PROSPECTUS DATED 19 NOVEMBER 2012

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

U.S.$ 3,000,000,000 7.625 per cent.
Contingent Capital Notes due November 2022

We, Barclays Bank PLC (the "**Issuer**") are issuing U.S.$3,000,000,000 aggregate principal amount of 7.625 per cent. Contingent Capital Notes due November 2022 (collectively, the "**Notes**", and each individually a "**Note**") at an issue price of 100 per cent.

From and including the date of issuance, interest will accrue on the Notes at a rate of 7.625 per cent. per annum. Interest will be payable in two equal semi-annual instalments in arrear on 21 May and 21 November of each year (each an "**Interest Payment Date**"), commencing on 21 May 2013. 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 claims of depositors and any other existing and future unsecured and unsubordinated indebtedness. Consequently, in the event of our winding up or administration, the claims of the trustee (on behalf of the holders of the Notes but not the rights and claims of the trustee in its personal capacity under the Indenture (as defined below)) and the holders of the Notes, in respect of such Notes (including any damages or other payments awarded for breach of any obligations thereunder) shall be subordinated to the claims of all Senior Creditors (as defined below). Unless previously redeemed or otherwise cancelled, the Notes will mature on 21 November 2022.

As further described under "*Description of Contingent Capital Notes—Automatic Transfer Upon Capital Adequacy Trigger Event*" below, if a Capital Adequacy Trigger Event (as defined below) occurs, an Automatic Transfer (as defined below) will occur on the business day immediately following the expiration of the Suspension Period (as defined below), at which point the Notes will be automatically transferred from the holders prior to such Automatic Transfer (the "Pre-Transfer Holders") to our parent, Barclays PLC (or another entity within the Group (as defined below)), for nil consideration. Such Automatic Transfer will result in the Pre-Transfer Holders not having any rights against us with respect to repayment of the principal amount of the Notes that has not become due or the payment of interest on such Notes for any period from (and including) the Interest Payment Date falling immediately prior to the occurrence of such Automatic Transfer. As a result, the Pre-Transfer Holders will lose their entire investment in the Notes.

We may, at our option, redeem the Notes, in whole but not in part, at any time at 100% of their principal amount, together with any accrued but unpaid interest to the date fixed for redemption, in the event of a change in certain U.K. regulatory capital requirements as described in this Prospectus under "*Description of Contingent Capital Notes—Redemption—Regulatory Event Redemption.*" In addition, we may redeem the Notes, in whole but not in part, at any time at 100% of their principal amount, together with any accrued but unpaid interest to the date fixed for redemption, upon the occurrence of certain tax events as described in this Prospectus under "*Description of Contingent Capital Notes—Redemption—Tax Redemption.*" Any redemption of the Notes is subject to the restrictions described in this Prospectus under "*Description of Contingent Capital Notes—Redemption—Limitations on Redemption*" and "*Description of Contingent Capital Notes—Redemption—Notice to the FSA*.".

This Prospectus 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, as amended (the "**Prospectus Directive**") and relevant implementing measures in the United Kingdom as a prospectus issued in compliance with the Prospectus Directive and relevant implementing measures in the United Kingdom for the purpose of giving information with regard to the issue of the Notes. Applications have been made for the Notes to be admitted to listing on the Official List of the FSA and to trading on the Regulated Market of the London Stock Exchange plc (the "**London Stock Exchange**") on or about the Issue Date (as defined below). The Regulated Market of the London Stock Exchange is a regulated market for the purposes of Directive 2004/39/EC on markets in financial instruments.

The Notes will be in registered form in the denomination of U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof. The Notes will be represented by one or more global securities registered in the name of a nominee of Depository Trust Company ("**DTC**"). Beneficial interests in the Notes will be shown on, and transfers thereof will be effected only through, records maintained by DTC and its direct and indirect participants, including Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, *société anonyme*, Luxembourg ("**Clearstream Luxembourg**"). We will not issue certificated Notes except in limited circumstances set out in "*Global Securities—Special Situations When a Global Security Will Be Terminated*". Settlement of the Notes will occur through DTC in same day funds. For information on DTC's book-entry system, see "*Clearance and Settlement—The Clearing Systems—DTC*".

The Notes will be rated BBB- and BBB-, respectively by Standard & Poor's Credit Market Services Europe Limited and Fitch Ratings Limited, each of which are established in the European Union and registered under Regulation (EC) No 1060/2009, as amended. **A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.**

Investing in the Notes involves risks. For more information, see the section entitled "*Risk Factors*", and the information included and incorporated by reference in this Prospectus for a discussion of the factors you should carefully consider before deciding to invest in the Notes.

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

By its acquisition of the Notes, each Pre-Transfer Holder shall be deemed to have (i) consented to the Automatic Transfer and acknowledged that such Automatic Transfer of its Notes (including any beneficial interest therein) following a Capital Adequacy Trigger Event may occur without any action on such Pre-Transfer Holder's part and (ii) authorized, directed and requested DTC and any direct participant in DTC or other intermediary through which it holds such Notes to take any and all necessary action, if required, to effectuate the Automatic Transfer without any further action or direction on the part of such Pre-Transfer Holder.

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

Global Coordinator, Sole Structuring Adviser and Bookrunner

BARCLAYS

Joint Bookrunners

Citigroup	**Credit Suisse**	**Deutsche Bank Securities**	**Morgan Stanley**

Co-Lead Managers

ABN AMRO	**Banca IMI**	**Banco Bilbao Vizcaya Argentaria, S.A.**
BNP PARIBAS	**BofA Merrill Lynch**	**Danske Bank**
ING	**Lloyds Bank**	**Mediobanca**
Mitsubishi UFJ Securities	**Mizuho Securities**	**Natixis**
Santander Investment Securities Inc.	**Scotiabank**	**SOCIETE GENERALE**
SMBC Nikko	**TD Securities**	**US Bancorp**

Wells Fargo Securities

19 November 2012

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IMPORTANT NOTICES

We accept responsibility for the information contained in this Prospectus and declare that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus to the best of our knowledge is in accordance with the facts and contains no omission likely to affect its import.

We have confirmed to Barclays Capital Inc. and the other underwriters (as defined in "*Subscription and Sale*" below) that this Prospectus contains all information regarding ourselves and the Notes which is (in the context of the issue of the Notes) material; such information is true and accurate in all material respects and is not misleading in any material respect; any opinions, predictions or intentions expressed in this Prospectus on our part are honestly held or made and are not misleading in any material respect; this Prospectus does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in such context) not misleading in any material respect; and all proper enquiries have been made to ascertain and to verify the foregoing.

We have not authorised the making or provision of any representation or information regarding ourselves or the Notes other than as contained in this Prospectus or as approved for such purpose by us. Any such representation or information should not be relied upon as having been authorised by us or the underwriters.

Neither the underwriters nor any of their respective affiliates have authorised the whole or any part of this Prospectus and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Prospectus. Neither the delivery of this Prospectus nor the offering, sale or delivery of any Note shall in any circumstances create any implication that there has been no adverse change, or any event reasonably likely to involve any adverse change, in our condition (financial or otherwise) since the date of this Prospectus.

This Prospectus does not constitute an offer of, or an invitation to subscribe for or purchase, any Notes.

The distribution of this Prospectus and the offering, sale and delivery of Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by us and by the underwriters to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on distribution of this Prospectus and other offering material relating to the Notes, see "*Subscription and Sale*".

Each potential investor in the Notes should determine the suitability of such investment in light of its own circumstances. In particular, each potential investor should:

(i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

(iii) understand thoroughly the terms of the Notes, such as the provisions governing an Automatic Transfer (including, in particular, the circumstances under which a Capital Adequacy Trigger Event may occur); and

(iv) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Prior to making an investment decision, potential investors should consider carefully, in light of their own financial circumstances and investment objectives, all the information contained in this Prospectus or incorporated by reference herein.

In this Prospectus, unless otherwise specified, references to a "**Member State**" are references to a Member State of the European Economic Area, references to "**U.S.$**", "**U.S. dollars**" or "**dollars**" are to United States dollars, and references to "**DTC**" shall include any successor clearing system. For purposes of this Prospectus, the term "**Group**" shall mean Barclays PLC and its consolidated subsidiaries, unless

the context indicates otherwise. References to "**we**" "**us**" and "**our**" refer to Barclays Bank PLC (or any successor entity) and its consolidated subsidiaries, unless the context indicates otherwise, and references to "**Barclays PLC**" shall include any successor holding company of Barclays Bank PLC.

In connection with the issue of the Notes, Barclays Capital Inc. (the "Stabilising Manager(s)")(or persons acting on behalf of the Stabilising Manager(s)) may over allot Notes or effect transactions with a view to supporting the price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the Stabilising Manager(s) (or persons acting on behalf of the Stabilising Manager(s)) in accordance with all applicable laws and rules.

