

**Supplement Number 1 dated 14 August 2012
to the Base Prospectus dated 1 June 2012**



BARCLAYS PLC
(incorporated with limited liability in England)

BARCLAYS BANK PLC
(incorporated with limited liability in England and Wales)

as Issuers

£60,000,000,000
Debt Issuance Programme

This base prospectus supplement (the "**Supplement**") is supplemental to, forms part of and must be read in conjunction with, the base prospectus dated 1 June 2012 (the "**Base Prospectus**") prepared by Barclays PLC (the "**Company**") and Barclays Bank PLC (the "**Bank**" and, together with the Company, the "**Issuers**") with respect to their £60,000,000,000 Debt Issuance Programme (the "**Programme**"). This Supplement constitutes a supplementary prospectus in respect of the Base Prospectus for the Issuers for the purposes of Section 87G of the Financial Services and Markets Act 2000.

Terms defined in the Base Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement. The Supplement is supplemental to, and shall be read in conjunction with, the Base Prospectus and other supplements to the Base Prospectus issued by the Issuers.

This Supplement has been approved by the United Kingdom Financial Services Authority (the "**FSA**"), which is the United Kingdom competent authority for the purposes of Directive 2003/71/EC (the "**Prospectus Directive**") and relevant implementing measures in the United Kingdom, as a base prospectus supplement issued in compliance with the Prospectus Directive and relevant implementing measures in the United Kingdom.

With effect from the date of this Supplement the information appearing in, or incorporated by reference into, the Base Prospectus shall be supplemented in the manner described below. The purpose of this Supplement is to (i) incorporate by reference, the following documents: (a) the joint unaudited Interim Results Announcement of the Company and the Bank in respect of the six months ended 30 June 2012 as filed with the SEC on Form 6-K on Film Number 12989144 as Exhibit 99.1 on 27 July 2012 (the "**Interim Results Announcement**"); (b) the capitalisation and indebtedness table of the Bank Group as at 30 June 2012 as filed with the SEC on Form 6-K on Film Number 12989144 as Exhibit 99.4 on 27 July 2012 (the "**Bank's Capitalisation and Indebtedness Table**"); and (c) the capitalisation and indebtedness table of the Group as at 30 June 2012 as filed with the SEC on Form 6-K on Film Number 12989144 as Exhibit 99.3 on 27 July 2012 (the "**Company's Capitalisation and Indebtedness Table**"); and (ii) supplement the Base Prospectus with the information relating to: (a) revised credit ratings; (b) board changes; (c) the investigations into the London Interbank Offered Rate by certain regulatory authorities; (d) a review and redress exercise in respect of certain interest rate hedging products; (e) an investigation by the FSA involving the Bank; (f) developments in the legal proceedings relating to the acquisition by BCI of assets of Lehman Brothers Inc.; (g) civil actions relating to the London Interbank Offered Rate;

(h) documents on display; (i) the significant change statement; and (j) the legal proceedings statement, each as set out in the sections below.

Any information contained in the document specified above which is not incorporated by reference in the Base Prospectus is either not relevant for prospective investors for the purposes of Article 5(1) of the Prospectus Directive or is covered elsewhere in the Base Prospectus.

1. The section of the Base Prospectus entitled "*The Issuers and the Group*" is supplemented with the following information:

1.1 **Ratings**

An announcement from Moody's Investors Service Ltd. ("**Moody's**") on 21 June 2012 that Moody's changed (i) its short-term credit ratings for the Company from P-1 to P-2; and (ii) its long-term credit ratings for the Company from A1 to A3 and for the Bank from Aa3 to A2. Moody's revised its credit ratings for the Company and the Bank following a review of 15 banks and securities firms with global capital markets operations (originally announced on 15 February 2012).

1.2 **Board Changes**

On 2 July 2012, the Company and the Bank announced the resignation of Chairman, Marcus Agius and that Sir Michael Rake has been appointed Deputy Chairman.

