the applicable prospectus supplement, any preference shares of any series that are purchased other than in the ordinary course of a business of dealing in securities, will be treated as canceled and will no longer be issued and outstanding.

Under the current practices of the FSA, we may not redeem any preference shares following the fifth anniversary of their date of issue unless we provide written notice (in the form required by the FSA) of the redemption of the preference shares at least one month before becoming committed to the redemption, together with certain information in connection with such repayment as required by the FSA's General Prudential Sourcebook.

Voting Rights

The holders of the preference shares of any series will not be entitled to receive notice of, attend or vote at any general meeting of our shareholders unless otherwise provided in the applicable prospectus supplement.

Variation of Rights

If applicable law permits, the rights, preferences and privileges attached to any series of preference shares may be varied or abrogated only by a resolution of at least three-quarters of the outstanding preference shares of the series or with the sanction of a special resolution passed at a separate general meeting of the outstanding preference shares of the series. A special resolution will be adopted if passed by a majority of at least three-quarters of those holders of the series present in person or by proxy at a meeting. The quorum required for this separate general meeting will be persons holding or representing by proxy at least one-third of the outstanding preference shares of the affected series, except that if at any adjourned meeting where this quorum requirement is not met, any two holders present in person or by proxy will constitute a quorum.

In addition to the voting rights referred to above, if any resolution is proposed for our liquidation, dissolution or winding-up, then the holders of each series, other than any series of preference shares which do not have voting rights, will be entitled to receive notice of and to attend the meeting called for the purpose of adopting the resolution and will be entitled to vote on that resolution, but no other. When entitled to vote, each holder present in person or by proxy has one vote for each preference share held.

Notices of Meetings

A notice of any meeting at which holders of preference shares of a particular series are entitled to vote will be mailed to each record holder of the series. The notice will state:

- the date of the meeting;
- a description of any resolution to be proposed for adoption at the meeting on which those holders are entitled to vote; and

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- instructions for the delivery of proxies.

A holder of preference shares of any series in registered form who is not registered with an address in the United Kingdom and who has not provided an address in the United Kingdom to us for the purpose of notices is not entitled to receive notices of meetings from us. For a description of notices that we will give to holders of preference shares, the ADR depositary will give to ADR holders, you should read “Description of American Depositary Receipts—Reports and Notices” and “What You Should Know About the Deposit Agreement” in the prospectus supplement.

Registrar and Paying Agent

Our registrar, presently located at One Canada Square, London E14 5AL, United Kingdom, will act as registrar and paying agent for the preference shares.

DESCRIPTION OF AMERICAN DEPOSITARY SHARES

The following is a summary of the general terms and provisions of the deposit agreement under which the ADR depositary will issue the ADRs representing preference shares. The deposit agreement is among us, The Bank of New York Mellon, as ADR depositary, and all holders from time to time. This summary does not purport to be complete. We may amend or supersede all or part of this summary to the extent we tell you in writing in the prospectus supplement. You should read the deposit agreement, which is filed with the SEC as an exhibit to the registration statement, of which this prospectus supplement is a part. The deposit agreement is available at the corporate trust office of The Bank of New York Mellon in New York City and the office of The Bank of New York Mellon in London.

Depositary

The Bank of New York Mellon will act as the ADR depositary. The office of The Bank of New York Mellon in London will act as custodian for the preference shares. The office in New York City is presently located at 101 Barclay Street, Floor 21 West, New York, New York 10286, and the custodian’s office in London is presently located at One Canada Square, London E14 5AL, United Kingdom.

American Depositary Receipts

An ADR is a certificate evidencing a specific number of ADSs of a specific series, each of which will represent preference shares of a corresponding series. Unless the prospectus supplement specifies otherwise, each ADS will represent one preference share, or evidence of rights to receive one preference share of the corresponding series of The Bank of New York Mellon, as custodian. An ADR may evidence any number of ADSs in the corresponding series.

Deposit and Issuance of ADRs

When the custodian has received preference shares of a particular series, or evidence of rights to receive preference shares, and applicable to the deposit agreement’s terms, the ADR depositary will execute and deliver at its corporate trust office in New York City to the person(s) specified in writing in the prospectus supplement, registered in the name of such person(s) evidencing the number of ADSs of that series corresponding to the preference shares of that series.

When the ADR depositary has received preference shares of a particular series, or evidence of rights to receive preference shares, and applicable to the deposit agreement’s terms, the ADR depositary will execute and deliver at its principal office to the person(s) specified by us in writing in the prospectus supplement, in the name of that person(s) evidencing the number of ADSs of that series corresponding to the preference shares of that series. Preference shares of a series may be evidenced by one or more ADRs, each representing a preference share of a series and a preference share of a related series.

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Withdrawal of Deposited Securities

Upon surrender of ADRs at the ADR depositary's corporate trust office in New York City and upon payment of the taxes, charges and fees subject to its terms, an ADR holder is entitled to delivery, to or upon its order, at the ADR depositary's corporate trust office in New York City of the amount of preference shares of the relevant series represented by the ADSs evidenced by the surrendered ADRs. The ADR holder will receive forwarding of share certificates and other documents of title to the corporate trust office of the ADR depositary.

Holders of preference shares that have been withdrawn from deposit under the deposit agreement will not have the right to redeposit the preference shares.

Dividends and Other Distributions

The ADR depositary will distribute all cash dividends or other cash distributions that it receives in respect of deposited preference shares of a particular series after payment of any charges and fees provided for in the deposit agreement, in proportion to their holdings of ADSs of the series representing the amount distributed will be reduced by any amounts that we or the ADR depositary must withhold on account of taxes.

If we make a non-cash distribution in respect of any deposited preference shares of a particular series, the ADR depositary will distribute the distribution after deduction or upon payment of any taxes, charges and fees provided for in the deposit agreement, in proportion to their holdings of ADSs of the series representing the preference shares. If a distribution that we make in respect of deposited preference shares of a particular series consists of a dividend in, or for, that series, the ADR depositary may, if we approve, and will, if we request, distribute to ADR holders, in proportion to their holdings of ADSs of the series representing the preference shares, an aggregate number of ADSs of that series representing the amount of preference shares received as such dividend or free distribution. If the ADR depositary does not distribute additional ADRs, each ADS of that series will from then forward also represent the additional preference shares of the series in respect of the deposited preference shares before the dividend or free distribution.

If the ADR depositary determines that any distribution of property, other than cash or preference shares of a particular series, cannot be made to ADR holders or, if for any other reason, including any requirement that we or the ADR depositary withhold an amount on account of taxes or other governmental charges, the ADR depositary deems that such a distribution is not feasible, the ADR depositary may dispose of all or part of the property in any manner, including by public sale, that is equitable and practicable. The ADR depositary will then distribute the net proceeds of any such sale (net of any fees and expenses of the ADR depositary under the deposit agreement) to ADR holders as in the case of a distribution received in cash.

Redemption of ADSs

If we redeem any preference shares of a particular series that are represented by ADSs, the ADR depositary will redeem, from the amounts of cash or property representing the deposited preference shares of that series, the relevant number of ADSs of the series representing those preference shares that corresponds to the number of preference shares of that series. The ADS redemption price will correspond to the redemption price per preference share payable with respect to the redemption of the preference shares. If we redeem all of the outstanding preference shares of a particular series, the ADR depositary will select the ADSs of the corresponding series to be redeemed in proportion to the number of preference shares represented.

We must give notice of redemption in respect of the preference shares of a particular series that are represented by ADSs to the ADR depositary at least 60 days before the redemption date. The ADR depositary will promptly deliver the notice to all holders of ADRs of the corresponding series.

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Record Date

Whenever any dividend or other distribution becomes payable or shall be made in respect of preference shares of a particular series, or any preference shares are to be redeemed, or the ADR depositary receives notice of any meeting at which holders of preference shares of a particular series are entitled to vote, we will fix a record date for the determination of the ADR holders who are entitled to receive the dividend, distribution, amount in respect of redemption, or the net proceeds of their sale, or, as applicable, give instructions for the exercise of voting rights at the meeting, subject to the provisions of the deposit agreement. The record date will be as near as practicable to the corresponding record date for the underlying preference share.

Voting of the Underlying Deposited Securities

When the ADR depositary receives notice of any meeting or solicitation of consents or proxies of holders of preference shares of a particular series, we will, and as soon as practicable thereafter, mail to the record holders of ADRs a notice including:

- the information contained in the notice of meeting;
- a statement that the record holders of ADRs at the close of business on a specified record date will be entitled, subject to any applicable law, to instruct the ADR depositary as to the exercise of any voting rights pertaining to the preference shares of the series represented by the ADRs;
- a brief explanation of how they may give instructions, including an express indication that they may instruct the ADR depositary to vote the underlying securities as a designated member or members of our board of directors if no such instruction is received.

The ADR depositary has agreed that it will endeavor, in so far as practical, to vote or cause to be voted the preference shares in accordance with the instructions of record holders of ADRs that it receives on or before the record date set by the ADR depositary. The ADR depositary will not vote the preference shares in accordance with such instructions or deemed instructions.

If the ADR depositary does not receive instructions from any ADR holder on or before the date the ADR depositary establishes for this purpose, we will instruct the ADR depositary to give such holder to have directed the ADR depositary to give a discretionary proxy to a designated member or members of our board of directors. We will not give a discretionary proxy to a designated member or members of our board of directors with respect to any matter as to which we inform the ADR holders.

- we do not wish the proxy to be given;
- substantial opposition exists; or
- the rights of holders of the preference shares may be materially affected.

Holders of ADRs evidencing ADSs will not be entitled to vote shares of the corresponding series of preference shares directly.

Inspection of Transfer Books

The ADR depositary will, at its corporate trust office in New York City, keep books for the registration and transfer of ADRs. These books will be open to the inspection of ADR holders at all reasonable times. However, this inspection may not be for the purpose of communicating with ADR holders in the interest of the company or its business or a matter related to the deposit agreement or the ADRs.

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Reports and Notices

We will furnish the ADR depositary with our annual reports as described under “Where You Can Find More Information” in this prospectus supplement, for any ADR holder to inspect, any reports and communications received from us through the ADR depositary as holder of preference shares and made generally available by us to the holders of those preference shares. This includes our annual reports. Upon request, the ADR depositary will mail copies of those reports to ADR holders as provided in the deposit agreement.

On or before the first date on which we give notice, by publication or otherwise, of:

- any meeting of holders of preference shares of a particular series;
- any adjourned meeting of holders of preference shares of a particular series; or
- the taking of any action in respect of any cash or other distributions, or the offering of any rights, in respect of preference shares of a particular series.

We have agreed to transmit to the ADR depositary and the custodian a copy of the notice in the form given or to be given to holders of the preference shares by us, the ADR depositary will, at our expense, arrange for the prompt transmittal or mailing of such notices, and any other reports or communications to the holders of the preference shares, to all holders of ADRs evidencing ADSs of the corresponding series.