FORWARD-LOOKING STATEMENTS

This Prospectus and certain documents incorporated by reference herein contain forward-looking statements within the meaning of Section 21E of the U.S. Securities Exchange Act 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," "projected," "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, impairment 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 and other statements that are not historical fact.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances, including, but not limited to, U.K. domestic, Eurozone and global macroeconomic and business conditions, the effects of continued volatility in credit markets, market related risks such as changes in interest rates and foreign exchange rates, effects of changes in valuation of credit market exposures, changes in valuation of issued Notes, the policies and actions of governmental and regulatory authorities (including requirements regarding capital and our structures and the potential for one or more countries exiting the Eurozone), 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 current and future legal proceedings, the success of future acquisitions and other strategic transactions and the impact of competition, a number of which factors are beyond our control. In particular, the rules under CRD IV (as defined below), including with respect to the calculation of common equity tier 1 capital and risk weighted assets, have not been finalized and remain subject to change by European legislators, and the FSA may also alter its stated approach to the adoption of CRD IV in the United Kingdom. Accordingly, the basis on which our CET1 Capital (as defined below) and Risk Weighted Assets (as defined below) are calculated under the final CRD IV rules may be different than the way we currently anticipate it will be calculated. As a result of these uncertain events and circumstances, our actual future results and capital ratios 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 31 December 2011, 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 speak only as of the date they are made. Except as required by the FSA, the London Stock Exchange or applicable law, we expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained in this Prospectus or the documents incorporated by reference herein to reflect any changes in expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based. The reader should, however, consult any additional disclosures that we have made or may make in documents we have filed or may file with the SEC.

INFORMATION INCORPORATED BY REFERENCE

The following information has been filed with the FSA and shall be deemed to be incorporated in, and to form part of, this Prospectus:

(a) the joint Annual Report of the Issuer, as filed with the SEC on Form 20-F in respect of the years ended 31 December 2010 and 31 December 2011 (the "**Joint Annual Report**"), with the exception of the information incorporated by reference in the Joint Annual Report referred to in the Exhibit Index of the Joint Annual Report, which shall not be deemed to be incorporated in this Prospectus;

(b) the Annual Reports of the Issuer containing the audited consolidated financial statements of the Issuer in respect of the years ended 31 December 2010 (the "**2010 Issuer Annual Report**") and 31 December 2011 (the "**2011 Issuer Annual Report**"), respectively;

(c) the unaudited Interim Management Statement of the Company as filed with the SEC on Form 6-K on 31 October 2012, with Film Number 121170347 in respect of the nine months ended 30 September 2012 (the "**Interim Management Statement**");

(d) the capitalisation and indebtedness table of the Issuer and its consolidated subsidiaries (the "**Group**") as at 30 June 2012 as filed with the SEC on Form 6-K on Film Number 121170347 as Exhibit 99.3 on 31 October 2012 (the "**June 2012 Issuer's Capitalisation and Indebtedness Table**");

(e) the capitalisation and indebtedness table of Barclays PLC and its consolidated subsidiaries as at 30 June 2012 as filed with the SEC on Form 6-K on Film Number 121170347 as Exhibit 99.2 on 31 October 2012 (the "**June 2012 Barclays PLC's Capitalisation and Indebtedness Table**");

(f) the sections entitled "*Risk Factors*", set out on pages 9 to 22 (inclusive), and "*The Issuers and the Group*", set out on pages 75 to 80 (inclusive), of the base prospectus dated 1 June 2012 and relating to the Issuer's Debt Issuance Programme, as supplemented by the supplement dated 14 August 2012 ("**Supplement No. 1**") and the supplement dated 7 November 2012 ("**Supplement No.2**") (together, the "**Base Prospectus**");

(g) Supplement No.1 which, *inter alia*, incorporates by reference the Interim Results Announcement, the Bank's Capitalisation and Indebtedness Table and the Company's Capitalisation and Indebtedness Table (as such terms are defined therein); and

(h) Supplement No.2, which, *inter alia*, incorporates by reference the Interim Management Statement, the Bank's Capitalisation and Indebtedness Table and the Company's Capitalisation and Indebtedness Table (as such terms are defined therein).

The above documents may be inspected as described in paragraph 5 of "*General Information*". Any information contained in any of the documents specified above which is not incorporated by reference in this Prospectus is either not relevant for prospective investors for the purposes of Article 5(1) of the Prospectus Directive or is covered elsewhere in this Prospectus.

The table below sets out the relevant page references for the information contained within the Joint Annual Report:

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Each of Barclays PLC and the Issuer has applied IFRS as issued by the International Accounting Standards Board and as adopted by the EU in the financial statements incorporated by reference above. A summary of the significant accounting policies for each of Barclays PLC and the Issuer is included in each of the Joint Annual Report, the 2010 Issuer Annual Report and the 2011 Issuer Annual Report.

OVERVIEW

This overview must be read as an introduction to this Prospectus and any decision to invest in the Notes should be based on a consideration of the Prospectus as a whole, including the documents incorporated by reference. No civil liability attaches to the persons responsible for this overview in any Member State of the European Economic Area which has implemented the Prospectus Directive solely on the basis of this overview, including any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus, including any information incorporated by reference. Where a claim relating to the information contained in this Prospectus is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member State, be required to bear the costs of translating the Prospectus before the legal proceedings are initiated.

Words and expressions defined in the section entitled "Description of Contingent Capital Notes" have the same meanings in this overview.

The Issuer	Barclays Bank PLC Barclays Bank PLC, including its subsidiary undertakings, is a major global financial services provider engaged in retail banking, credit cards, corporate banking, investment banking, wealth management and investment management services. The whole of the issued ordinary share capital of Barclays Bank PLC is beneficially owned by Barclays PLC, which is the ultimate holding company of Barclays Bank PLC and one of the largest financial services companies in the world by market capitalization.
The Notes	U.S.$3,000,000,000 aggregate principal amount of 7.625% Contingent Capital Notes due November 2022. The Notes will constitute a series of Dated Subordinated Debt Securities issued under the Indenture.
Issue Date	21 November 2012
Maturity	Unless previously redeemed or otherwise cancelled, the Notes will be repaid at 100% of their principal amount plus accrued interest on 21 November 2022.
Price to Public	100 %
Interest Rate	The Notes will bear interest at a rate of 7.625% per annum.
Interest Payment Dates	Each 21 May and 21 November, commencing on 21 May 2013.
Regular Record Dates	The 15th calendar day preceding each Interest Payment Date, whether or not such day is a business day. The term "**business day**" means any weekday, other than one on which banking institutions are authorized or obligated by law or executive order to close in London, England, or in New York City.
Ranking	The Notes will constitute our direct, unsecured and subordinated obligations, ranking equally without any preference among themselves. In the event of our winding up or administration, the claims of the trustee (on behalf of the holders of the Notes but not the rights and claims of the trustee in its personal capacity under the Indenture) and the holders of the Notes, in respect of such Notes (including any damages or other payments awarded for breach of any obligations thereunder) shall: (i) be subordinated to the claims of all Senior Creditors; (ii) rank at least *pari passu* with the claims of holders of all our other

dated subordinated obligations and our other securities which in each case by law rank, or by their terms are expressed to rank, *pari passu* with the Notes ("**Other Pari Passu Claims**"); and

(iii) rank senior to our ordinary shares, preference shares and any junior subordinated obligations or other securities which in each case either by law rank, or by their terms are expressed to rank, junior to the Notes.

The claims of such other creditors, with the exception of the claims specified in sub-paragraphs (ii) and (iii) above, are referred to in this Prospectus as "**Dated Debt Senior Claims**". Accordingly, no amount will be payable in our winding up in respect of claims in relation to the Notes until all Dated Debt Senior Claims admitted in our winding up have been satisfied.

"**Senior Creditors**" means creditors (i) who are depositors and/or other unsubordinated creditors; or (ii) who are subordinated creditors (whether aforesaid or otherwise) other than those whose claims by law rank, or by their terms are expressed to rank, *pari passu* with or junior to the claims of the holders of the Notes.

For the avoidance of doubt, the Notes shall rank *pari passu* with, amongst others, our U.S.$1,250,000,000 5.140% Lower Tier 2 Notes due October 2020 issued on 14 October 2010.

Regulatory Event Redemption

If we determine that for any reason the Notes are fully excluded from the Group's Tier 2 Capital within the meaning and for the purposes of (1) the capital adequacy requirements of the FSA or (2) any other regulation, directive or other binding rules, standards or decisions adopted by the institutions of the European Union (a "**Regulatory Event**"), we may (subject to (a) the provisions described under "*—Limitations on Redemption and Notice to the FSA*" below, (b) giving not less than 30 days' nor more than 60 days' notice to the trustee and the holders of the Notes (such notice being irrevocable) specifying the date fixed for such redemption and (c) the circumstance that entitles us to exercise such right of redemption of the Notes not being (in our opinion) reasonably foreseeable at the issue date) redeem the Notes, in whole but not in part, at a redemption price equal to 100% of their principal amount, together with any accrued but unpaid interest to (but excluding) the date fixed for redemption. Upon the expiry of such notice period, we shall be bound to redeem the Notes accordingly.