On 3 July 2012, the Company and the Bank announced the resignation of Bob Diamond as Chief Executive and a Director with immediate effect. Marcus Agius will lead the search for a new Chief Executive and chair the Barclays Executive Committee pending the appointment of a new Chief Executive, and he will be supported in discharging these responsibilities by Sir Michael Rake, Deputy Chairman. The search for a new Chief Executive commenced immediately and will consider both internal and external candidates. The businesses will continue to be managed by the existing leadership teams.

On 25 July 2012, the Company and the Bank announced that Alison Carnwath resigned from their respective Boards of Directors with effect from 24 July 2012.

On 9 August 2012, the Company and the Bank announced that Sir David Walker has been appointed as a Non-Executive Director with effect from 1 September 2012 and will succeed Marcus Agius as Chairman with effect from 1 November 2012. Marcus Agius will step down as a Director and as Chairman with effect from 31 October 2012.

1.3 **London Interbank Offered Rate**

The FSA, the U.S. Commodity Futures Trading Commission (the "**CFTC**"), the SEC, the U.S. Department of Justice Fraud Section (the "**DOJ-FS**") and Antitrust Division and the European Commission are amongst various authorities conducting investigations (the "**Investigations**") into submissions made by the Bank and other panel members to the bodies that set various interbank offered rates, such as the London Interbank Offered Rate ("**LIBOR**") and the Euro Interbank Offered Rate ("**EURIBOR**").

On 27 June 2012, the Bank announced that it had reached settlements with the FSA, the CFTC and the DOJ-FS in relation to the Investigations and the Bank has agreed to pay total penalties of £290 million (pounds sterling equivalent), which have been reflected in operating expenses for 2012. The settlements were made by entry into a Settlement Agreement with the FSA, a Non-Prosecution Agreement with the DOJ-FS and a Settlement Order Agreement with the CFTC. In addition, the Bank has been granted conditional leniency from the Antitrust Division of the Department of Justice in connection with potential US antitrust law violations with respect to financial instruments that reference EURIBOR.

On 6 July 2012, the UK Serious Fraud Office announced that it had decided formally to accept the LIBOR matter for investigation.

1.4 **Interest Rate Hedging Products**

On 29 June 2012, the FSA announced that it had reached agreement with a number of UK banks (including the Bank) in relation to a review and redress exercise to be carried out in respect of interest rate hedging products sold to small and medium sized enterprises. The Bank took a provision of £450 million in the first half of 2012, reflecting £350 million for the costs of redress and £100 million to reflect the widening of credit spreads since the original products were entered into (and which the Bank expects to unwind over the life of the new arrangements). The ultimate cost of this exercise was (as at the date of this Supplement) uncertain and the provision was based on a number of initial estimates relating to the appropriate implementation of the agreement. These estimates primarily relate to the number of customers that will be subject to the review and to the extent and nature of any redress payable. In this context, the appropriate provision level will be kept under ongoing review.

1.5 **Other Disclosure Matters**

The FSA has commenced an investigation involving the Bank and four current and former senior employees, including Chris Lucas, Group Finance Director. The FSA is investigating the sufficiency of disclosure in relation to fees payable under certain commercial agreements and whether these may have related to capital raisings by the Company and the Bank in June and November 2008.

The Bank considers that it satisfied its disclosure obligations and confirms that it will cooperate fully with the FSA's investigation.

1.6 **Lehman Brothers Holdings Inc.**

After briefing and argument, the United States District Court for the Southern District of New York (the "**District Court**") issued its Opinion on 5 June 2012 in which it reversed one of the Court's rulings on the Contract Claims that had been adverse to BCI and affirmed the Court's other rulings on the Contract Claims. On 17 July 2012, the District Court issued an amended Opinion, correcting certain errors but not otherwise affecting the rulings, and an agreed judgment implementing the rulings in the Opinion (the "**Judgment**"). BCI and the Trustee have each filed a notice of appeal from the adverse rulings of the District Court to the United States Court of Appeals for the Second Circuit.