Amendment and Termination of the Deposit Agreement

The form of the ADRs evidencing ADSs of a particular series and any provisions of the deposit agreement relating to those ADRs may at any time be amended by agreement between us and the ADR depositary, without the consent of holders of ADRs, in any respect which we may deem necessary, provided that the amendment does not impose or increase any fees or charges, other than taxes and other governmental charges, registration fees, transmission costs, delivery charges, or otherwise prejudices any substantial existing right of holders of outstanding ADRs evidencing ADSs of a particular series, will not take effect until notice of the amendment has been given to the record holders of those ADRs. Every holder of any ADR at the time an amendment becomes effective will be deemed by continuing to hold the ADR to consent and agree to the amendment and to be bound by the deposit agreement or the ADRs. No amendment will impair the right of any holder of ADRs to surrender ADRs and receive in return the preference shares of the corresponding series represented by the ADRs.

Whenever we direct, the ADR depositary has agreed to terminate the deposit agreement as to ADRs evidencing ADSs of a particular series by giving notice to the record holders of all ADRs then outstanding at least 30 days before the date fixed in the notice of termination. The ADR depositary may likewise terminate the deposit agreement as to ADRs evidencing ADSs of a particular series by mailing a termination notice to us and the record holders of all ADRs then outstanding. If the deposit agreement expires since the ADR depositary delivered a written notice to us of its election to resign and a successor ADR depositary shall not have been appointed, the deposit agreement shall nevertheless remain in effect until the appointment.

If any ADRs evidencing ADSs of a particular series remain outstanding after the date of any termination, the ADR depositary will then:

- discontinue the registration of transfers of those ADRs;
- suspend the distribution of dividends to holders of those ADRs; and
- not give any further notices or perform any further acts under the deposit agreement, except those listed below, with respect to those ADRs.

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The ADR depositary will, however, continue to collect dividends and other distributions pertaining to the preference shares of the corresponding series and other property as provided in the deposit agreement and deliver preference shares of the corresponding series, together with any dividends and other property with respect to them and the net proceeds of the sale of any rights or other property, in exchange for ADRs surrendered to it.

At any time after the expiration of one year from the date of termination of the deposit agreement as to ADRs evidencing ADSs of a particular series, the ADR depositary will deliver the preference shares of the corresponding series then held. The ADR depositary will then hold uninvested the net proceeds of any such sale of the ADSs then held by it under the deposit agreement in respect of those ADRs, unsegregated and without liability for interest, for the pro rata benefit of the holders of the ADRs previously been surrendered.

Charges of ADR Depositary

Unless the applicable prospectus supplement specifies otherwise, the ADR depositary will charge the party to whom it delivers ADRs against the net proceeds of the sale of the ADSs underlying the ADRs for delivery of preference shares of a particular series or other deposited securities, property and cash, \$5.00 for each 100, or fraction of 100, of the net proceeds of the sale of the ADSs underlying the ADRs issued or surrendered. We will pay all other charges of the ADR depositary and those of any registrar, co-transfer agent and co-registrar under the deposit agreement. Unless the applicable prospectus supplement specifies otherwise, we will not pay:

- taxes, including issue or transfer taxes, U.K. stamp duty or U.K. stamp duty reserve tax other than that payable on the issue of preference shares; or other governmental charges;
- any applicable share transfer or registration fees on deposits or withdrawals of preference shares;
- cable, telex, facsimile transmission and delivery charges which the deposit agreement provides are at the expense of the holder of the ADRs withdrawing preference shares of any series; or
- expenses incurred or paid by the ADR depositary in conversion of foreign currency into U.S. dollars.

You will be responsible for any taxes or other governmental charges payable on your ADRs or on the preference shares underlying your ADRs when you transfer your ADRs or allow you to withdraw the preference shares underlying your ADRs until such taxes or other charges are paid. It may be necessary to sell deposited preference shares underlying your ADRs to pay any taxes owed and you will remain liable for any deficiency. If the ADR depositary, in its discretion, will, if appropriate, reduce the number of ADSs to reflect the sale and pay to you any proceeds, or send to you any property, remaining after the sale.

General

Neither the ADR depositary nor we will be liable to ADR holders if prevented or forbidden or delayed by any present or future law of any country, or by any authority, any present or future provision of our articles of association or of the preference shares, or any act of God or war or other circumstances beyond our control, from performing our obligations under the deposit agreement. The obligations of us both under the deposit agreement are expressly limited to performance in good faith and without negligence or bad faith.

If any ADSs of a particular series are listed on one or more stock exchanges in the U.S., the ADR depositary will act as registrar or, at our request, as one or more co-registrars for registration of the ADRs evidencing the ADSs in accordance with any exchange requirements. The ADR depositary may, at its discretion, appoint one or more registrars or co-registrars and appoint a substitute(s) if we request it or with our approval.

The ADRs evidencing ADSs of any series are transferable on the books of the ADR depositary or its agent. However, the ADR depositary may require the transferor to

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evidencing ADSs of a particular series at any time when it deems it expedient to do so in connection with the performance of its duties or at

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condition precedent to the execution and delivery, registration of transfer, split-up, combination or surrender of any ADR or withdrawal of a corresponding series, the ADR depositary or the custodian may require the person presenting the ADR or depositing the preference shares to pay for any related tax or other governmental charge and any share transfer or registration fee and any applicable fees payable as provided in the deposit agreement. The ADR depositary may withhold any dividends or other distributions, or may sell for the account of the holder any part or all of the preference shares to apply those dividends or other distributions or the proceeds of any sale in payment of the tax or other governmental charge. The ADR holder

Any ADR holder may be required from time to time to furnish the ADR depositary or the custodian with proof satisfactory to the ADR depositary or the custodian of exchange control approval, information relating to the registration on our books or those that the registrar maintains for us for the preference shares or other information, to execute certificates and to make representations and warranties that the ADR depositary deems necessary or proper. If not satisfied, the ADR depositary may withhold the delivery or registration of transfer of any ADR or the distribution or sale of any dividend or other distribution or the delivery of any deposited preference shares or other property related to the ADR. The delivery, transfer and surrender of ADRs may be suspended during any period when the transfer books of the ADR depositary are closed or if we or the ADR depositary deem it necessary or

The deposit agreement and the ADRs are governed by and construed in accordance with the laws of the State of New York.

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DESCRIPTION OF SHARE CAPITAL

The following is a summary of general information about our share capital and some provisions of our Articles of Association. This summary is subject to, and qualified by reference to, our Articles of Association, which you should read. We have included a copy of our Articles of Association in the Registration Statement of which this prospectus forms a part.

General

On October 1, 2009, the final provisions of the U.K. Companies Act 2006 (the “2006 Act”) came into force, which included the abolition of restrictions in our Articles of Association. We adopted new Articles of Association at our 2010 Annual General Meeting that remain in effect as of June 30, 2010, 2,342,558,515 ordinary shares of £1 each were in issue (all of which were beneficially held by Barclays PLC); 237,000,000 dollar-denominated preference shares of \$0.25 each; 100,000 dollar-denominated preference shares of \$100 each; 240,000 euro-denominated preference shares of €100 each; 1,000 sterling-denominated preference shares of £1 each all of which were beneficially held by Barclays PLC; and 75,000 sterling-denominated preference shares of £100 each, all of which were beneficially held by Barclays PLC.

Ordinary Shares

Dividend Rights

Holders of ordinary shares are entitled to receive, according to the amounts paid up on the shares and apportioned and paid proportionately to the amounts paid up on the shares, dividends that we may declare at a general meeting of shareholders, but no dividends are payable in excess of the amount that our Board of Directors may declare and pay to the holders of ordinary shares interim dividends if, in the opinion of our Board, our distributable reserves justify the payment of such dividends.

Dividends on ordinary shares, as well as on dollar-denominated preference shares of any series, may only be declared and paid out of our “distributable profits” as determined by the 2006 Act. In broad outline, dividend distributions may only be made out of our distributable profits, so far as not previously utilized by distribution or capitalization, less its accumulated, realized losses, so far as not previously written off in full and duly made.

So long as dollar-denominated preference shares of any series are outstanding and full dividends on them have not been paid (or a sum has not been paid in full during a dividend period, no interim dividends may be declared or paid, or other distribution made, upon our ordinary shares. We may, however, pay dividends on other shares ranking below the dollar-denominated preference shares of those series as to dividends upon liquidation. In addition, we may not acquire for any consideration, or pay or make any moneys available for a sinking fund for the redemption of these shares, except by conversion of shares ranking below the dollar-denominated preference shares as to dividends and upon liquidation, until we have resumed the payment of full dividends on all outstanding dollar-denominated preference shares or redeem the relevant preference shares in full.

Rights upon Liquidation

If there is a return of capital on our winding-up or otherwise, after payment of all liabilities, and after paying or setting apart for payment the claims of the holders of all outstanding dollar-denominated preference shares of any series and any other of our shares ranking senior to the ordinary shares, the remaining assets will be divided among the holders of ordinary shares *pro rata* according to the number of ordinary shares held by them.

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Voting Rights

Every holder present (not being present by proxy) and entitled to vote on the resolution has one vote on a show of hands. Every proxy present and entitled to vote on the resolution has one vote on a show of hands, while every proxy who has been appointed by more than one holder has one vote for each way directed by the holders, that is one vote affirming the resolution (if one or more holders direct or have granted the proxy discretion in how to vote). On a poll, every holder present and entitled to vote has one vote in respect of each £1 nominal capital held by the relevant holder. Voting at any general meeting of shareholders is by show of hands. A poll may be demanded by the chairman of the meeting or by any shareholder present in person or by proxy and entitled to vote.

Miscellaneous

Holders of ordinary shares and dollar-denominated preference shares have no pre-emptive rights under our Articles of Association. However, the Articles of Association restricts the ability of our Board of Directors, without appropriate authorization from the holders of our ordinary shares at a general meeting, to:

- allot any shares or rights to subscribe for, or to convert any security into, any of our shares; or
- issue for cash ordinary shares or rights to subscribe for, or to convert any security into, ordinary shares other than through rights of pre-emption.

TAX CONSIDERATIONS

U.S. Taxation

This section describes the material U.S. federal income tax consequences of owning preference shares, ADSs or debt securities. It is the opinion of our U.S. tax counsel. It applies to you only if you acquire your preference shares, ADSs or debt securities in an offering and you hold your preference shares, ADSs or debt securities as capital assets for tax purposes. The U.S. federal income tax consequences of owning warrants will be described in the applicable pricing supplement.

This section does not apply to you if you are a member of a special class of holders subject to special rules, including:

- a dealer in securities;
- a trader in securities that elects to use a mark-to-market method of accounting for your securities holdings;
- a tax-exempt organization;
- a life insurance company;
- a person that holds preference shares, ADSs or debt securities as part of a straddle or a hedging or conversion transaction;
- a U.S. holder (as defined below) whose functional currency is not the U.S. dollar;
- a bank;
- a person liable for alternative minimum tax; or

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- a person that actually or constructively owns 10% or more of our voting stock.