Tax Redemption

In the event of any change in tax law or regulation or the official application or interpretation thereof that would (1) require us to pay additional amounts to holders, (2) result in us not being entitled to claim a deduction in respect of any payments in computing our taxation liabilities or materially reducing the amount of such deduction or (3) result in us not, as a result of the Notes being in issue, being able to have losses or deductions set against the profits or gains, or profits or gains offset by the losses or deductions, of companies with which we are or would otherwise be so grouped for applicable United Kingdom tax purposes (whether under the group relief system current as at the date of issue of the Notes or any similar system or systems having like effect as may from time to time exist) (each of (1), (2) and (3) above, a "**Tax Event**"), in each case as described in this Prospectus under "*Description of Contingent Capital Notes—Redemption—Tax Redemption*," we will have the option to redeem the Notes, in whole but not in part, upon not less than 30 days' nor more than 60 days' notice to the holders at a price equal to 100% of their principal amount, together with any accrued but unpaid interest to (but excluding) the date fixed for redemption; *provided that* (a) the

circumstance that entitles us to exercise such right of redemption of the Notes was not (in our opinion) reasonably foreseeable at the issue date of the Notes and (b) in the case of each Tax Event, such obligation cannot be avoided by us taking reasonable measures available to us.

Any redemption as a result of a Tax Event would also be subject to the provisions described below under "*—Limitations on Redemption and Notice to the FSA*."

Limitations on Redemption and Notice to the FSA

We may redeem the Notes prior to the fifth anniversary of their date of issue only (1) with the prior approval of the FSA; (2) if the circumstance that entitles us to exercise that right of redemption is the result of a change in the applicable tax treatment or regulatory classification of the Notes; and (3) if at the time of the exercise of the right of redemption (and if and to the extent required at such time), we comply with the FSA's main Pillar 1 rules applicable to us and other BIPRU firms (within the meaning of the FSA's General Prudential Sourcebook) and will continue to do so after the redemption of the Notes.

In addition, any redemption of the Notes on or after the fifth anniversary of their date of issue but prior to their scheduled maturity date, under the practice of the FSA prevailing as of the date of this Prospectus (which practice may change), would 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 resources requirement and (2) have sufficient overall financial resources, including capital and liquidity resources which are adequate both as to the amount and quality, to ensure that there is no significant risk that our liabilities cannot be met as they fall due.

Capital Adequacy Trigger Event

Except as described under "*Description of Contingent Capital Notes – Effect of Order or Resolution for Winding-up or Administration*", a "**Capital Adequacy Trigger Event**" shall occur if the CET1 Ratio (as defined below) as of any Quarterly Financial Period End Date (as defined below) or Extraordinary Calculation Date (as defined below), as the case may be, is less than 7.00% on such date.

Automatic Transfer upon Capital Adequacy Trigger Event

As described below under "*Description of Contingent Capital Notes—Automatic Transfer Upon Capital Adequacy Trigger Event*", if a Capital Adequacy Trigger Event occurs as of any Quarterly Financial Period End Date or Extraordinary Calculation Date, as the case may be, then, except as described under "*Description of Contingent Capital Notes – Effect of Order or Resolution for Winding-up or Administration*", an Automatic Transfer will occur on the business day immediately following the expiration of the Suspension Period.

Such Automatic Transfer will result in the Pre-Transfer Holders not having any rights against us with respect to repayment of the principal amount of the Notes that has not become due or the payment of interest on such Notes for any period from (and including) the Interest Payment Date falling immediately prior to the occurrence of such Automatic Transfer. As a result, the Pre-Transfer Holders will lose their entire investment in the Notes.

As described below under "*Description of Contingent Capital Notes—Automatic Transfer Upon Capital Adequacy Trigger Event—Automatic Transfer Procedure*," prior to the date on which an Automatic Transfer occurs, we will give an Automatic Transfer Notice to the trustee and the Pre-Transfer Holders via DTC. Following the receipt of such notice by DTC and the commencement of the Suspension Period, DTC shall suspend

all clearance and settlement of the Notes. As a result, Pre-Transfer Holders will not be able to settle the transfer of any Notes from the commencement of the Suspension Period, and any sale or other transfer of the Notes that a Pre-Transfer Holder may have initiated prior to the commencement of the Suspension Period that is scheduled to settle during the Suspension Period will be rejected by DTC and will not be settled within DTC.

For purposes of these provisions:

"**Automatic Transfer**" means the occurrence of the following prior to the maturity date:

(i) the automatic transfer of interests in the Notes from the Pre-Transfer Holders to our parent, Barclays PLC (or another entity within the Group), for nil consideration; and

(ii) for the avoidance of doubt, upon the automatic transfer referred to in clause (i) above, (a) all Pre-Transfer Holders will not have any rights against us with respect to repayment of the principal amount of the Notes that has not become due or the payment of interest on such Notes for any period from (and including) the Interest Payment Date falling immediately prior to the occurrence of such automatic transfer and (b) all rights under the Notes shall transfer to Barclays PLC (or another entity within the Group), except for any rights of Pre-Transfer Holders with respect to any payments under the Notes that were due and payable prior to the date of such automatic transfer.

"**Automatic Transfer Notice**" means the written notice delivered by us to the trustee and the Pre-Transfer Holders via DTC (or, if the Notes are held in definitive form, the trustee) specifying that a Capital Adequacy Trigger Event has occurred and that an Automatic Transfer shall therefore take place.

"**CET1 Capital**" means (i) as of any Quarterly Financial Period End Date or Extraordinary Calculation Date that falls before the CRD IV Adoption Date, the sum, expressed in pounds sterling, of all amounts that constitute core tier 1 capital of the Group as of such date, less any deductions from core tier 1 capital required to be made as of such date, in each case as calculated by Barclays PLC on a consolidated basis in accordance with the capital adequacy standards and guidelines of the FSA applicable to the Group on such Quarterly Financial Period End Date or Extraordinary Calculation Date, as the case may be (which calculation shall be binding on the trustee and the holders), and (ii) as of any Quarterly Financial Period End Date or Extraordinary Calculation Date that falls on or after the CRD IV Adoption Date, the sum, expressed in pounds sterling, of all amounts that constitute common equity tier 1 capital of the Group as of such date, less any deductions from common equity tier 1 capital required to be made as of such date, in each case as calculated by Barclays PLC on a consolidated basis in accordance with the capital adequacy standards and guidelines of the FSA applicable to the Group on such Quarterly Financial Period End Date or Extraordinary Calculation Date, as the case may be (which calculation shall be binding on the trustee and the holders). For the avoidance of doubt, the term "core tier 1 capital" as used in this definition shall have the meaning assigned to such term in the capital adequacy standards and guidelines of the FSA (as supplemented by any published statement or guidance given by the FSA from time to time, including, for the avoidance of doubt, the guidance provided by the FSA on 1 May 2009 in its letter to the British Bankers' Association regarding the "Definition of Core Tier 1 Capital") and "common equity tier 1 capital" as used in this definition shall have the meaning assigned to such term in CRD IV as

interpreted and applied in accordance with the capital adequacy standards and guidelines of the FSA from time to time, but subject always to the transitional arrangements thereunder as interpreted by the FSA pursuant to its press release of 26 October 2012 entitled "*CRD IV transitional provisions on capital resources*".

"**CET1 Ratio**" means, as of any Quarterly Financial Period End Date or Extraordinary Calculation Date, as the case may be, the ratio of CET1 Capital as of such date to the Risk Weighted Assets as of the same date, expressed as a percentage.

"**CRD IV**" means the legislative package consisting of the Directive and the Regulation of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms, the first drafts of which were published by the European Commission on 20 July 2011.

"**CRD IV Adoption Date**" means the date on which the Regulation that forms part of CRD IV is deemed to take effect in the United Kingdom according to the terms of such Regulation.

"**Extraordinary Calculation Date**" means any business day (other than a Quarterly Financial Period End Date) on which the CET1 Ratio is calculated upon the instruction of the FSA.

"**Ordinary Reporting Date**" means each business day on which Quarterly Financial Information is published by Barclays PLC.

"**Quarterly Financial Information**" means the financial information of the Group in respect of a fiscal quarter that is contained in the principal financial report for such fiscal quarter published by Barclays PLC. As of the date of this Prospectus, the principal financial reports published by Barclays PLC with respect to each fiscal quarter are: (i) the Q1 Interim Management Statement in respect of the first fiscal quarter, (ii) the Interim Results Announcement in respect of the first half of the year (including the second fiscal quarter), (iii) the Q3 Interim Management Statement in respect of the first nine months of the year (including the third fiscal quarter) and (iv) the Results Announcement in respect of the full year (including the fourth fiscal quarter).

"**Quarterly Financial Period End Date**" means, the last day of each fiscal quarter.

"**Risk Weighted Assets**" means, as of any Quarterly Financial Period End Date or Extraordinary Calculation Date, as the case may be, the aggregate amount, expressed in pounds sterling, of the risk weighted assets of the Group as of such date, as calculated by Barclays PLC on a consolidated basis in accordance with the capital adequacy standards and guidelines of the FSA applicable to the Group on such date (which calculation shall be binding on the trustee and the holders). For the avoidance of doubt, the term "risk weighted assets" as used in this definition shall have the meaning assigned to such term in the capital adequacy standards and guidelines of the FSA applicable to the Group on the relevant Quarterly Financial Period End Date or Extraordinary Calculation Date, as the case may be.