Under the Judgment, BCI is entitled to receive: (i) U.S.\$1.1 billion (£0.7 billion) from the Trustee in respect of "clearance box" assets; (ii) property held at various institutions to secure obligations under the exchange-traded derivatives transferred to BCI in the transaction pursuant to which BCI and other companies in the Group acquired most of the assets of LBI in September 2008 (the "**ETD Margin**"), subject to the proviso that BCI will be entitled to receive U.S.\$507 million (£0.3 billion) of the ETD Margin only if and to the extent the Trustee has assets available once the Trustee has satisfied all of LBI's customer claims; and (iii) U.S.\$769 million (£0.5 billion) from the Trustee in respect of LBI's 15c3-3 reserve account assets only if and to the extent the Trustee has assets available once the Trustee has satisfied all of LBI's customer claims.

A portion of the ETD Margin which has not yet been recovered by BCI or the Trustee is held or owed by certain institutions outside the United States (including several Lehman affiliates that are subject to insolvency or similar proceedings). As at the date of this Supplement, the Bank cannot reliably estimate at this time how much of the ETD Margin held or owed by such institutions BCI is ultimately likely to receive. Further, the Bank cannot reliably estimate (as at the date of this Supplement) if and to the extent the Trustee will have assets remaining available to it to pay BCI the U.S.\$507 million (£0.3 billion) in respect of ETD Margin or the U.S.\$769 million (£0.5 billion) in respect of LBI's 15c3-3 reserve account assets after satisfying all of LBI's customer claims. If the District Court's rulings were to be unaffected by future proceedings, the Bank estimates that after taking into account the effective provision of U.S.\$1.3 billion (£0.8 billion) its loss would be approximately U.S.\$0.9 billion (£0.6 billion), conservatively assuming no recovery by BCI of any of the ETD Margin not yet recovered by BCI or the Trustee that is held or owed by institutions outside the United States and no recovery by BCI of the U.S.\$507 million (£0.3 billion) in respect of ETD Margin or the U.S.\$769 million (£0.5 billion) in respect of LBI's 15c3-3 reserve account assets. Any such loss, however, was not

(as at the date of this Supplement) considered probable and the Bank is satisfied with the current level of provision.

1.7 **LIBOR Civil Actions**

The Bank and other banks have been named as defendants in class action lawsuits filed in United States Federal Courts in connection with their roles as contributor panel banks to U.S. Dollar LIBOR, the first of which was filed on 15 April 2011. The complaints are substantially similar and allege, amongst other things, that the Bank and the other banks individually and collectively violated various provisions of the Sherman Act, the U.S. Commodity Exchange Act and various state laws by suppressing U.S. Dollar LIBOR rates. The Bank is also named along with other banks in three individual lawsuits by Charles Schwab & Co., Inc. and/or its affiliates, which allege substantially similar claims, as well as violations of the U.S. Racketeer Influenced and Corrupt Organizations Act (“**RICO**”). The lawsuits seek an unspecified amount of damages and trebling of damages under the Sherman and RICO Acts.

An additional class action was commenced on 30 April 2012 in the United States District Court for the Southern District of New York (the “**District Court**”) against the Bank and other Japanese Yen LIBOR panel banks by plaintiffs involved in exchange-traded derivatives. The complaint also names members of the Japanese Bankers Association’s Euroyen Tokyo Interbank Offered Rate (“**TIBOR**”) panel, of which the Bank is not a member. The complaint alleges, amongst other things, manipulation of the Euroyen TIBOR and Yen LIBOR rates and breaches of US antitrust laws between 2006 and 2010.