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This section is based on the Internal Revenue Code of 1986, as amended, its legislative history, existing and proposed regulations, published on the income tax convention between the United States of America and the United Kingdom (the “Treaty”). These laws are subject to change. In addition, this section is based in part upon the representations of the ADR depositary. Assuming that each obligation in the deposit agreement is performed in accordance with its terms, for U.S. federal income tax purposes, if you hold ADRs evidencing ADSs, you will in general be treated as owning the shares represented by those ADSs. Exchanges of preference shares for ADSs or ADSs for preference shares generally will not be subject to U.S. federal income tax.

If a partnership holds the preference shares, ADSs or debt securities, the U.S. federal income tax treatment of a partner will generally depend on the treatment of the partnership. A partner in a partnership holding the preference shares, ADSs or debt securities should consult its tax advisor regarding the tax treatment of an investment in the preference shares, ADSs or debt securities.

You should consult your own tax advisor regarding the U.S. federal, state and local and other tax consequences of owning and disposing of securities in your particular circumstances.

U.S. Holders

This sub-section describes the material U.S. federal income tax consequences to a U.S. holder of owning preference shares, ADSs or debt securities. You are a beneficial owner of preference shares, ADSs or debt securities and you are:

- a citizen or resident of the United States;
- a domestic corporation;
- an estate whose income is subject to U.S. federal income tax regardless of its source; or
- a trust if a U.S. court can exercise primary supervision over the trust’s administration and one or more U.S. persons are authorized to receive the income of the trust.

If you are not a U.S. holder, this sub-section does not apply to you, and you should refer to “—Taxation of U.S. Alien Holders” below.

Taxation of Debt Securities

This sub-section deals only with debt securities denominated in U.S. dollars that are due to mature 30 years or less from the date on which the interest is payable. It does not address the U.S. federal income tax consequences of owning debt securities that are denominated in a currency other than the U.S. dollar (or the interest payments are determined in a currency other than the U.S. dollar) as well as the U.S. federal income tax consequences of owning debt securities that are due to mature more than 30 years from the date on which the interest is payable. In addition, this sub-section does not address the U.S. federal income tax consequences of owning debt securities; the U.S. federal income tax consequences of owning convertible or exchangeable debt securities will be addressed in the applicable prospectus supplement. This sub-section also does not address the U.S. federal income tax consequences of owning bearer debt securities. U.S. holders of certain bearer debt securities may be subject to additional, adverse U.S. federal income tax rules. Undated Subordinated Debt Securities generally will not be treated as debt securities for U.S. federal income tax purposes. The U.S. federal income tax consequences of owning and disposing of Undated Subordinated Debt Securities will be discussed in an applicable prospectus supplement.

Payments of Interest

Except as described below in the case of interest on a discount debt security that is not qualified stated interest, each as defined below under the applicable prospectus supplement:

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General”, you will be taxed on any interest on your debt

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securities as ordinary income at the time you receive the interest or when it accrues, depending on your method of accounting for tax purposes.

Interest paid by us on the debt securities and original issue discount, if any, accrued with respect to the debt securities (as described below under “Original Issue Discount”) will be treated as ordinary income from sources outside the United States subject to the rules regarding the foreign tax credit allowable to a United States holder. Under the applicable tax laws, interest and original issue discount will, depending on your circumstances, be either “passive” or “general” income for purposes of computing the foreign tax credit.

Original Issue Discount

General. If you own a debt security, other than a short-term debt security with a term of one year or less, it will be treated as a discount debt security if the debt security’s stated redemption price at maturity exceeds its issue price by more than a de minimis amount. Generally, a debt security is a discount debt security if the amount of the excess is more than 1/4 of 1% of its stated redemption price at maturity multiplied by the number of complete years to its maturity. Your debt security will not be a discount debt security if the amount of the excess is less than the de minimis amount. If your debt security has de minimis original issue discount, you must include the amount of the discount in income as stated principal payments are made on the debt security, unless you make the election described below under “—Election to Treat Original Issue Discount as Interest.” You can determine the includible amount with respect to each such payment by multiplying the total amount of your debt security’s original issue discount by a fraction equal to:

In general, your debt security is not a discount debt security if the amount by which its stated redemption price at maturity exceeds its issue price is less than the de minimis amount. If your debt security has de minimis original issue discount, you must include the amount of the discount in income as stated principal payments are made on the debt security, unless you make the election described below under “—Election to Treat Original Issue Discount as Interest.” You can determine the includible amount with respect to each such payment by multiplying the total amount of your debt security’s original issue discount by a fraction equal to:

- the amount of the principal payment made divided by:
- the stated principal amount of the debt security.

Generally, if your discount debt security matures more than one year from its date of issue, you must include original issue discount, or OID, in income attributable to that income. The amount of OID that you must include in income is calculated using a constant-yield method, and generally will be the same amount of OID in income over the life of your debt security. More specifically, you can calculate the amount of OID that you must include in income with respect to your discount debt security for each day during the taxable year or portion of the taxable year that you hold your discount debt security by allocating to each day in any accrual period a pro rata portion of the OID allocable to that accrual period. You may select the accrual period with respect to your discount debt security and you may vary the length of each accrual period over the term of your discount debt security. However, each scheduled payment of interest or principal on the discount debt security must occur on either the first or final day of the accrual period.

You can determine the amount of OID allocable to an accrual period by:

- multiplying your discount debt security’s adjusted issue price at the beginning of the accrual period by your debt security’s yield to maturity;
- subtracting from this figure the sum of the payments of qualified stated interest on your debt security allocable to the accrual period.

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You must determine the discount debt security's yield to maturity on the basis of compounding at the close of each accrual period and adjusted issue price at the end of each accrual period. Further, you determine your discount debt security's adjusted issue price at the beginning of any accrual period by:

- adding your discount debt security's issue price and any accrued OID for each prior accrual period; and then
- subtracting any payments previously made on your discount debt security that were not qualified stated interest payments.

If an interval between payments of qualified stated interest on your discount debt security contains more than one accrual period, then, when allocating the amount of qualified stated interest payable at the end of the interval, including any qualified stated interest payable on the first day of the accrual period immediately following the interval, pro rata to each accrual period in the interval based on their relative lengths. You must allocate the adjusted issue price at the beginning of each accrual period in the interval by the amount of any qualified stated interest that has accrued on the debt security for each accrual period but that is not payable until the end of the interval. You may compute the amount of OID allocable to an initial short accrual period but other accrual periods, other than a final short accrual period, are of equal length.

The amount of OID allocable to the final accrual period is equal to the difference between:

- the amount payable at the maturity of your debt security, other than any payment of qualified stated interest; and
- your debt security's adjusted issue price as of the beginning of the final accrual period.

Acquisition Premium. If you purchase your debt security for an amount that is less than or equal to the sum of all amounts, other than qualified stated interest, payable on the debt security after the purchase date but is greater than the amount of your debt security's adjusted issue price, as determined above under "—General Rule for Determining the Adjusted Issue Price of a Discount Debt Security," then you must make an election to treat all interest as original issue discount. If you do not make the election described below under "—Election to Treat All Interest as Original Issue Discount", then you must treat the amount of the premium as a return of capital. The fraction equal to:

- the excess of your adjusted basis in the debt security immediately after purchase over the adjusted issue price of the debt security, divided by:
- the excess of the sum of all amounts payable, other than qualified stated interest, on the debt security after the purchase date over the adjusted issue price.

Pre-Issuance Accrued Interest. An election may be made to decrease the issue price of your debt security by the amount of pre-issuance accrued interest.

- a portion of the initial purchase price of your debt security is attributable to pre-issuance accrued interest;
- the first stated interest payment on your debt security is to be made within one year of your debt security's issue date; and
- the payment will equal or exceed the amount of pre-issuance accrued interest.

If this election is made, a portion of the first stated interest payment will be treated as a return of the excluded pre-issuance accrued interest on the debt security.

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Debt Securities Subject to Contingencies, Including Optional Redemption. Your debt security is subject to a contingency if it provides for alternative payment schedules applicable upon the occurrence of a contingency or contingencies, other than a remote or incidental contingency, whether such contingency is of interest or of principal. In such a case, you must determine the yield and maturity of your debt security by assuming that the payments will be made on the schedule most likely to occur if:

- the timing and amounts of the payments that comprise each payment schedule are known as of the issue date; and
- one of such schedules is significantly more likely than not to occur.

If there is no single payment schedule that is significantly more likely than not to occur, other than because of a mandatory sinking fund, you will determine the yield and maturity of your debt security in accordance with the general rules that govern contingent payment obligations. If applicable, these rules will be discussed in the prospectus.

Notwithstanding the general rules for determining yield and maturity, if your debt security is subject to contingencies, and either you or we have an option or options that, if exercised, would require payments to be made on the debt security under an alternative payment schedule or schedules, then:

- in the case of an option or options that we may exercise, we will be deemed to exercise or not to exercise an option or combination of options that minimizes the yield on your debt security; and,
- in the case of an option or options that you may exercise, you will be deemed to exercise or not to exercise an option or combination of options that maximizes the yield on your debt security.

If both you and we hold options described in the preceding sentence, those rules will apply to each option in the order in which they may be exercised. For the purposes of those calculations by using any date on which your debt security may be redeemed or repurchased, the principal amount payable on the date that you chose in accordance with the terms of your debt security as the principal amount payable at maturity.

If a contingency, including the exercise of an option, actually occurs or does not occur contrary to an assumption made according to the above, the portion of your debt security is repaid as a result of this change in circumstances and solely to determine the amount and accrual of OID, you will determine the maturity of your debt security by treating your debt security as having been retired and reissued on the date of the change in circumstances for the debt security's adjusted issue price on that date.

Election to Treat All Interest as Original Issue Discount. You may elect to include in gross income all interest that accrues on your debt security described above under “—General”, with the modifications described below. For purposes of this election, interest will include stated interest, market discount, de minimis market discount and unstated interest, as adjusted by any amortizable bond premium, described below as “Premium,” or acquisition premium.

If you make this election for your debt security, then, when you apply the constant-yield method:

- the issue price of your debt security will equal your cost;
- the issue date of your debt security will be the date you acquired it; and
- no payments on your debt security will be treated as payments of qualified stated interest.

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Generally, this election will apply only to the debt security for which you make it; however, if the debt security has amortizable bond premium, you may also make an election to apply amortizable bond premium.

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against interest for all debt instruments with amortizable bond premium, other than debt instruments the interest on which is excludible from beginning of the taxable year to which the election applies or any taxable year thereafter. Additionally, if you make this election for a market discount, you are treated as having made the election discussed below under “—Market Discount” to include market discount in income currently over the life of the debt security, less the discount that you acquire on or after the first day of the first taxable year to which the election applies. You may not revoke any election to include interest on a debt security or the deemed elections with respect to amortizable bond premium or market discount debt securities without the consent of the Service.

Variable Rate Debt Securities. Your debt security will be a variable rate debt security if:

- your debt security’s issue price does not exceed the total noncontingent principal payments by more than the lesser of:
 1. 1.5% of the product of the total noncontingent principal payments and the number of complete years to maturity;
 2. 15% of the total noncontingent principal payments; and
- your debt security provides for stated interest, compounded or paid at least annually, only at:
 1. one or more qualified floating rates;
 2. a single fixed rate and one or more qualified floating rates;
 3. a single objective rate; or
 4. a single fixed rate and a single objective rate that is a qualified inverse floating rate.