"**Suspension Period**" means the period of five (5) business days (or such other period as DTC shall determine in accordance with its rules and procedures) commencing on the business day immediately following the date on which the Automatic Transfer Notice is received by DTC; except that such period may commence on the second business day immediately

following the date on which the Automatic Transfer Notice is received by DTC, if DTC so determines in its discretion in accordance with its rules and procedures.

"See "*Description of Contingent Capital Notes—Automatic Transfer Upon Capital Adequacy Trigger Event*" for more information.

Event of Default and Defaults

An "**Event of Default**" with respect to the Notes shall result if (i) a court of competent jurisdiction in England (or such other jurisdiction in which we may be organized) makes an order for our winding up which is not successfully appealed within 30 days of the making of such order, or (ii) our shareholders adopt an effective resolution for our winding up (other than, in the case of either (i) or (ii) above, under or in connection with a scheme of reconstruction, merger or amalgamation not involving a bankruptcy or insolvency). There are no other Events of Default under the Notes. If an Event of Default occurs and is continuing, the trustee or the holders of at least 25% in aggregate principal amount of the outstanding Notes may declare the principal amount of, and any accrued but unpaid interest on, the Notes to be due and payable immediately. However, after this declaration, 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 outstanding Notes may rescind the declaration of acceleration and its consequences, but only if the Event of Default has been cured or waived and all payments due, other than those due as a result of acceleration, have been made.

A "**Default**" with respect to the Notes shall result if we do not pay any instalment of interest upon, or any part of the principal of, any 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.

Book-Entry Issuance, Settlement and Clearance

We will issue the Notes in fully registered form in denominations of U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof. The Notes will be represented by one or more global securities registered in the name of a nominee of DTC. You will hold beneficial interests in the Notes through DTC and its direct and indirect participants, including Euroclear and Clearstream Luxembourg, and DTC and its direct and indirect participants will record your beneficial interest on their books. We will not issue certificated Notes except in limited circumstances that we explain under "*Global Securities—Special Situations When a Global Security Will Be Terminated*". Settlement of the Notes will occur through DTC in same day funds. For information on DTC's book-entry system, see "*Clearance and Settlement—The Clearing Systems—DTC*".

Conflicts of Interest

Barclays Capital Inc. is an affiliate of Barclays Bank PLC and, as such, has a "conflict of interest" in this offering within the meaning of the Financial Industry Regulatory Authority ("**FINRA**") Rule 5121 (or any successor rule thereto) ("**Rule 5121**"). In addition, Barclays Bank PLC will receive the net proceeds (excluding the underwriting discount) from the offering of the Notes, which creates an additional conflict of interest within the meaning of Rule 5121. Consequently, this offering is being conducted in compliance with the provisions of Rule 5121. Barclays Capital Inc. is not permitted to sell Notes in this offering to an account over which it

	exercises discretionary authority without the prior specific written approval of the account holder.
CUSIP	06740L8C2
ISIN	US06740L8C27
Common Code	085736795
Listing and Trading	We will apply to have the Notes admitted to listing on the Official List of the FSA and to trading on the regulated market of the London Stock Exchange.
Trustee and Principal Paying Agent	The Bank of New York Mellon, One Canada Square, London E14 5AL, United Kingdom, will act as the trustee and initial principal paying agent for the Notes.
Timing and Delivery	We currently expect delivery of the Notes to occur on 21 November 2012.
Further Issues	We may, without the consent of the holders of the Notes, issue additional notes having the same ranking and same interest rate, maturity date, redemption terms and other terms as the Notes described in this Prospectus except for the price to the public and issue date. Any such additional notes, together with the Notes offered by this Prospectus, will constitute a single series of such securities under the Indenture. There is no limitation on the amount of Notes or other debt 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 further strengthen our regulatory capital base.
Governing Law	The Indenture and the Notes are governed by, and construed in accordance with, the laws of the State of New York, except for the subordination provisions in Section 4.01 of the First Supplemental Indenture, which are governed by, and construed in accordance with, the laws of England and Wales.
Risk Factors	Investing in the Notes offered under this Prospectus involves risk. For a discussion of certain risks that should be considered in connection with an investment in the Notes, see "*Risk Factors*" beginning on page 13 of this Prospectus and "*Additional information—Risk factors*" beginning on page 265 of our Joint Annual Report, which is incorporated by reference herein.

RISK FACTORS

Investing in the securities offered under this Prospectus involves risk. You should reach your own investment decision only after consultation with your own financial and legal advisers about risks associated with an investment in the Notes and the suitability of investing in the Notes in light of your particular financial circumstances. You should carefully consider the risk factors and the other information contained in this Prospectus, our Joint Annual Report for the year ended 31 December 2011 and the other information included and incorporated by reference in this Prospectus before deciding to invest in the Notes. If any of these risks materializes, our business, financial condition, and results of operations could suffer, and the trading price and liquidity of the Notes could decline, in which case you could lose some or all of your investment.

Risks Relating to the Notes

The Notes may be subject to an Automatic Transfer and upon the occurrence of such an event you will lose all of your principal.

Upon the occurrence of an Automatic Transfer, the Notes will be automatically transferred to our parent, Barclays PLC (or another entity within the Group), for nil consideration. As a result, you will lose the entire amount of your investment in the Notes and have no rights against us with respect to the repayment of the principal amount of the Notes that has not become due or the payment of interest on such Notes for any period from (and including) the Interest Payment Date falling immediately prior to the occurrence of such Automatic Transfer. See "*Description of Contingent Capital Notes—Automatic Transfer Upon Capital Adequacy Trigger Event*" for more information.

Furthermore, upon the occurrence of an Automatic Transfer, the Pre-Transfer Holders will not (i) receive any shares or other participation rights in Barclays Bank PLC or Barclays PLC or be entitled to any other participation in the upside potential of any equity or debt securities issued by Barclays Bank PLC, Barclays PLC or any other member of the Group, or (ii) be entitled to any subsequent re-transfer or any other compensation in the event of any change in the Group's CET1 Ratio.

Except as described under "*Description of Contingent Capital Notes – Effect of Order or Resolution for Winding-up or Administration*", a Capital Adequacy Trigger Event will occur if the Group's CET1 Ratio, as of certain specified dates, falls below 7.00%. For more information, see "*—The circumstances surrounding or triggering an Automatic Transfer are unpredictable*." and "*—Changes in law may adversely affect the rights of holders of the Notes.*"

The circumstances surrounding or triggering an Automatic Transfer are unpredictable.

The occurrence of a Capital Adequacy Trigger Event is inherently unpredictable and depends on a number of factors, any of which may be outside our control. Moreover, because the FSA may instruct us to calculate the CET1 Ratio as of any date, a Capital Adequacy Trigger Event could occur at any time.

The occurrence of a Capital Adequacy Trigger Event depends, in part, on the calculation of the CET1 Ratio and whether such ratio is below 7.00%. Such calculation could be affected by, among other things, the growth of the Group's business and its future earnings, expected dividend payments by Barclays PLC, regulatory changes (including changes to definitions and calculations of regulatory capital, including CET1 Capital and Risk Weighted Assets (each of which shall be calculated by Barclays PLC on a consolidated basis and such calculation shall be binding on the trustee and the holders)) and the Group's ability to reduce Risk Weighted Assets in businesses that it may seek to exit. This calculation may also be affected by changes in applicable accounting rules. Those accounting changes may have a material adverse impact on the Group's reported financial position. In addition, we are currently conducting a strategic review of the Group's business, which is expected to be completed by February 2013. It is uncertain what changes, if any, that the strategic review will have on the Group's business in the future and whether such changes, if any, would impact our Risk Weighted Assets and as a result affect the calculation of our regulatory capital ratios, including the CET1 Ratio, over time.

Because of the inherent uncertainty regarding whether a Capital Adequacy Trigger Event shall occur, it will be difficult to predict when, if at all, an Automatic Transfer may occur. Accordingly, the trading behavior of the Notes is not necessarily expected to follow the trading behavior of other types of subordinated securities. Any indication that a Capital Adequacy Trigger Event (and subsequent

Automatic Transfer) may occur can be expected to have a material adverse effect on the market price of the Notes.

Holders will bear the risk of fluctuations in the CET1 Ratio.

The market price of the Notes is expected to be affected by fluctuations in the CET1 Ratio. Fluctuations in the CET1 Ratio may be caused by changes in the amount of CET1 Capital and/or Risk Weighted Assets (each of which shall be calculated by Barclays PLC on a consolidated basis and such calculation shall be binding on the trustee and the holders), as well as changes to their respective definitions under the capital adequacy standards and guidelines of the FSA. Any indication that the CET1 Ratio is moving towards the level of a Capital Adequacy Trigger Event may have an adverse effect on the market price of the Notes. The level of the CET1 Ratio may significantly affect the trading price of the Notes.