A further class action was commenced on 6 July 2012 in the District Court against the Bank and other EURIBOR panel banks by plaintiffs that purchased or sold EURIBOR-related financial instruments. The complaint alleges, amongst other things, manipulation of the EURIBOR rate and breaches of the Sherman Act and the U.S. Commodity Exchange Act beginning as early as 1 January 2005 and continuing through to 31 December 2009. The Bank has been granted conditional leniency from the Antitrust Division of the Department of Justice (the “**DOJ**”) in connection with potential U.S. antitrust law violations with respect to financial instruments that reference EURIBOR. As a result of that grant of conditional leniency, the Bank is eligible for (i) a limit on liability to actual rather than treble damages if damages were to be awarded in any civil antitrust action under U.S. antitrust law based on conduct covered by the conditional leniency; and (ii) relief from potential joint-and-several liability in connection with such civil antitrust action, subject to the Bank satisfying the DOJ and the court presiding over the civil litigation of its satisfaction of its cooperation obligations.

The Bank has also been named as a defendant along with a current and former member of its Board of Directors in a proposed securities class action pending in the District Court in connection with the Bank’s role as a contributor panel bank to LIBOR. The complaint alleges that the Bank’s Annual Reports for the years 2006 to 2011 contained misstatements and omissions concerning (amongst other things) the Bank’s compliance with its operational risk management processes and certain laws and regulations. The complaint is brought on behalf of a proposed class consisting of all persons or entities (other than the defendants) that purchased American Depositary Receipts sponsored by the Bank on an American securities exchange between 10 July 2007 and 27 June 2012. The complaint asserts claims under Sections 10(b) and 20(a) of the U.S. Securities Exchange Act 1934.

As at the date of this Supplement, it was not practicable to provide an estimate of the financial impact of the potential exposure of any of the actions described or what effect, if any, that they might have upon operating results, cash flows or the Bank’s or Group’s financial position in any particular period.

2. The section of the Base Prospectus entitled “*General Information*” is supplemented with the following information:

2.1 **Documents on Display**

Copies of the Interim Results Announcement, the Bank’s Capitalisation and Indebtedness Table and the Company’s Capitalisation and Indebtedness Table may be inspected during normal

business hours at Barclays Treasury, 1 Churchill Place, London E14 5HP United Kingdom and at the specified office of the Principal Paying Agent, at One Canada Square, London E14 5AL, United Kingdom, for 12 months from the date of this Supplement.

2.2 Significant Change

Since 30 June 2012, there has been no significant change in the financial or trading position of the Company, the Bank, the Group or, as the case may be, the Bank Group.

2.3 Legal Proceedings

Save as disclosed in the Base Prospectus under “*The Issuers and the Group – Legal Proceedings*”, other than the first paragraph contained in the section entitled “*Other*” at page 80, and as disclosed in this Supplement, neither the Company nor the Bank is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuers are aware), which may have or have had during the 12 months preceding the date of this Base Prospectus, a significant effect on the financial position or profitability of the Company, the Bank, the Group and/or, as the case may be, the Bank Group.

For as long as any of the notes issued under the Programme are admitted to trading on the Regulated Market of the London Stock Exchange plc and the rules of the FSA so require, for the life of the Base Prospectus, copies of the Interim Results Announcement, the Bank's Capitalisation and Indebtedness Table and the Company's Capitalisation and Indebtedness Table may be inspected during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) at Barclays Treasury, 1 Churchill Place, London E14 5HP and at the specified office of The Bank of New York Mellon, as Principal Paying Agent, currently located at One Canada Square, London E14 5AL.

IMPORTANT NOTICES

Each of the Issuers accepts responsibility for the information contained in this Supplement and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Supplement is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by this Supplement and (b) any other statement in, or incorporated by reference into, the Base Prospectus, the statements in (a) above will prevail.

Save as disclosed in this Supplement, no significant new factor, material mistake or inaccuracy relating to the information included in the Base Prospectus which is capable of affecting the assessment of the Notes issued under the Programme has arisen or been noted, as the case may be, since the publication of the Base Prospectus.

If documents which are incorporated by reference into this Supplement themselves incorporate any information or other documents therein, either expressly or implicitly, such information or other documents will not form part of this Supplement for the purposes of the Prospectus Directive except where such information or other documents are specifically incorporated by reference into the Supplement.

Investors should be aware of their rights under Section 87Q(4) to (6) of the Financial Services and Markets Act 2000.

14 August 2012