Your debt security will have a variable rate that is a qualified floating rate if:

- variations in the value of the rate can reasonably be expected to measure contemporaneous variations in the cost of newly borrowed money of the same type as your debt security is denominated; or
- the rate is equal to such a rate multiplied by either:
 1. a fixed multiple that is greater than 0.65 but not more than 1.35; or
 2. a fixed multiple greater than 0.65 but not more than 1.35, increased or decreased by a fixed rate; and
- the value of the rate on any date during the term of your debt security is set no earlier than three months prior to the first day of the term and no later than one year following that first day.

If your debt security provides for two or more qualified floating rates that are within 0.25 percentage points of each other on the issue date and that have approximately the same values throughout the term of the debt security, the qualified floating rates together constitute a single qualified floating rate.

Your debt security will not have a qualified floating rate, however, if the rate is subject to certain restrictions (including caps, floors, government securities, or other restrictions) that are fixed throughout the term of the debt security or are not reasonably expected to significantly affect the yield on the debt security.

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Your debt security will have a variable rate that is a single objective rate if:

- the rate is not a qualified floating rate;
- the rate is determined using a single, fixed formula that is based on objective financial or economic information that is not within the control or influence of the issuer or a related party; and
- the value of the rate on any date during the term of your debt security is set no earlier than three months prior to the first day on which the rate is payable and no later than one year following that first day.

Your debt security will not have a variable rate that is an objective rate, however, if it is reasonably expected that the average value of the rate during the term of your debt security will be either significantly less than or significantly greater than the average value of the rate during the final half of your debt security's term.

An objective rate as described above is a qualified inverse floating rate if:

- the rate is equal to a fixed rate minus a qualified floating rate; and
- the variations in the rate can reasonably be expected to inversely reflect contemporaneous variations in the cost of newly borrowed money.

Your debt security will also have a single qualified floating rate or an objective rate if interest on your debt security is stated at a fixed rate for an initial period, followed by either a qualified floating rate or an objective rate for a subsequent period; and either:

- the fixed rate and the qualified floating rate or objective rate have values on the issue date of the debt security that do not differ by more than 1/8 of 1% (12.5 basis points); or
- the value of the qualified floating rate or objective rate is intended to approximate the fixed rate.

In general, if your variable rate debt security provides for stated interest at a single qualified floating rate or objective rate, or one of those rates for an initial period, all stated interest on your debt security is qualified stated interest. In this case, the amount of OID, if any, is determined by using, in the case of a qualified floating rate, the value as of the issue date of the qualified floating rate or qualified inverse floating rate, or, for any other case, the yield reasonably expected for your debt security.

If your variable rate debt security does not provide for stated interest at a single qualified floating rate or a single objective rate, and also does not provide for a fixed rate other than a single fixed rate for an initial period, you generally must determine the interest and OID accruals on your debt security by:

- determining a fixed rate substitute for each variable rate provided under your variable rate debt security;
- constructing the equivalent fixed rate debt instrument, using the fixed rate substitute described above;
- determining the amount of qualified stated interest and OID with respect to the equivalent fixed rate debt instrument; and
- adjusting for actual variable rates during the applicable accrual period.

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When you determine the fixed rate substitute for each variable rate provided under the variable rate debt security, you generally will use the issue date or, for an objective rate that is not a qualified inverse floating rate, a rate that reflects the reasonably expected yield on your debt s

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If your variable rate debt security provides for stated interest either at one or more qualified floating rates or at a qualified inverse floating rate, at a single fixed rate other than at a single fixed rate for an initial period, you generally must determine interest and OID accruals by using the floating rate, or a qualified inverse floating rate, rather than the fixed rate. The qualified floating rate, or qualified inverse floating rate, that the fair market value of your variable rate debt security as of the issue date approximates the fair market value of an otherwise identical debt security with a qualified floating rate, or qualified inverse floating rate, rather than the fixed rate.

Short-Term Debt Securities. In general, if you are an individual or other cash basis U.S. holder of a short-term debt security, you are not required to include the stated interest in income as you receive it. If you are an accrual basis taxpayer, a taxpayer in a special class, including, but not limited to, a common trust fund, or a certain type of pass-through entity, or a cash basis taxpayer who so elects, you will be required to accrue OID on such debt security on a straight-line basis or under the constant-yield method, based on daily compounding. If you are not required and do not elect to include OID, the realized income on the sale or retirement of your short-term debt security will be ordinary income to the extent of the accrued OID, which will be determined as if you make an election to accrue the OID under the constant-yield method, through the date of sale or retirement. However, if you are not required to accrue OID on your short-term debt securities, you will be required to defer deductions for interest on borrowings allocable to your short-term debt securities until the deferred income is realized.

When you determine the amount of OID subject to these rules, you must include all interest payments on your short-term debt security, including the debt security's stated redemption price at maturity.

Market Discount

You will be treated as if you purchased your debt security, other than a short-term debt security, at a market discount, and your debt security is a market discount debt security if:

- you purchase your debt security for less than its issue price as determined above under "Original Issue Discount—General"; and
- the difference between the debt security's stated redemption price at maturity or, in the case of a discount debt security, the price you paid for your debt security is equal to or greater than 1/4 of 1% of your debt security's stated redemption price at maturity, respectively, multiplied by the number of complete years to the debt security's maturity. To determine the revised issue price of a discount debt security, you generally add any OID that has accrued on your debt security to its issue price.

If your debt security's stated redemption price at maturity or, in the case of a discount debt security, its revised issue price, exceeds the price that would be determined if the debt security were purchased at its issue price, and the excess is greater than 1/4 of 1% multiplied by the number of complete years to the debt security's maturity, the excess constitutes de minimis market discount, which is not applicable to you.

You must treat any gain you recognize on the maturity or disposition of your market discount debt security as ordinary income to the extent of the market discount on the debt security. Alternatively, you may elect to include market discount in income currently over the life of your debt security. If you make this election, you must include market discount on all debt securities with market discount that you acquire on or after the first day of the first taxable year to which the election applies. You may not make this election without the consent of the Internal Revenue Service. If you own a market discount debt security and do not make this election, you will generally be required to include in income the borrowings allocable to your debt security in an amount not exceeding the accrued market discount on your debt security until the maturity of the debt security.

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You will accrue market discount on your market discount debt security on a straight-line basis unless you elect to accrue market discount on a different basis. If you make this election, it will apply only to the debt security with respect to which it is made and you may not revoke it.

Debt Securities Purchased at a Premium

If you purchase your debt security for an amount in excess of its principal amount, you may elect to treat the excess as amortizable bond premium. This election will reduce the amount required to be included in your income each year with respect to interest on your debt security by the amount of amortizable bond premium for that year, based on your debt security's yield to maturity. If you make an election to amortize bond premium, it will apply to all debt instruments of the same issuer on which interest on which is excludible from gross income, that you hold at the beginning of the first taxable year to which the election applies or that you acquire thereafter. You may not revoke it without the consent of the Internal Revenue Service. See also "Original Issue Discount—Election to Treat All Interest as Original Issue Discount."

Purchase, Sale and Retirement of the Debt Securities

Your tax basis in your debt security will generally be your cost of your debt security adjusted by:

- adding any OID or market discount previously included in income with respect to your debt security; and then
- subtracting any payments on your debt security that are not qualified stated interest payments and any amortizable bond premium with respect to your debt security.

You will generally recognize gain or loss on the sale or retirement of your debt security equal to the difference between the amount you realize and your tax basis in your debt security.

You will recognize capital gain or loss when you sell or retire your debt security, except to the extent:

- described above under "Original Issue Discount—Short-Term Debt Securities" or "Market Discount";
- attributable to accrued but unpaid interest; or
- the rules governing contingent payment obligations apply.

Capital gain of a non-corporate U.S. holder that is recognized in a taxable year beginning before January 1, 2011 is generally taxed at a maximum rate of 15%. If a non-corporate U.S. holder has a holding period of greater than one year. Thereafter, capital gain of a non-corporate U.S. holder is generally taxed at preferential rates. If a non-corporate U.S. holder has a holding period of greater than one year. Such gain or loss will generally be income or loss from sources within the United States for foreign tax credit purposes.

Treasury Regulations Requiring Disclosure of Reportable Transactions

Treasury regulations require U.S. taxpayers to report certain transactions that give rise to a loss in excess of certain thresholds. Under these regulations, a loss with respect to a debt security that is attributable to changes in the spot exchange rate of a foreign currency may be required to be reported on Form 8886 if such loss exceeds the thresholds set forth in the regulations. For individuals and trusts, this loss threshold is \$50,000 in aggregate for all such losses. For other types of taxpayers and other types of losses, the thresholds are higher. You should consult your tax advisor regarding any tax filing and reporting requirements. You should also consult your tax advisor regarding any loss realized in connection with acquiring, owning and disposing of debt securities that are linked to a currency other than the U.S. dollar.

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Other Debt Securities

The applicable prospectus supplement will discuss any special U.S. federal income tax rules with respect to debt securities the payments on any reference asset, debt securities that are denominated in a currency other than the U.S. dollar and other debt securities that are subject to obligations which are not subject to the rules governing variable rate debt securities.

Taxation of Preference Shares and ADSs

Dividends

Under the U.S. federal income tax laws, if you are a U.S. holder, the gross amount of any dividend paid by us out of our current or accumulated earnings (for U.S. federal income tax purposes) is subject to U.S. federal income taxation. Subject to the discussion below under the heading “Passive Foreign Investment Company Considerations”, if you are a non-corporate U.S. holder, dividends paid to you in taxable years beginning before January 1, 2011 that constitute ordinary income will be taxable to you at a maximum tax rate of 15% provided that you hold the shares or ADSs for more than 60 days during the 121-day period beginning on the date of distribution. Dividends we pay with respect to the shares or ADSs generally will be qualified dividend income. The dividend is ordinary income that you, in the case of preference shares, or the ADR depositary, in the case of ADSs, receive the dividend, actually or constructively. The dividends-received deduction generally allowed to U.S. corporations in respect of dividends received from other U.S. corporations. Dividends paid out of accumulated earnings and profits, as determined for U.S. federal income tax purposes, will be treated as a non-taxable return of capital to the holder of the shares or ADSs and thereafter as capital gain. For foreign tax credit purposes, dividends will generally be income from sources outside the U.S. In your circumstances, be either “passive” or “general” income for purposes of computing the foreign tax credit allowable to you.

Capital Gains

Subject to the discussion below under the heading “Passive Foreign Investment Company Considerations”, if you are a U.S. holder and you hold preference shares or ADSs, you will recognize capital gain or loss for U.S. federal income tax purposes equal to the difference between the fair market value and basis in your preference shares or ADSs. Capital gain of a non-corporate U.S. holder that is recognized in a taxable year beginning before January 1, 2011 is taxable at a maximum rate of 15% in cases where the holder has a holding period of greater than one year. Thereafter, capital gain of a non-corporate U.S. holder will be taxable at preferential rates in cases where the holder has a holding period of greater than one year. The gain or loss will generally be income or loss for foreign tax credit limitation purposes.