CRD IV will introduce a new calculation of CET1 Capital and Risk Weighted Assets; CRD IV remains in draft form and subject to final adoption by European legislators; the FSA may also alter its stated approach to the adoption of CRD IV in the U.K. Future regulatory changes to the calculation of CET1 Capital and/or Risk Weighted Assets may negatively affect our CET1 Ratio and thus increase the risk of a Capital Adequacy Trigger Event, which will lead to an Automatic Transfer, as a result of which case you will lose your entire investment in the Notes.

On the CRD IV Adoption Date, we will be required to calculate our capital resources for regulatory purposes on the basis of "common equity tier 1 capital" instead of "core tier 1 capital," which we have historically calculated and published. We will also be required to calculate our "risk weighted assets," which represent our assets adjusted for their associated risks, on a different basis under CRD IV than we currently do. Each of these definitions will be calculated in accordance with the capital adequacy standards and guidelines of the FSA applicable to the Group on the relevant date (including, without limitation, the FSA's announcement dated 26 October 2012 and described in further detail below).

Current draft CRD IV legislation sets out a minimum pace of introduction of (amongst other things) the new rules on the deductions required in the calculation of CET1 Capital (the "**Transitional Provisions**"). The Transitional Provisions will implement certain CRD IV requirements in stages over a prescribed period (currently expected to be five years from the CRD IV Adoption Date), subject to the discretion of European Union Member States to accelerate the minimum pace of transition (the "**Transitional Period**"). Following the Transitional Period, the full set of CRD IV rules, without any transitional relief, would apply to us.

On 26 October 2012, the FSA published guidance on its intended approach to interpreting the Transitional Provisions. The FSA stated that its intended approach was that the minimum pace of transition set out in CRD IV will not be accelerated, except where applying the minimum Transitional Provisions would have the effect of weakening standards relative to what was in force in the United Kingdom prior to the CRD IV Adoption Date. The FSA identified three specific areas where the minimum Transitional Provisions would be exceeded in order to prevent a weakening of its standards. Firstly, for us and all other firms that will be regulated by the Prudential Regulation Authority, with effect from the beginning of the Transitional Period, it will deduct from common equity tier 1 capital 100% of interim losses. Secondly, for all firms, with effect from the beginning of the Transitional Period, it will deduct from common equity tier 1 capital 100% of any investment in own shares not previously removed to meet accounting standards; and finally for all firms, with effect from the beginning of the Transitional Period, it will deduct from common equity tier 1 capital 10% of deferred tax assets not arising from timing differences in the first year of the transition, and subsequently follow the minimum CRD IV provisions for the phasing-in of this regulatory adjustment. The FSA may identify further areas where the minimum Transitional Provisions would be exceeded once the final CRD IV legislation is in place.

The main difference between the calculation of the common equity tier 1 capital base under CRD IV compared to our core tier 1 capital base under current FSA rules and guidelines relates to the treatment of intangible assets (which in our case is primarily the value attributed to goodwill), which are currently fully deducted from our core tier 1 capital. Under CRD IV and the FSA guidance described above, the deduction of intangible assets (including the value attributed to goodwill) is expected to phase in as a deduction to common equity tier 1 capital over the Transitional Period. Therefore, as of the CRD IV Adoption Date, 100% of the value attributed to goodwill is expected to be added back to our common equity tier 1 capital base before the deduction from common equity tier 1 capital is phased back in under the Transitional Provisions. The Transitional Period for this deduction (based on draft CRD IV legislation

and FSA guidance as described above) is currently expected to result in intangible assets (including the value attributed to goodwill) being deducted from common equity tier 1 capital at 20% per year over a five year phase-in period from 2014 to 2018.

Our risk weighted assets are expected to increase under CRD IV. The main impacts on risk weighted assets expected under CRD IV based on our current portfolio of businesses include (1) increased risk weighted assets associated with potential mark-to-market losses on expected counterparty risks (such losses being known as "credit value adjustments" or "CVA") to over-the-counter derivatives and (2) increased risk weighted assets associated with exposures to securitizations, each of which would (absent other balance sheet movements) have the effect of lowering the CET1 Ratio.

As of the date of this Prospectus, the CRD IV rules, including with respect to the calculation of common equity tier 1 capital and risk weighted assets, have not been finalised and remain subject to change by European legislators. The FSA may also alter its stated approach to the adoption of CRD IV in the United Kingdom. For example, there is no assurance that the final rules will allow for the add back of intangible assets (including the value attributed to goodwill) to our common equity tier 1 capital base as described above. Assuming our goodwill and other intangible assets valuation of £7.6 billion as of 30 September 2012 and assuming the calculation of our risk weighted assets in accordance with the existing draft CRD IV rules and the FSA guidance, the inability to add back intangible assets (including the value attributed to goodwill) would significantly reduce our CET1 Ratio from the level it would otherwise have been were we able to do so. Investors should also be aware that the valuation of intangible assets (including the value attributed to goodwill) could change and that there are other variables in the calculation of core tier 1 capital and common equity tier 1 capital in addition to the add-back of intangibles (including, without limitation, the material CRD IV risk weighted asset impacts described above and the expected treatment of other deductions from common equity tier 1 capital as of the CRD IV Adoption Date and through the Transition Period). Therefore, changes that may occur in the finalisation of the CRD IV rules and their adoption in the United Kingdom and changes in the valuation of intangible assets (including the value attributed to goodwill) subsequent to the date of this Prospectus and other variables (including without limitation those specified above) may individually and/or in the aggregate negatively affect our CET1 Ratio and thus increase the risk of a Capital Adequacy Trigger Event, which will lead to an Automatic Transfer, as a result of which you will lose your entire investment in the Notes and have no rights against us with respect to the repayment of the principal amount of the Notes that has not become due or the payment of interest on such Notes for any period from (and including) the interest payment date falling immediately prior to the occurrence of such Automatic Transfer.

We may redeem the Notes at our option prior to maturity in certain situations.

We may, at our option, redeem the Notes, in whole but not in part, at any time at a price equal to 100% of their principal amount together with any accrued but unpaid interest to the date fixed for redemption, if a Regulatory Event or Tax Event has occurred, as more particularly described under "*Description of Contingent Capital Notes—Redemption—Regulatory Event Redemption*" and "*Description of Contingent Capital Notes—Redemption—Tax Redemption*," respectively. If we redeem the Notes, you may not be able to reinvest the redemption proceeds in securities offering a comparable yield. In addition, any early redemption of the Notes is subject to conditions set by the FSA, regardless of whether such redemption would be favorable or unfavorable to you.

Our obligations under the Notes will be unsecured and subordinated.

Our obligations under the Notes will be unsecured and subordinated to all of our existing and future unsubordinated obligations. As of 30 June 2012, the Notes would have been subordinated to approximately £1,545.6 billion of Dated Debt Senior Claims (as defined in this Prospectus under "*Description of Contingent Capital Notes—Ranking*") (including £503.1 billion of deposits and £125.0 billion of debt securities in issue).

Therefore, if Barclays Bank PLC were to be wound up, liquidated or dissolved, the Barclays Bank PLC liquidator would first apply assets of Barclays Bank PLC to satisfy all rights and claims of holders of Dated Debt Senior Claims. If Barclays Bank PLC does not have sufficient assets to settle claims of holders of such Dated Debt Senior Claims in full, the claims of the holders of the Notes will not be settled and, as a result, the holders will lose the entire amount of their investment in the Notes. The Notes will share equally in payment with Other Pari Passu Claims if Barclays Bank PLC does not have sufficient

funds to make full payments on all of them, as applicable. In such a situation, holders could lose all or part of their investment.

In addition, Pre-Transfer Holders should be aware that, upon the occurrence of an Automatic Transfer, the Notes will be automatically transferred to our parent, Barclays PLC (or another entity within the Group), for nil consideration, and, as a result, the Pre-Transfer Holders will lose the entire amount of their investment in the Notes irrespective of whether Barclays Bank PLC has sufficient assets available to settle the claims of the holders of the Notes or other securities subordinated to the same or greater extent as the Notes, in bankruptcy proceedings or otherwise. No existing security of Barclays Bank PLC has an Automatic Transfer provision. As a result, even if other Notes that rank *pari passu* with or junior to the Notes are paid in full, following an Automatic Transfer, the Pre-Transfer Holders will lose the principal amount of the Notes that has not become due and receive only the interest that was due and payable prior to the date of the Automatic Transfer and will have no rights to the repayment of the principal amount of the Notes that has not become due or the payment of interest on the Notes for any period from (and including) the Interest Payment Date falling immediately prior to the occurrence of such Automatic Transfer.

There is no restriction on the amount or type of further securities or indebtedness that we may issue, incur or guarantee.

There is no restriction on the amount or type of further securities or indebtedness that we may issue, incur or guarantee, as the case may be, that rank senior to, or *pari passu* with, the Notes offered hereby. The issue or guaranteeing of any such further securities or indebtedness may reduce the amount recoverable by holders of the Notes on a liquidation or winding-up of Barclays Bank PLC and may limit our ability to meet our obligations under the Notes. In addition, the Notes do not contain any restriction on Barclays Bank PLC issuing securities that may have preferential rights to the Notes or securities with similar, different or no Capital Adequacy Trigger Event provisions.

Holders of the Notes will have limited rights if there is a Default.

Payment of principal on the Notes may be accelerated only in the event of certain events of bankruptcy or insolvency involving us that constitute an Event of Default under the Indenture. There is no right of acceleration in the case of default in the payment of interest on the Notes or in the performance of any of our other obligations under the Notes. Therefore, in the event that we should fail to pay an instalment of interest upon any Notes on the date on which the payment is due and payable, and where such failure to make payment continues for 14 days (referred to herein as a "Default"), the trustee may not declare the principal amount of any outstanding Notes to be due and payable. For further detail regarding the rights of the trustee and the holders of the Notes following an Event of Default or a Default, see "*Description of Contingent Capital Notes—Event of Default and Defaults*" in this Prospectus.

Regulatory action in the event of a bank failure could materially adversely affect the value of the Notes.

The U.K. Banking Act 2009 (the "**Banking Act**") provides a regime to allow the FSA, the U.K. Treasury and the Bank of England to resolve failing banks in the United Kingdom. Under the Banking Act, these authorities are given powers, including (a) the power to issue share transfer orders pursuant to which all or some of the securities issued by a bank may be transferred to a commercial purchaser or Bank of England entity; and (b) the power to transfer all or some of the property, rights and liabilities of the U.K. bank to a purchaser or Bank of England entity. A share transfer order can extend to a wide range of securities, including shares and bonds issued by a U.K. bank (including Barclays Bank PLC) or its holding company (Barclays PLC) and warrants for such shares and bonds. The Banking Act powers apply regardless of any contractual restrictions.

The Banking Act also gives the Bank of England the power to override, vary or impose contractual obligations between a U.K. bank or its holding company and its former group undertakings for reasonable consideration, in order to enable any transferee or successor bank of the U.K. bank to operate effectively. There is also power for the U.K. Treasury to amend the law (excluding provisions made by or under the Banking Act) for the purpose of enabling it to use the regime powers effectively, potentially with retrospective effect.

Furthermore, the Banking Act may be amended and/or other legislation may be introduced in the United Kingdom to amend the resolution regime that would apply in the event of a bank failure and, as a result, the position of holders. For example, the Basel Committee on Banking Supervision (the "**Basel Committee**") has proposed a number of fundamental reforms to the regulatory capital framework for internationally active banks, the principal elements of which are set out in its papers released on December 16, 2010 and on January 13, 2011 (the "**January 2011 Press Release**").

The January 2011 Press Release states that the terms and conditions of all Additional Tier 1 and Tier 2 instruments must have a provision that requires such instruments, at the option of the relevant authority, to either be written off or converted into ordinary shares upon the occurrence of a specified trigger event (a "**Non-Viability Event**"). The Non-Viability Event will be the earlier of (a) a decision that a write-off, without which the financial institution would become non-viable, is necessary; and (b) the decision to make a public sector injection of capital, without which the financial institution would become non-viable, as determined by the relevant authority.

However, the January 2011 Press Release also states that it is not necessary to include a provision in the terms of any instrument which requires it to be converted into equity or written off upon the occurrence of a Non-Viability Event if (a) the governing jurisdiction of the bank has in place laws that (i) require such instruments to be written off upon the occurrence of such trigger event, or (ii) otherwise require such instruments to fully absorb losses before tax payers are exposed to loss; (b) a peer group review confirms that the jurisdiction so conforms; and (c) it is disclosed by the relevant regulator and by the issuing bank, in issuance documents going forward, that such instruments are subject to such loss.

Although the terms and conditions of the Notes do not contain a provision which requires them to be converted into equity or written off on the occurrence of a Non-Viability Event, it is possible that the Bank of England could seek to use powers which currently exist under the Banking Act or which could be introduced via amendments to the Banking Act or further legislation with the objective of causing the Notes to absorb losses in the course of any resolution of Barclays Bank PLC and/or Barclays PLC.

Moreover, there can be no assurance that, prior to its implementation, which could be as early as 2013, the Basel Committee will not amend the package of reforms described above. Further, the European Union and/or authorities in the United Kingdom may implement the package of reforms, including the terms which capital securities are required to have, in a manner that is different from that which is currently envisaged or may impose more onerous requirements on U.K. banks. For more information on changes in law, see "*—Changes in law may adversely affect the rights of holders of the Notes."*

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

Changes in law after the date hereof may affect the rights of holders as well as the market value of the Notes. Such changes in law may include changes in statutory, tax and regulatory regimes during the life of the Notes, which may have an adverse effect on an investment in the Notes. In particular, such changes could impact the definitions of CET1 Capital and Risk Weighted Assets and therefore the calculation of the CET1 Ratio.

For example, the rules applicable to the capital of financial institutions are being changed across the European Union pursuant to a proposed directive and regulation of the European Commission in order to implement the international accord on banking supervision issued by the Basel Committee. The European Commission proposals consist of a new Capital Requirements Regulation and a proposed Fourth Capital Requirements Directive, collectively known as "CRD IV". As of the date of this Prospectus, these rules have not yet been finalized and it is unclear when such rules will be adopted.

In addition, the U.K. Government has set up an Independent Commission on Banking ("**ICB**") and charged it with reviewing the U.K. banking system. Its findings were published on 12 September 2011. The ICB recommended (amongst other things) that: (i) the U.K. and European Economic Area retail banking activities of a U.K. bank or building society should be placed in a legally distinct, operationally separate and economically independent entity (so-called "ring-fencing"); and (ii) the loss-absorbing capacity of ring-fenced banks and U.K.-headquartered global systemically important banks (such as Barclays Bank PLC) should be increased to levels higher than the Basel Committee's proposals. The U.K. Government published its response to the ICB recommendations in December 2011 and indicated that primary and secondary legislation relating to the proposed ring-fence will be completed by May 2015, with U.K. banks and building societies expected to be compliant as soon as practicable thereafter, and the

requirements relating to increased loss-absorbing capacity of ring-fenced banks and U.K.-headquartered global systemically important banks will be applicable from 1 January 2019. However, it is not possible to predict the detail of the implementation legislation or the ultimate consequences for the Group.

Furthermore, because the occurrence of a Capital Adequacy Trigger Event depends on the calculation of the CET1 Ratio, any change in law that affects the calculation of the CET1 Ratio would also affect the determination of whether an Automatic Transfer may occur. Any such change which impacts the calculation of any of the aforementioned capital measures can be expected to have an adverse effect on the market value of the Notes.

In addition, any change in law or regulation that would cause the Notes to cease to qualify as Tier 2 Capital could trigger a Regulatory Event, and any change in law or regulation that results in us (i) having to pay Additional Amounts to holders, (ii) not being entitled to claim a deduction in respect of payments in computing our taxation liabilities or materially reducing the amount of such deduction or (iii) not, as a result of the Notes being in issue, being able to have losses or deductions set against the profits or gains, or profits or gains offset by the losses or deductions, of companies with which we are or would be so grouped for applicable United Kingdom tax purposes (whether under the group relief system current as of the date of issue of the Notes or any similar system or systems having like effect as may from time to time exist), could trigger a Tax Event, any of which would entitle us, at our option, to redeem the Notes, in whole but not in part, as more particularly described under "*Description of Contingent Capital Notes—Redemption—Regulatory Event Redemption*" and "*Description of Contingent Capital Notes—Redemption—Tax Redemption*," respectively. For more information, see "*—We may redeem the Notes prior to maturity in certain situations.*"

Furthermore, changes in law could impact the regime for resolving banks in the event of a failure. For example, on 6 June 2012, the European Commission published a legislative proposal for a directive providing for the establishment of a European Union-wide framework for the recovery and resolution of credit institutions and investment firms (the "Recovery and Resolution Directive" or "**RRD**"). The stated aim of the draft RRD is to provide supervisory authorities with common tools and powers to address banking crises pre-emptively in order to safeguard financial stability and minimize taxpayers' exposure to losses. The powers proposed to be granted to supervisory authorities under the draft RRD include a "bail-in" tool, which would give such authorities the power to write-down the claims (potentially including the Notes) of certain unsecured creditors of a failing institution and/or to convert certain debt claims to equity. Except for the general bail-in tool, which is expected to be implemented by 1 January 2018, it is currently contemplated that the measures set out in the draft RRD (including the write down requirements for Additional Tier 1 and Tier 2 instruments upon the occurrence of a Non-Viability Event) will be implemented with effect from 1 January 2015. However, the draft RRD is not in final form and changes may be made to it in the course of the legislative process. In addition, many of the proposals contained in the draft RRD have already been implemented in the Banking Act, and it is currently unclear as to what extent the provisions of the Banking Act may need to change once the draft RRD is implemented. Accordingly, it is not yet possible to assess the full impact of the draft RRD on us, and there can be no assurance that, once it is implemented, the fact of its implementation or the taking of any actions currently contemplated in it would not adversely affect the rights of holders, the price or value of an investment in the Notes and/or our ability to satisfy our obligations under the Notes. For more information, see "*—Regulatory action in the event of a bank failure could materially adversely affect the value of the Notes.*"

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

There may not be any trading market for the Notes.