Passive Foreign Investment Company Considerations

A non-United States corporation will be a passive foreign investment company (a “PFIC”) for any taxable year if either (1) 75% or more of its income is passive income or (2) 50% or more of the average value of its assets in the taxable year produces, or is held for the production of, passive income. Based on our estimates and proposed Treasury regulations, Barclays believes that it was not a PFIC for the 2008 taxable year, expects that it was not a PFIC for 2009, and expects that it will not be a PFIC in subsequent taxable years. However, since Barclays’ status as a PFIC for any taxable year depends on the composition of its assets (and the market value of such assets) from time to time, there can be no assurance that Barclays will not be considered a PFIC for any taxable year during which you hold preference shares or ADSs, you could be subject to unfavorable tax consequences upon a disposition of such preference shares or ADSs or upon receipt of certain dividends from Barclays. In addition, pursuant to recently enacted legislation, any U.S. holder of PFIC stock may be required to file an annual information statement with the Internal Revenue Service.

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Medicare Tax

For taxable years beginning after December 31, 2012, a U.S. holder that is an individual or estate, or a trust that does not fall into a special category, will be subject to a 3.8% tax on the lesser of (1) the U.S. holder's "net investment income" for the relevant taxable year and (2) the excess of adjusted gross income for the taxable year over a certain threshold (which in the case of individuals will be between \$125,000 and \$250,000, depending on the taxpayer's circumstances). A holder's net investment income will generally include its interest and dividend income, and its net gains from the disposition of debt securities and ADSs, unless such interest or dividend income, or net gains, are derived in the ordinary course of the conduct of a trade or business (other than the conduct of certain passive or trading activities). If you are a U.S. holder that is an individual, estate or trust, you are urged to consult your tax advisor regarding Medicare tax to your income and gains in respect of your investment in the debt securities, preference shares and ADSs.

U.S. Alien Holders

This sub-section describes the tax consequences to a U.S. alien holder of owning and disposing of debt securities, preference shares or ADSs. Debt Securities generally will not be treated as debt securities for U.S. federal income tax purposes; the U.S. federal income tax consequences of the sale or disposition of Subordinated Debt Securities will be discussed in an applicable prospectus supplement. You are a U.S. alien holder if you are a beneficial owner of a share or ADS and you are, for U.S. federal income tax purposes:

- a non-resident alien individual;
- a foreign corporation; or
- an estate or trust that in either case is not subject to U.S. federal income tax on a net income basis on income or gain from a pre-

If you are a U.S. holder, this sub-section does not apply to you.

Interest on Debt Securities and Dividends on Preference Shares or ADSs. If you are a U.S. alien holder, interest paid to you with respect to debt securities or dividends paid to you with respect to preference shares or ADSs will not be subject to U.S. federal income tax unless the interest or dividends are "effectively connected" with your trade or business within the United States (or are treated as such), and, if required by an applicable income tax treaty as a condition for subjecting you to U.S. federal income tax on a net income basis, the interest or dividends are attributable to a permanent establishment that you maintain in the United States. In such cases you will be subject to U.S. federal income tax in the same manner as a U.S. holder. If you are a corporate U.S. alien holder, "effectively connected" interest or dividends may, under certain circumstances, be subject to a "branch profits tax" at a rate of 30% or a lower rate if you are eligible for the benefits of an income tax treaty that provides for a lower rate.

Disposition of the Debt Securities, Preference Shares or ADSs. If you are a U.S. alien holder, you generally will not be subject to U.S. federal income tax on the sale, exchange or retirement of your debt security, preference share or ADS unless:

- the gain is effectively connected with your conduct of a trade or business in the United States, and the gain is attributable to a permanent establishment that you maintain in the United States if that is required by an applicable income tax treaty as a condition for subjecting you to U.S. taxation; or
- you are an individual, you are present in the United States for 183 or more days during the taxable year in which the gain is realized.

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If you are a corporate U.S. alien holder, “effectively connected” gains that you recognize may also, under certain circumstances, be subject to a 30% rate or at a lower rate if you are eligible for the benefits of an income tax treaty that provides for a lower rate.

Information with Respect to Foreign Financial Assets

Under recently enacted legislation, individuals that own “specified foreign financial assets” with an aggregate value in excess of \$50,000 in March 18, 2010 will generally be required to file an information report with respect to such assets with their tax returns. “Specified foreign financial assets” include (i) accounts maintained by foreign financial institutions, as well as any of the following, but only if they are not held in accounts maintained by U.S. persons, (ii) securities issued by non-U.S. persons, (ii) financial instruments and contracts held for investment that have non-U.S. issuers or counterparties. Individuals are urged to consult their tax advisors regarding the application of this legislation to their ownership of the debt securities, preference shares or ADSs.

Information Reporting and Backup Withholding

In general, if you are a non-corporate U.S. holder, information reporting requirements, on Internal Revenue Service Form 1099, generally will apply to:

- payments of principal, any premium and interest, and the accrual of OID on a debt security and dividends or other taxable distributions on a preference share or an ADS within the United States, including payments made by wire transfer from outside the United States to an account maintained by you in the United States; and
- the payment of the proceeds from the sale of a debt security, preference share or ADS effected at a U.S. office of a broker.

Additionally, backup withholding will apply to such payments, including payments of OID, if you are a non-corporate U. S. holder that:

- fails to provide an accurate taxpayer identification number, is notified by the Internal Revenue Service that you have failed to do so, or is required to be shown on your federal income tax returns; or
- in certain circumstances, fails to comply with applicable certification requirements.

Pursuant to recently enacted legislation, certain payments in respect of debt securities, preference shares and ADSs made to corporate U.S. holders will be subject to information reporting and backup withholding.

If you are a U.S. alien holder, you are generally exempt from backup withholding and information reporting requirements with respect to:

- payments of principal and interest on a debt security or dividends with respect to a preference share or ADS made to you outside the United States by a non-U.S. payor; and
- other payments of principal, interest and dividends and the payment of the proceeds from the sale of a debt security, preference share or ADS by a broker, as long as the income associated with such payments is otherwise exempt from U.S. federal income tax; and
- the payor or broker does not have actual knowledge or reason to know that you are a U.S. person and you have furnished to the payor or broker a statement that you are a U.S. person.

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- an appropriate Internal Revenue Service Form W-8 or an acceptable substitute form upon which you certify, under penalties of perjury, that you are a non-U.S. person or
- other documentation upon which it may rely to treat the payments as made to a non-U.S. person in accordance with U.S. Treasury regulations;
- you otherwise establish an exemption.

Payment of the proceeds from the sale of a debt security, preference share or ADS effected at a foreign office of a broker generally will not be subject to backup withholding. However, a sale of a debt security, preference share or ADS that is effected at a foreign office of a broker will be subject to backup withholding if:

- the proceeds are transferred to an account maintained by you in the United States;
- the payment of proceeds or the confirmation of the sale is mailed to you at a U.S. address; or
- the sale has some other specified connection with the United States as provided in U.S. Treasury regulations;

unless the broker does not have actual knowledge or reason to know that you are a U.S. person and the documentation requirements described above establish an exemption.

In addition, a sale of a debt security, preference share or ADS effected at a foreign office of a broker will be subject to information reporting if:

- you are a U.S. person;
- you are a controlled foreign corporation for U.S. tax purposes;
- you are a foreign person 50% or more of whose gross income is effectively connected with the conduct of a U.S. trade or business for a taxable year;
- you are a foreign partnership, if at any time during its tax year:
- one or more of its partners are “U.S. persons”, as defined in U.S. Treasury regulations, who in the aggregate hold more than 50% of the partnership; or
- such foreign partnership is engaged in the conduct of a U.S. trade or business,

unless the broker does not have actual knowledge or reason to know that you are a U.S. person and the documentation requirements described above establish an exemption. Backup withholding will apply if the sale is subject to information reporting and the broker has actual knowledge that you are a U.S. person.

You generally may obtain a refund of any amounts withheld under the backup withholding rules that exceed your income tax liability by filing a claim with the Internal Revenue Service.

United Kingdom Taxation

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The following paragraphs summarize certain United Kingdom withholding and other tax considerations with respect to the acquisition, ownership, and disposition of the securities, preference shares and ADSs described in this prospectus by persons who are the absolute beneficial owners of their debt securities (in any case may be) and who are neither (a) resident in the United Kingdom for United Kingdom tax purposes nor

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(b) hold debt securities, preference shares or ADSs in connection with any trade or business carried on in the United Kingdom through any establishment in the United Kingdom. It is based upon the opinion of Clifford Chance LLP, our United Kingdom solicitors. Certain United Kingdom tax consequences in respect to the warrants will be described in the applicable pricing supplement. This summary is based on current United Kingdom law and HMRC (“HMRC”) practice and the provisions of the Double Taxation Treaty between the United Kingdom and the United States (the “Treaty”) of which are subject to change at any time, possibly with retrospective effect.

This summary is not comprehensive and does not deal with the position of United Kingdom resident persons or with that of persons who are not resident in the United Kingdom who carry on a trade, profession or vocation in the United Kingdom through a branch, agency or permanent establishment in the United Kingdom in which their debt securities, preference shares or ADSs are used or held. Additionally the summary may not apply to certain classes of persons. The summary below assumes that debt securities will not be issued or transferred to any depositary receipt system and that holders of ADSs will be treated for United Kingdom tax as beneficial owners of the preference shares represented by the ADSs.

You should consult your own tax advisors concerning the consequences of acquiring, owning and disposing of debt securities, preference shares or ADSs in the circumstances, including the applicability and effect of the Treaty.

Debt Securities

Payments of Interest. If the interest on the debt securities does not have a United Kingdom source, no withholding or deduction for or on account of United Kingdom income tax will be made from payments of interest on the debt securities.

Interest on the debt securities may, however, constitute United Kingdom source income for United Kingdom tax purposes. Even if the interest on the debt securities that carry a right to interest will constitute “quoted Eurobonds” within the meaning of Section 987 of the Income Tax Act 2003, they will continue to be listed on a “recognized stock exchange” within the meaning of Section 1005 of the ITA. Accordingly, payments of interest (including any premium, to the extent such premium, or any part of such premium, constitutes interest for United Kingdom tax purposes) on the debt securities made or received by any collecting agent) may be made (or received, as the case may be) without withholding or deduction for or on account of United Kingdom income tax if the securities are listed on a recognized stock exchange at the time the interest is paid.

Interest on debt securities having a maturity of not more than 364 days from the date of issue may also be paid without withholding or deduction for or on account of United Kingdom income tax, provided the debt securities are not issued under arrangements the effect of which is to render such debt securities payable for a period of more than one year or more. In addition to the exemptions described above, interest on the debt securities may be paid without withholding or deduction for or on account of United Kingdom income tax so long as the issuer of the debt securities is authorized for the purposes of the United Kingdom Financial Services and Markets Act 2000 (FSMA) and consists wholly or mainly of dealing in financial instruments (as defined by Section 984 of the ITA) as principal and so long as such payments are made in the ordinary course of that business. We are currently authorized for the purposes of FSMA.

In all other cases, unless the interest on the debt securities is paid by a “bank” (as defined in section 991 of the ITA) in the ordinary course of business, interest will be withheld on account of income tax at the basic rate (currently 20%), subject to any such relief as may be available, or subject to any direction of the HMRC as to the amount of such relief as may be available pursuant to the provisions of any applicable double tax treaty. In accordance with the published practice of HMRC, interest will be paid by a “bank” in the ordinary course of business unless either (i) the borrowing in question conforms to any of the definitions of tier 1, 2 or 3 capital for regulatory purposes, or (ii) the characteristics of the transaction giving rise to the interest are such as to give rise to an intention to avoid United Kingdom tax. We are currently a “bank” for the purposes of Section 991 of the ITA.

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Payments made in respect of the debt securities may be subject to United Kingdom tax by direct assessment even where such payments are not subject to United Kingdom withholding tax. However, as regards a holder of debt securities who is not resident in the United Kingdom for United Kingdom tax purposes, payments made in respect of the debt securities without withholding or deduction will generally not be subject to United Kingdom tax provided that the relevant holder does not (in the case of an individual) carry on a profession or vocation in the United Kingdom through a branch or agency or (in the case of a company) carry on a trade or business in the United Kingdom. An establishment in the United Kingdom in each case in connection with which the interest is received or to which the debt securities are attributable. Exemptions for interest received by certain categories of agent) tax may be levied on the United Kingdom branch or agency, or permanent establishment.

Discount. The profit realized on any disposal (which includes redemption) of any Discount Security may attract United Kingdom withholding tax. Such profit may be subject to United Kingdom tax by direct assessment to the same extent as interest which has a United Kingdom source and may also be subject to United Kingdom tax as outlined below under “—Provision of Information”.

Payments other than interest. Where a payment on a debt security does not constitute (or is not treated as) interest for United Kingdom tax purposes, it may be subject to United Kingdom withholding tax if, for example, it constitutes (or is treated as) an annual payment, a manufactured payment, rent or royalty (which will be determined by, amongst other things, the terms and conditions specified in the pricing supplement of the debt securities). In such cases, the payment will be made under deduction of United Kingdom tax (the rate of withholding depending on the nature of the payment), subject to any exemption from such relief as may be available under the provisions of any applicable double tax treaty. Holders of debt securities should seek their own professional advice regarding the withholding tax treatment of any payment on the debt securities which does not constitute “interest” or “principal” as those terms are understood in the United Kingdom.

Provision of Information. Holders of debt securities should note that the Company or any persons in the United Kingdom paying interest to or for another person may be required to provide certain information to HMRC regarding the identity of the payee or person entitled to the interest. Such information may be passed to the tax authorities in other countries.

In addition, on June 3, 2003 the European Council adopted the Directive. Under the Directive, each Member State of the EU is required to provide to the other Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual or a limited types of entity established in that other Member State; however, for a transitional period, Austria, Belgium and Luxembourg have been exempted from the Directive. Belgium has a withholding system in relation to such payments, deducting tax at rates rising over time to 35 percent. The transitional period is to terminate on January 1, 2010, following agreement by certain non-EU countries to the exchange of information relating to such payments. As from January 1, 2010, Belgium will implement a withholding system with the information exchange system as provided for under the Directive.

A number of non-EU countries, and certain dependent or associated territories of certain Member States, have adopted similar measures (either transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual or an entity established in a Member State. In addition, the Member States have entered into provision of information or transitional withholding agreements with certain dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual or an entity established in one of those territories.

Investors should note that the European Commission has announced proposals to amend the Directive in order to improve its effectiveness. If implemented, would, inter alia, extend the scope of the Directive so as to cover (i) a wider range of income similar to interest, and (ii) payments made to an entity (whether or not established in a Member State) for the ultimate benefit of an EU resident individual.

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Disposal (including Redemption), Accruals and Changes in Value. A holder of debt securities who is neither resident nor (in the case of an individual) domiciled in the United Kingdom will not be liable to United Kingdom taxation in respect of a disposal (including redemption) of a debt security, any gain or loss on the disposal, or any change in the value of a debt security unless the holder carries on a trade, profession or vocation in the United Kingdom through a branch or agency or company, through a permanent establishment and the debt security was used in or for the purposes of this trade, profession or vocation or activity in the course of the purposes of the branch or agency or permanent establishment.

Inheritance Tax. A holder of debt securities who is an individual domiciled outside the United Kingdom will generally not be liable to United Kingdom inheritance tax on account of his holding of debt securities. This will be the case provided that any register of the debt securities is held outside the United Kingdom and the debt securities are held outside the United Kingdom. If no register is maintained, there may be a liability to inheritance tax if the debt securities are held or enforceable in the United Kingdom. It may also be the case if the debt securities are registered and the only register which is maintained is maintained in the United Kingdom. If there is a reduction in any United Kingdom inheritance tax liability may be available for U.S. holders under the Estate Tax Treaty made between the United States and the United Kingdom. Holders should note that “domicile” usually has an extended meaning in respect of inheritance tax, so that a person who has been resident in the United Kingdom for 17 out of a period of 20 years ending with the current year will be regarded as domiciled in the United Kingdom.

Issue of debt securities—Stamp Duty. No United Kingdom stamp duty will generally be payable on the issue of debt securities provided that a statutory exemption applies, such as the exemption for debt securities which constitute “loan capital” for the purposes of section 78(7) of the Finance Act 1986 and are not denominated in a currency other than sterling.

Issue of debt securities—Stamp Duty Reserve Tax. No United Kingdom stamp duty reserve tax will be payable on the issue of debt securities if they are issued directly to the provider of a clearance service or its nominee. In that case, stamp duty reserve tax may be chargeable at the rate of 1.5% of the nominal value of the securities.

This charge will arise unless either (a) a statutory exemption is available or (b) the clearance service has made an election under section 97A of the Finance Act 1986 in respect of the relevant debt securities. A statutory exemption from the charge will be available (i) if the relevant debt securities constitute “exempt loan capital” for the purposes of section 78(7) of the Finance Act 1986 (Transfer of debt securities—Stamp Duty”), or (ii) for certain bearer securities provided certain conditions are satisfied.

If this charge arises, the clearance service operator or its nominee will strictly be accountable for the stamp duty reserve tax, but in practice the charge will be borne by the participants in the clearance service.

Transfers of debt securities—Stamp Duty. No liability for United Kingdom stamp duty will arise on a transfer of, or an agreement to transfer, any debt securities, provided that the debt securities constitute “exempt loan capital”. Broadly, “exempt loan capital” is “loan capital” for the purposes of section 78(7) of the Finance Act 1986 which does not carry or (in the case of (ii), (iii) and (iv) below) has not at any time prior to the relevant transfer or agreement to transfer:

- (i) a right of conversion into shares or other securities, or to the acquisition of shares or other securities, including loan capital;
- (ii) a right to interest the amount of which exceeds a reasonable commercial return on the nominal amount of the capital;
- (iii) a right to interest the amount of which falls or has fallen to be determined to any extent by reference to the results of, or the value of any property; or

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- (iv) a right on repayment to an amount which exceeds the nominal amount of the capital and is not reasonably comparable with the nominal amount of capital) under the terms of issue of loan capital listed in the Official List of the FCA, or the capacity as the competent authority for the purposes of Part VI of the FSMA.

Even if a debt security does not constitute exempt loan capital (a “Non-Exempt Debt Security”), no stamp duty will arise on transfer of the security if the transfer is effected by electronic means, without executing any written transfer of, or written agreement to transfer, the security within a clearing system and the transfer is effected by electronic means, without executing any written transfer of, or written agreement to transfer, the security.

However if a Non-Exempt Debt Security is transferred by means of a written instrument, or a written agreement is entered into to transfer a security, and such interest falls short of full legal and beneficial ownership of the debt security, the relevant instrument or agreement may be liable to stamp duty (at the rate of 1.5% of the consideration, rounded up if necessary to the nearest multiple of £5). If there is no U.K. register and the relevant instrument or agreement is not registered in the United Kingdom at all times, no stamp duty should, in practice, need to be paid on such document. However, in the event that the relevant document is not registered in the United Kingdom for any purpose, then stamp duty may be payable. Interest may also be payable on the amount of such stamp duty, unless the stamp duty is paid within 30 days after the day on which it was executed. Penalties for late stamping may also be payable on the stamping of such document (in addition to the stamp duty) if the document is not stamped within 30 days after the day on which it was executed or, if the instrument was executed outside the United Kingdom, within 30 days after the day on which it was executed in the United Kingdom. However, no stamp duty will be payable on any such written transfer, or written agreement to transfer, if the amount or value of the consideration is £1,000 or under, and the document contains a statement that the transfer does not form part of a larger transaction or series of transactions or if the amount or value, or aggregate amount or value, of the consideration exceeds £1,000.

In addition to the above, if a Non-Exempt Debt Security is in registered form, and the debt security is transferred, or agreed to be transferred, to a nominee, stamp duty may be chargeable (at the rate of 1.5% of the consideration for the transfer or, if none, of the value of the relevant debt security, rounded up to the nearest multiple of £5) on any document effecting, or containing an agreement to effect, such a transfer.

If a document is subject to stamp duty, it may not be produced in civil proceedings in the United Kingdom, and may not be available for any purpose until the stamp duty (and any interest and penalties for late stamping) have been paid.

Transfers of debt securities—Stamp Duty Reserve Tax. No stamp duty reserve tax will be chargeable on the transfer of, or on an agreement to transfer, a debt security if the transfer or agreement to transfer is in respect of the ownership of a debt security which constitutes “exempt loan capital”.

If a debt security is a “Non-Exempt Debt Security”, stamp duty reserve tax (at the rate of 0.5% of the consideration) may be chargeable on a transfer of the debt security. An exemption from the charge is available for certain securities in bearer form, provided certain conditions are satisfied. The charge will be available if the debt securities are held within a clearance service, provided the clearance service has not made an election pursuant to section 97A of Finance Act 1986 which applies to the relevant debt securities. Any liability to stamp duty reserve tax which arises on such an agreement may be removed by the agreement and either no stamp duty is chargeable on that transfer or the transfer is duly stamped within the prescribed time limits. Where stamp duty is chargeable, subject to certain exceptions, it is normally the liability of the purchaser or transferee of the debt securities.

In addition to the above, stamp duty reserve tax may be chargeable (at the rate of 1.5% of the consideration for the transfer or, if none, of the value of the relevant debt security, rounded up to the nearest multiple of £5) on the transfer of a Non-Exempt Debt Security to the provider of a clearance service or its nominee. This charge will arise unless either (a) a stamp duty reserve tax exemption election has been made by the clearance service or (b) the clearance service has made an election under section 97A of Finance Act 1986 which applies to the relevant debt securities. A statutory exemption is available for certain bearer securities provided certain conditions are satisfied. If this charge arises, the clearance service operator or its nominee will be liable to pay the stamp duty reserve tax.