The Notes are a new issue of securities and have no established trading market. Although application will be made to have the Notes admitted to listing on the Official List of the FSA and to trading on the regulated market of the London Stock Exchange, there can be no assurance that an active trading market will develop. Even if an active trading market does develop, it may not be liquid and may not continue for the term of the Notes. The liquidity and the market prices for the Notes can be expected to vary with changes in market and economic conditions, our financial condition and prospects and other factors that generally influence the market prices of securities. If the secondary market for the Notes is limited, there may be few buyers if you choose to sell your Notes prior to maturity and this may reduce the price you receive.

Although the underwriters have advised us that they presently intend to make a market in the Notes after completion of the offering, they are under no obligation to do so and may discontinue any market-making activities at any time without notice.

A downgrade, suspension or withdrawal of the rating assigned by any rating agency to the Notes could cause the liquidity or market value of the Notes to decline.

Upon issuance, the Notes will be rated by nationally recognized statistical ratings organizations and may in the future be rated by additional rating agencies. Any rating initially assigned to the Notes may be lowered or withdrawn entirely by a rating agency if, in that rating agency's judgment, circumstances relating to the basis of the rating, such as adverse changes to our business, so warrant. Any lowering or withdrawal of a rating by a rating agency could reduce the liquidity or market value of the Notes.

Any transfer of Notes that is initiated prior to the delivery of an Automatic Transfer Notice to DTC specifying the occurrence of a Capital Adequacy Trigger Event but that is scheduled to settle within DTC's system during the Suspension Period will be rejected by DTC and will not settle within DTC.

Following the receipt of the Automatic Transfer Notice by DTC and the commencement of the Suspension Period, DTC shall suspend all clearance and settlement of the Notes. As a result, Pre-Transfer Holders will not be able to settle the transfer of any Notes from the commencement of the Suspension Period due to the suspension of settlement activities with respect to the Notes within DTC. In addition, any sale or other transfer of the Notes that a Pre-Transfer Holder may have initiated prior to the commencement of the Suspension Period that is scheduled to settle during the Suspension Period will be rejected by DTC and will not be settled within DTC. In this circumstance, transferors of the Notes would not receive any consideration through DTC in respect of such intended transfer because DTC will not settle such transfer during the Suspension Period.

The U.S. federal income tax consequences of your investment in the Notes are uncertain. We urge you to read the more detailed discussion of U.S. federal income tax treatment of the Notes set forth under "United States Taxation—Material U.S. Federal Income Tax Consequences" on page 40 of this Prospectus.

There is no authority that addresses the tax treatment of an instrument, such as the Notes, that is denominated as a subordinated debt instrument but that provides for an Automatic Transfer under which a holder could lose its entire investment in the Notes and have no rights with respect to the repayment of the principal amount of the Notes that has not become due or the payment of interest on such Notes from (and including) the Interest Payment Date falling immediately prior to the occurrence of such Automatic Transfer. It is therefore unclear whether the Notes should be treated as equity or debt of Barclays Bank PLC for U.S. federal income tax purposes. We believe, however, that the Notes should be treated as equity of Barclays Bank PLC for U.S. federal income tax purposes, and the terms of the Notes require a U.S. holder (as defined below) and Barclays Bank PLC (in the absence of a statutory, regulatory, administrative or judicial ruling to the contrary) to treat the Notes for U.S. federal income tax purposes in accordance with such characterization. However, because there is no authority that specifically addresses the tax treatment of the Notes, it is possible that the Notes could be treated as debt of Barclays Bank PLC for U.S. federal income tax purposes, in which case you may be subject to adverse tax consequences, as discussed in "*United States Taxation—Material U.S. Federal Income Tax Consequences—Alternative Treatments*."

Holders are urged to consult their tax advisers concerning the significance and potential impact of the above considerations

DESCRIPTION OF CONTINGENT CAPITAL NOTES

The Notes will constitute a series of Dated Subordinated Debt Securities issued under the Dated Subordinated Debt Securities Indenture originally entered into on 12 October 2010 between us and The Bank of New York Mellon, as trustee (the "**Original Indenture**"), as supplemented by a First Supplemental Indenture expected to be entered into on or about 21 November 2012 between us and The Bank of New York Mellon, as trustee (the "**First Supplemental Indenture**" and, together with the Original Indenture, the "**Indenture**"). 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, unless otherwise defined herein, have the meaning given to them in the Indenture. We filed the Original Indenture as an exhibit to a report on Form 6-K on 14 October 2010 and will file the form of First Supplemental Indenture as an exhibit to a report on Form 6-K on or about 21 November 2012. The Indenture replaces the Dated Subordinated Debt Securities Indenture dated as of 30 June 1998 between us and The Bank of New York Mellon, as trustee.

The Notes will be issued in an aggregate principal amount of U.S.$3,000,000,000 and, unless previously redeemed or otherwise cancelled, will mature on 21 November 2022. The Notes will bear interest at 7.625% per annum, payable in two equal semi-annual instalments in arrear on 21 May and 21 November of each year, commencing 21 May 2013. 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 U.S.$200,000 and in integral multiples of U.S.$1,000 in excess thereof. Interest on the Notes will be computed and payable on the basis of two equal semi-annual instalments in arrear and, for any other period, computed on the basis of a year of 360 days consisting of 12 months of 30 days each and, in the case of an incomplete month, the actual number of days elapsed.

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

We will issue the Notes in fully registered form. The Notes will be represented by one or more global securities registered in the name of a nominee of DTC. You will hold beneficial interests in the Notes through DTC and its participants, including Euroclear and Clearstream, Luxembourg. The underwriters expect to deliver the Notes through the facilities of DTC on 21 November 2012. Indirect holders trading their beneficial interests in the Notes through DTC must trade in DTC's same-day funds settlement system and pay in immediately available funds. Secondary market trading through Euroclear and Clearstream, Luxembourg will occur in the ordinary way following the applicable rules and operating procedures of Euroclear and Clearstream, Luxembourg. See "*Clearance and Settlement*" for more information about these clearing systems.

Definitive debt securities will only be issued in the limited circumstances described under "*Global Securities—Special Situations When a Global Security Will be Terminated*".

Payment of principal of and interest on the Notes, so long as the Notes are represented by global securities, will be made in immediately available funds. Beneficial interests in the global securities will trade in the same-day funds settlement system of DTC, and secondary market trading activity in such interests will therefore settle in same-day funds.

We may, without the consent of the holders of the Notes, issue additional notes having the same ranking and same interest rate, maturity date, redemption terms and other terms as the Notes described in this Prospectus except for the price to the public and issue date. Any such additional notes, together with the Notes offered by this Prospectus, will constitute a single series of securities under the Indenture. There is no limitation on the amount of Notes or other debt securities that we may issue under the Indenture and there is no restriction on us issuing securities that may have preferential rights to the Notes or securities with similar, different or no Capital Adequacy Trigger Event provisions.

The term "**business day**" means any weekday, other than one on which banking institutions are authorized or obligated by law or executive order to close in London, England, or in New York City.

Ranking

The Notes will constitute our direct, unsecured and subordinated obligations, ranking equally without any preference among themselves.

In the event of our winding up or administration, the claims of the trustee (on behalf of the holders of the Notes but not the rights and claims of the trustee in its personal capacity under the Indenture) and the holders of the Notes, in respect of such Notes (including any damages or other payments awarded for breach of any obligations thereunder) shall:

(i) be subordinated to the claims of all Senior Creditors;

(ii) rank at least *pari passu* with the claims of holders of all our other dated subordinated obligations and our other securities which in each case by law rank, or by their terms are expressed to rank, *pari passu* with the Notes ("**Other Pari Passu Claims**"); and

(iii) rank senior to our ordinary shares, preference shares and any junior subordinated obligations or other securities which in each case either by law rank, or by their terms are expressed to rank, junior to the Notes.

The claims of such other creditors, with the exception of the claims specified in sub-paragraphs (ii) and (iii) above, are referred to in this Prospectus as "**Dated Debt Senior Claims**." Accordingly, no amount will be payable in our winding up in respect of claims in relation to the Notes until all Dated Debt Senior Claims admitted in our winding up have been satisfied.

"**Senior Creditors**" means creditors (i) who are depositors and/or other unsubordinated creditors; or (ii) who are subordinated creditors (whether aforesaid or otherwise) other than those whose claims by law rank, or by their terms are expressed to rank, *pari passu* with or junior to the claims of the holders of the Notes.

For the avoidance of doubt, the Notes shall rank *pari passu* with, amongst others, our U.S.$1,250,000,000 5.140% Lower Tier 2 Notes due October 2020 issued on 14 October 2010.