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strictly be accountable for the stamp duty reserve tax, but in practice it will generally be reimbursed by participants in the clearance service.

Redemption of debt securities—Stamp Duty and Stamp Duty Reserve Tax. No stamp duty or stamp duty reserve tax will generally be payable provided no issue or transfer of shares or other securities is effected upon or in connection with such redemption.

Preference Shares and ADSs

Dividends. No withholding or deduction for or on account of United Kingdom tax will be made from payments of dividends on the preference shares or ADSs.

Holders of preference shares or ADSs who (a) are not resident in the United Kingdom for United Kingdom tax purposes and (b) who do not carry on a trade, profession or vocation in the United Kingdom or, in the case of companies, carry on a trade or business in the United Kingdom through a branch or agency in the United Kingdom in connection with which the dividend is received or to which the preference shares or ADSs are attributable in the United Kingdom, from us will not have any further United Kingdom tax to pay in respect of such dividend. Holders of preference shares or ADSs will not normally be liable to pay United Kingdom tax on the payment in respect of the dividend from HMRC under any applicable double tax treaty; in particular, holders who are resident in the United Kingdom will not be liable to claim any additional payment in respect of the dividend from HMRC under the Treaty.

Disposals. Holders of preference shares or ADSs who are neither resident nor (in the case of an individual) ordinarily resident in the United Kingdom for United Kingdom tax on income or chargeable gains (or for any other United Kingdom tax upon a disposal or deemed disposal of or other assets) unless they carry on a trade, profession or vocation in the United Kingdom through a branch or agency or, in the case of a company, carry on a trade or business in the United Kingdom through a branch or agency or have been used or held by or for the purposes of this trade, profession or vocation or acquired for the purposes of the branch or agency or permanent establishment, in which case such holders of preference shares or ADSs might, depending on individual circumstances, be liable to pay United Kingdom tax on chargeable gains on any disposal (or deemed disposal) of preference shares or ADSs.

Inheritance Tax. Where the preference shares or ADSs are not situated in the United Kingdom, beneficial owners of such preference shares or ADSs who are domiciled in the United Kingdom will not be subject to United Kingdom inheritance tax in respect of such preference shares or ADSs. Where the preference shares or ADSs are situated in the United Kingdom, beneficial owners of such preference shares or ADSs who are individuals may be subject to United Kingdom inheritance tax on the death of the individual or, in some circumstances, if the preference shares or ADSs are the subject of a gift, on the market value, by that individual. It is not clear whether the situs of an ADS for U.K. inheritance tax purposes is determined by the place where the ADS is issued, the records of the entitlements of the deposit holders, or by the situs of the underlying share which the ADS represents.

Inheritance tax is not generally chargeable on gifts to individuals made more than seven years before the death of the donor.

Subject to limited exclusions, gifts to settlements (which would include, very broadly, private trust arrangements) or to companies may give rise to inheritance tax charges. Preference shares or ADSs held in settlements may also be subject to inheritance tax charges periodically during the continuance of the settlement or on certain other events. Investors should take their own professional advice as to whether any particular arrangements constitute settlements for inheritance tax purposes.

Stamp Duty and Stamp Duty Reserve Tax. Any documentary transfer of, or documentary agreement to transfer, any preference share or any ADS will generally be liable to United Kingdom stamp duty, generally at the rate of 0.5% of the amount or value of the consideration for the transfer (or, in the case of stamp duty). Stamp duty will not be chargeable on any document effecting a transfer, or

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document containing an agreement to transfer the preference shares where the amount or value of the consideration for the transfer is £1,000, effecting the transfer contains a statement that the transfer does not form part of a larger transaction or series of transactions in respect of which the aggregate amount or value, of the consideration exceeds £1,000. Stamp duty is usually the liability of the purchaser or transferee of the shares. If the transfer of such preference shares will also generally be subject to stamp duty reserve tax, generally at the rate of 0.5% of the amount or value of the shares, such liability will be cancelled, or, if already paid, refunded, if the agreement is completed by a duly stamped transfer within six years of the transfer being unconditional. Stamp duty reserve tax is normally the liability of the purchaser or transferee of the shares.

Where we issue preference shares, or a holder of preference shares transfers such preference shares, to an ADR issuer, a liability for United Kingdom stamp duty reserve tax at the rate of 1.5% (rounded up to the next multiple of £5 in the case of stamp duty) of either the issue price or, in the case of a transfer, the amount or value of the consideration for the transfer, or the value of the preference shares, may arise. Any such liability for United Kingdom stamp duty or stamp duty reserve tax will be the liability of the ADR issuer (or their nominee or agent). However, in practice, (i) where preference shares are issued to an ADR issuer, we will otherwise bear the cost and (ii) where preference shares are transferred to an ADR issuer, the liability for payment of the United Kingdom stamp duty or stamp duty reserve tax will depend on the arrangements in place between the seller, the ADR issuer and the purchaser.

Where we issue preference shares, or a holder of preference shares transfers such preference shares, to a person providing clearance services, and the person providing clearance services has not made an election under section 97A Finance Act 1986, a liability for United Kingdom stamp duty or stamp duty reserve tax at the rate of 1.5% (rounded up to the next multiple of £5 in the case of stamp duty) of either the issue price or, in the case of a transfer, the amount or value of the consideration for the transfer, or the value of the preference shares, may arise. Any such liability for United Kingdom stamp duty or stamp duty reserve tax will be the liability of the person providing clearance services (or their nominee or agent). However, in practice, (i) where preference shares are issued to a person providing clearance services, we will reimburse the person providing clearing services or otherwise bear the cost and (ii) where preference shares are transferred to a person providing clearance services (or their nominee or agent), the liability for payment of the United Kingdom stamp duty or stamp duty reserve tax will depend on the arrangements in place between the person providing clearance services and the purchaser. Transfers of preference shares within a clearance system are generally outside the scope of the instrument of transfer, and are exempt from stamp duty reserve tax.

Where we issue preference shares, or a holder of preference shares transfers such preference shares, to a person providing clearance services, and the person has made an election under section 97A Finance Act 1986, there will be no liability for United Kingdom stamp duty or stamp duty reserve tax. However, a liability for United Kingdom stamp duty or stamp duty reserve tax at a rate of 0.5% may arise on the transfer of, or agreement to transfer, preference shares as set out in the first paragraph under the heading “Stamp Duty and Stamp Duty Reserve Tax”).

No liability for stamp duty or stamp duty reserve tax will arise on a transfer of ADSs, provided that any document that effects such transfer is not a document that is subject to stamp duty or stamp duty reserve tax and that it remains at all subsequent times outside the United Kingdom. An agreement to transfer ADSs will not give rise to a liability for stamp duty or stamp duty reserve tax.

Stamp Duty Reserve Tax—Recent European Court of Justice (“ECJ”) Decision. The ECJ gave its decision in the case of HSBC Holdings plc v. Commissioners of Her Majesty’s Revenue & Customs (Case C – 596/07) on October 1, 2009. In summary, it stated that the 1.5% charge to stamp duty reserve tax on the issue of shares into a clearance service is incompatible with the EC Capital Duty Directive. Subsequent to this decision, HMRC issued a press release on October 1, 2009, it will not seek to apply a 1.5% stamp duty reserve tax charge on the issue of shares into a clearance service within the EU. The same approach will apply with respect to shares issued into Euroclear Bank S.A./N.V. and Clearstream Banking, Luxembourg. A number of related issues are being considered, including:

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- (i) HMRC maintain that the application of the 1.5% stamp duty reserve tax charge on the issue of shares into a clearance service outside the EU is not contrary to EU law. This point is likely to be the subject of litigation in the future. Pending the outcome, the compatibility of the 1.5% charge with EU law in these circumstances is unclear.
- (ii) Neither the decision in the HSBC Holdings case, nor the HMRC press release, deals with instruments other than shares. The distinction between shares and other types of instruments raising fresh capital in this context, and so this point may also require further clarification by HMRC in the future.
- (iii) The ECJ made no express comment with respect to the compatibility with EC law of the 1.5% stamp duty reserve tax charge on securities to a clearance service or depositary receipt service (whether within the EU or otherwise). The position, in this regard, remains unclear.

HMRC has also stated in their press release that the U.K. government's policy position remains that transactions involving U.K. shares should continue to be subject to the stamp duty reserve tax regime in the light of the HSBC Holdings decision. Such changes may affect the stamp duty reserve tax regimes but the 1.5% charges to stamp duty and stamp duty reserve tax would seem particularly likely to be affected.

PLAN OF DISTRIBUTION

Initial Offering and Issue of Securities

We may issue all or part of the securities from time to time, in terms determined at that time, through underwriters, dealers and/or agents, directly or in combination of any of these methods. We will set forth in the applicable prospectus supplement:

- the terms of the offering of the securities;
- the names of any underwriters, dealers or agents involved in the sale of the securities;
- the principal amounts of securities any underwriters will subscribe for;
- any applicable underwriting commissions or discounts which shall be no more than 3% of the proceeds from the offering; and
- our net proceeds.

If we use underwriters in the issue, they will acquire the securities for their own account and they may effect distribution of the securities from time to time in one or more transactions. These transactions may be at a fixed price or prices, which they may change, or at prevailing market prices, or related to prevailing market prices. The securities may be offered to the public either through underwriting syndicates represented by managing underwriters or underwritten by one or more dealers. If the applicable prospectus supplement specifies otherwise, the underwriters' obligations to subscribe for the securities will depend on certain conditions being satisfied, the underwriters will be obligated to subscribe for all of the securities of the series, if they subscribe for any of them. The terms, conditions, discounts or concessions allowed or reallowed or paid to dealers may change from time to time.

If we use dealers in the issue, unless the applicable prospectus supplement specifies otherwise, we will issue the securities to the dealers as principal and they will resell the securities to the public at varying prices that the dealers will determine at the time of sale.

We may also issue securities through agents we designate from time to time, or we may issue securities directly. The applicable prospectus supplement will set forth the terms and conditions of any such issue.

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involved in the offering and issue of the securities, and will

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also set forth any commissions that we will pay. Unless the applicable prospectus supplement indicates otherwise, any agent will be acting on our behalf from the date of its appointment. Agents through whom we issue securities may enter into arrangements with other institutions with respect to the distribution of securities. Such institutions may share in the commissions, discounts or other compensation received by our agents, may be compensated separately and may be compensated for purchasers for whom they may act as agents.

In connection with the issue of securities, underwriters may receive compensation from us or from subscribers of securities for whom they may act as agents. Such compensation may be in the form of discounts, concessions or commissions. Underwriters may sell securities to or through dealers, and these dealers may receive compensation in the form of discounts, concessions or commissions from the underwriters. Dealers may also receive commissions from the subscribers for whom they may act as agents and agents that participate in the distribution of securities may be deemed to be underwriters, and any discounts or commissions received by them in connection with the sale of securities by them may be deemed to be underwriting discounts and commissions under the Securities Act. The prospectus supplement will describe the compensation agent, and describe any compensation that we provide.

If the applicable prospectus supplement so indicates, we will authorize underwriters, dealers or agents to solicit offers to subscribe the securities. If the applicable prospectus supplement so indicates, the prospectus supplement will also indicate on what date payment and delivery will be made. There may be a minimum amount which must be paid to subscribe, or a minimum portion of the aggregate principal amount of the securities which may be issued by this type of arrangement. Institutional investors, including commercial and savings banks, insurance companies, pension funds, investment companies, educational and charitable institutions and any other institutional investors, and subscribers' obligations under delayed delivery and payment arrangements will not be subject to any conditions; however, the institutional investors' obligations to purchase securities must not at the time of delivery be prohibited under the laws of any relevant jurisdiction in respect, either of the validity of the arrangements or of the obligations of the institutional investors under the arrangements.

We may enter into agreements with the underwriters, dealers and agents who participate in the distribution of the securities that may fully or partially release us from civil liabilities, including liabilities under the Securities Act. Underwriters, dealers and agents may be customers of, engage in transactions with or be affiliates of Barclays PLC and the Barclays Bank Group in the ordinary course of business.

Barclays Capital Inc. is a subsidiary of Barclays PLC and may participate in one or more offerings of our securities. Rule 2720 of the Conduct Rules for Investment Securities Dealers, Inc., as administered by the Financial Industry Regulatory Authority ("FINRA") (or any successor rule thereto) ("Rule 2720") applies to us when a FINRA member, such as Barclays Capital Inc., distributes an affiliated company's securities, such as our securities. Barclays Capital Inc. will ensure that any offering of securities in which it participates will comply with the applicable requirements of Rule 2720.

Barclays Capital Inc. will not confirm initial issues to accounts over which it exercises discretionary authority without the prior written approval of the applicable regulatory authority.

Selling Restrictions

Unless the applicable prospectus supplement specifies otherwise, we will not offer the securities or any investments representing securities, or any interest in securities, to the public in the United Kingdom or any member state of the European Economic Area ("EEA") which has implemented Directive 2003/71/EC.

Selling Restrictions Addressing United Kingdom Securities Laws

Unless otherwise specified in any agreement between us and the underwriters, dealers and/or agents in relation to the distribution of the securities, including ADSs or ADRs, of any series and subject to the terms specified in the agreement, any underwriter, dealer or agent in connection with the distribution of securities may be deemed to be acting on our behalf.

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securities or any investments representing securities, including ADSs or ADRs, of any series will confirm and agree that:

- it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation to participate in an offering of securities or any investments representing securities, including ADSs or ADRs, in circumstances in which Section 21(1) of the FSMA, apply to us; and
- it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the securities or any investments representing securities, including ADSs and ADRs in, from or otherwise involving the United Kingdom.

Public Offer Selling Restriction Under The Prospectus Directive

Unless otherwise specified in any agreement between us and the underwriters, dealers and/or agents in relation to the distribution of the securities, including ADSs or ADRs, of any series and subject to the terms specified in the agreement, in relation to each member state of the European Union in which the Prospectus Directive is implemented, any underwriter, dealer or agent in connection with an offering of securities or any investments representing securities, including ADSs or ADRs, of any series will confirm and agree that with effect from and including the date on which the Prospectus Directive is implemented in that relevant member state (“relevant implementation date”) it has not made and will not make an offer of any securities or any investments representing securities which are the subject of the prospectus contemplated by the prospectus as completed by the prospectus supplement in relation thereto to the public in that relevant member state except in accordance with the Prospectus Directive, including the relevant implementation date, make an offer of the securities to the public in that relevant member state:

- if the relevant prospectus supplement in relation to the securities specifies that an offer of those securities may be made other than by way of a public offer in that relevant member state (a non-exempt offer), following the date of publication of a prospectus in relation to the securities, approved by the competent authority in that relevant member state or, where appropriate, approved in another relevant member state by the competent authority in that relevant member state, provided that any such prospectus has subsequently been completed by the prospectus supplement in relation to the securities, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus supplement;
- at any time to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, to invest in securities;
- at any time to any legal entity which has two or more of (i) an average of at least 250 employees during the last financial year; (ii) an average turnover of more than €43,000,000 and (iii) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;
- at any time to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subscribed to the securities, as nominated by the relevant underwriters, dealers and/or agents nominated by us for any such offer; or
- at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of securities referred to in the second to fifth bullet points above shall require us or any underwriter, dealer and/or agent to prepare and publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

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The expression “an offer of any securities or any investments representing securities to the public” in relation to such securities or investments is the communication in any form and by any means of sufficient information on the terms of the offer and the securities or investments to be offered, so that the investor can decide to purchase or subscribe the securities or investments, as the same may be varied in that member state by any measure implementing the law of that member state.

Market-Making Resales

This prospectus may be used by Barclays Capital Inc. in connection with offers and sales of the securities in market-making transactions. In such transactions, Barclays Capital Inc. may resell a security it acquires from other holders, after the original offering and sale of the security. Resales of this kind may be made privately negotiated, at prevailing market prices at the time of resale or at related or negotiated prices. In these transactions, Barclays Capital Inc. acts as agent for the counterparty in a transaction in which Barclays Capital Inc. acts as principal, or as agent for both counterparties in a transaction in which Barclays Capital Inc. does not act as principal. Barclays Capital Inc. may receive compensation in the form of discounts and commissions, including in connection with the resale of securities. Other affiliates of Barclays Bank PLC may also engage in transactions of this kind and may use this prospectus for this purpose.

The indeterminate aggregate initial offering price relates to the initial offering of the securities described in the prospectus supplement. This price is determined in market-making transactions. The latter include securities to be issued after the date of this prospectus, as well as securities previously issued.

Barclays Bank PLC may receive, directly or indirectly, all or a portion of the proceeds of any market making transactions by Barclays Capital Inc.

Information about the trade and settlement dates, as well as the purchase price, for a market-making transaction will be provided to the purchaser.

Unless we or an agent informs you in your confirmation of sale that your security is being purchased in its original offering and sale, you may not purchase your security in a market-making transaction.

Matters Relating to Initial Offering and Market-Making Resales

Each series of securities will be a new issue, and there will be no established trading market for any security prior to its original issue date. No trading market for any series of securities on a securities exchange or quotation system. We have been advised by Barclays Capital Inc. that it intends to make a market in the securities. Underwriters to whom we sell securities for public offering or broker-dealers may also make a market in those securities. However, neither the underwriter or broker-dealer that makes a market is obligated to do so, and any of them may stop doing so at any time without notice. We cannot guarantee the liquidity of the trading market for the securities.

Unless otherwise indicated in the applicable prospectus supplement or confirmation of sale, the purchase price of the securities will be required to be paid in funds in New York City.

In this prospectus or any accompanying prospectus supplement, the terms “this offering” means the initial offering of securities made in connection with the initial offering. This term does not refer to any subsequent resales of securities in market-making transactions.

SERVICE OF PROCESS AND ENFORCEMENT OF LIABILITIES

We are an English public limited company. Substantially all of our directors and executive officers and a number of the experts named in the prospectus are located in the United States. All or a substantial portion of the assets of those persons are located outside the United States. Most of our assets are located outside the United States.

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result, it may not be possible for you to effect service of process within the United States upon those persons or to

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enforce against them judgments of U.S. courts based upon the civil liability provisions of the federal securities laws of the United States. We have also advised our U.S. solicitors, Clifford Chance LLP, that there is doubt as to the enforceability in the United Kingdom, in original actions or in actions for enforcement of liabilities based solely upon the federal securities laws of the United States.

WHERE YOU CAN FIND MORE INFORMATION

We are subject to the information requirements of the Exchange Act. Accordingly, we file jointly with Barclays PLC, reports and other information required to be filed with the SEC.

The SEC maintains an internet site at <http://www.sec.gov> that contains reports and other information we file electronically with the SEC. You may also obtain copies of the reports and other information that we file with the SEC at the public reference facilities maintained at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Such information may be obtained by mail from the Public Reference Section of the SEC at 100 F Street, N.E., Room 1580, Washington, D.C. 20549 at prescribed rates. You may also inspect and copy that material at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005, on which some of our securities are listed.

We will furnish to the debt trustee and warrant trustee referred to under “Description of Debt Securities” and “Description of Warrants” annual reports, including a description of operations and annual audited consolidated financial statements prepared in accordance with IFRS. We will also furnish to the debt trustee and warrant trustee interim reports that will include unaudited interim summary consolidated financial information prepared in accordance with IFRS. We will also furnish to the debt trustee all notices of meetings at which holders of securities are entitled to vote, and all other reports and communications that are made generally available to the public.

FURTHER INFORMATION

We have filed with the SEC a registration statement on Form F-3 with respect to the securities offered with this prospectus. This prospectus supplement is part of the registration statement and it omits some information that is contained in the registration statement. You can access the registration statement together with exhibits filed with the SEC at <http://www.sec.gov> or inspect these documents at the offices of the SEC in order to obtain that additional information about us and the securities offered in this prospectus.

VALIDITY OF SECURITIES

If stated in the prospectus supplement applicable to a specific issuance of debt securities or warrants, the validity of such securities under New York law will be passed upon by our U.S. counsel, Sullivan & Cromwell LLP. If stated in the prospectus supplement applicable to a specific issuance of debt securities or warrants, the validity of such securities under English law may be passed upon by our English solicitors, Clifford Chance LLP. Sullivan & Cromwell LLP may rely on the opinion of our U.S. counsel as to the validity of such securities under New York law and Clifford Chance LLP may rely on the opinion of Sullivan & Cromwell LLP as to all matters of New York law. If this prospectus supplement is part of an underwritten offering, the validity of the debt securities or warrants may be passed upon for the underwriters by United States and English counsel. If no English counsel is specified, such U.S. counsel to the underwriters may also rely on the opinion of our U.S. counsel as to all matters of English law.

EXPERTS

The financial statements and management’s assessment of the effectiveness of internal control over financial reporting (which is included in the Annual Report of Barclays PLC and Barclays Bank PLC) incorporated in this Prospectus by reference to the Annual Report of Barclays PLC and Barclays Bank PLC for the year ended December 31, 2009 have been so incorporated in reliance on the reports of PricewaterhouseCoopers LLP, an independent registered public accounting firm, of said firm as experts in auditing and accounting.

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EXPENSES OF ISSUANCE AND DISTRIBUTION

The following is a statement of the expenses (all of which are estimated), other than any underwriting discounts and commission and expenses in connection with a distribution of an assumed amount of \$100,000,000 of securities registered under this Registration Statement:

Securities and Exchange Commission registration fee
Printing and engraving expenses
Legal fees and expenses
Accountants' fees and expenses
Trustee fees and expenses
ADR Depositary's fees and expenses
Miscellaneous

Total

(1) Deferred in accordance with Rule 456(b) and 457(r) under the Securities Act.

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\$1,250,000,000 5.140% Lower Tier 2 Notes due October 2020 Barcl

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October 6, 2010

(to Prospectus dated August 31, 2010)

Barclays Capital

CIBC

Fifth Third Securities, Inc.

RBC Capital Markets

SunTrust Robinson Humphrey

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**US Bancorp
Wells Fargo Securities**