Any amounts in respect of the Notes paid to the holders of such Notes or to the trustee (including any damages or other payments awarded for breach of any obligations thereunder) 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 provisions 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, ratably, than the holders of the Notes and Other Pari Passu Claims. As of 30 June 2012, the amount of outstanding Dated Debt Senior Claims on a consolidated basis was approximately £1,545.6 billion (including £503.1 billion of deposits and £125.0 billion of debt securities in issue). Currently, we have no limitations on issuing indebtedness which would constitute Dated Debt Senior Claims. As of 31 December 2011, Other Pari Passu Claims on a non-consolidated basis were approximately £17.0 billion, consisting of debt securities issued by us and intra-group loans to us. The amounts of all securities or intra-group loans denominated in a currency other than pounds sterling

included in the above totals have been converted at the exchange rates prevailing on 30 June 2012 or 31 December 2011, as applicable.

Payment of Additional Amounts

We will pay any amounts to be paid by us on the Notes without deduction or withholding for, or on account of, any and all present or future income, stamp and other taxes, levies, imposts, duties, charges, fees, deductions or withholdings ("taxes") now or hereafter imposed, levied, collected, withheld or assessed by, or on behalf of, the United Kingdom or any U.K. political subdivision or authority thereof or therein that has the power to tax (each, a "taxing jurisdiction"), unless the deduction or withholding is required by law. At any time a U.K. taxing jurisdiction requires us to deduct or withhold taxes, we will pay the additional amounts of, or in respect of, the principal of, and any interest on, the Notes ("Additional Amounts") that are necessary so that the net amounts paid to the holders, after the deduction or withholding, shall equal the amounts which would have been payable had no such deduction or withholding been required. However, we will not pay Additional Amounts for taxes that are payable because:

- the holder or the beneficial owner of the Notes is a domiciliary, national or resident of, or engages in business or maintains a permanent establishment or is physically present in, a U.K. taxing jurisdiction requiring that deduction or withholding, or otherwise has some connection with the U.K. taxing jurisdiction other than the holding or ownership of the Note, or the collection of any payment of, or in respect of, the principal of, 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, 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 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 to the payment of the principal of, 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.

For the avoidance of doubt, any amounts to be paid by us on the Notes will be paid net of any deduction or withholding imposed or required pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code (a "**FATCA withholding tax**"), and we will not be required to pay Additional Amounts on account of any FATCA Withholding Tax.

The government of any jurisdiction where Barclays Bank PLC is incorporated may require Barclays Bank PLC to withhold amounts from payments on the principal or interest on the Notes, as the case may be, for taxes or any other governmental charges. If a withholding of this type is required, Barclays Bank PLC may be required to pay you an additional amount so that the net amount you receive will be the amount specified in the Note to which you are entitled.

Redemption

Regulatory Event Redemption

If we determine that for any reason the Notes are fully excluded from the Group's Tier 2 Capital within the meaning and for the purposes of (1) the capital adequacy requirements of the FSA or (2) any other regulation, directive or other binding rules, standards or decisions adopted by the institutions of the European Union (a "**Regulatory Event**"), we may (subject to (a) the provisions described below under "*—Limitations on Redemption*" and "*—Notice to the FSA*" (as the case may be), (b) giving not less than 30 days' nor more than 60 days' notice to the trustee and the holders of the Notes (such notice being irrevocable) specifying the date fixed for such redemption and (c) the circumstance that entitles us to exercise such right of redemption of the Notes not being (in our opinion) reasonably foreseeable at the issue date) redeem the Notes, in whole but not in part, at a redemption price equal to 100% of their principal amount, together with any accrued but unpaid interest to (but excluding) the date fixed for redemption. Upon the expiry of such notice period, we shall be bound to redeem the Notes accordingly.

As a financial institution, we are required to hold certain kinds and amounts of capital to help us meet our obligations as they fall due. "Tier 2 Capital" is a class of this capital, the requirements for which are set forth in the General Prudential Sourcebook issued by the FSA. Tier 2 Capital is divided into "Lower Tier 2 Capital" and "Upper Tier 2 Capital". The Notes are intended to classify as Lower Tier 2 Capital under the current rules of the FSA. Under the current FSA rules, Tier 2 Capital broadly includes qualifying subordinated debt and other Tier 2 securities, eligible collective impairment allowances, unrealized available for sale equity gains and revaluation reserves. Tier 2 Capital is also subject to deductions relating to the excess of expected loss over regulatory impairment allowance, securitization positions and material holdings in financial companies. However, the rules applicable to the capital of financial institutions are being changed across the European Union pursuant to a proposed directive and regulation of the European Commission in order to implement the third international accord on banking supervision issued by the Basel Committee. The European Commission proposals consist of a new Capital Requirements Regulation and a proposed Fourth Capital Requirements Directive, collectively known as "CRD IV," which includes a new definition of "Tier 2 Capital." As of the date of this Prospectus, these rules have not yet been finalized and it is unclear when such rules will be adopted. For more information, see "*Risk Factors—Changes in law may adversely affect the rights of holders of the Notes.*" and *"Risk Factors—CRD IV will introduce a new calculation of CET1 Capital and Risk Weighted Assets; CRD IV remains in draft form and subject to final adoption by European legislators; the FSA may also alter its stated approach to the adoption of CRD IV in the U.K. Future regulatory changes to the calculation of CET1 Capital and/or Risk Weighted Assets may negatively affect our CET1 Ratio and thus increase the risk of the occurrence of a Capital Adequacy Trigger Event, which will lead to an Automatic Transfer, as a result of which case you will lose your entire investment in the Notes."*

Tax Redemption

We will have the option to redeem the Notes, in whole but not in part, upon not less than 30 days' nor more than 60 days' notice to the holders if we determine that as a result of a change in, or amendment to, the laws or regulations of a taxing jurisdiction, including any treaty to which the relevant taxing jurisdiction is a party, or a change in an official application 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):

(1) we will or would be required to pay holders Additional Amounts;

(2) we would not be entitled to claim a deduction in respect of any payments in computing our taxation liabilities or the amount of the deduction would be materially reduced; or

(3) we would not, as a result of the Notes being in issue, be able to have losses or deductions set against the profits or gains, or profits or gains offset by the losses or deductions, of companies with which we are or would otherwise be so grouped for applicable United Kingdom tax purposes (whether under the group relief system current as at the date of issue of the Notes or any similar system or systems having like effect as may from time to time exist) (each of (1), (2) and (3) above, a "**Tax Event**"),

provided that (a) the circumstance that entitles us to exercise such right of redemption of the Notes was not (in our opinion) reasonably foreseeable at the issue date of the Notes and (b) in the case of each Tax Event, such obligation cannot be avoided by us taking reasonable measures available to us.

In each case, before we give a notice of redemption, we shall be required to deliver to the trustee an 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 price will be equal to 100% of the principal amount of Notes being redeemed, together with any accrued but unpaid interest to (but excluding) the date fixed for redemption.

You have no right to require us to redeem the Notes.

In the circumstance of a redemption for tax reasons, we will give notice to DTC of such redemption 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.

Any redemption as a result of a Tax Event would also be subject to the provisions described below under "*—Limitations on Redemption*" and "*—Notice to the FSA*," as the case may be.

Limitations on Redemption

We may redeem the Notes prior to the fifth anniversary of their date of issue only (1) with the prior approval of the FSA; (2) if the circumstance that entitles us to exercise that right of redemption is the result of a change in the applicable tax treatment or regulatory classification of the Notes; and (3) if at the time of the exercise of the right of redemption (and if and to the extent required at such time), we comply with the FSA's main Pillar 1 rules applicable to us and other BIPRU firms (within the meaning of the FSA's General Prudential Sourcebook) and will continue to do so after the redemption of the Notes.

Notice to the FSA

In addition, any redemption of the Notes on or after the fifth anniversary of their date of issue but prior to their scheduled maturity date, under the practice of the FSA prevailing as of the date of this Prospectus (which practice may change), would 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 resources requirement and (2) have sufficient overall financial resources, including capital and liquidity resources which are adequate both as to the amount and quality, to ensure that there is no significant risk that our liabilities cannot be met as they fall due.

Automatic Transfer Upon Capital Adequacy Trigger Event

If a Capital Adequacy Trigger Event occurs as of any Quarterly Financial Period End Date or Extraordinary Calculation Date, as the case may be, then, except as described under "*—Effect of Order or Resolution for Winding-up or Administration*", an Automatic Transfer will occur on the business day immediately following the expiration of the Suspension Period, as described below under "*—Automatic Transfer Procedure*."

Such Automatic Transfer will result in the Pre-Transfer Holders not having any rights against us with respect to repayment of the principal amount of the Notes (that has not become due) or the payment of interest on such Notes for any period from (and including) the interest payment date falling immediately prior to the occurrence of such Automatic Transfer. As a result, the Pre-Transfer Holders will lose their entire investment in the Notes.

By its acquisition of the Notes, each Pre-Transfer Holder shall (i) agree to all the terms and conditions of the Notes, including, without limitation, those related to the occurrence of a Capital Adequacy Trigger Event and any related Automatic Transfer, (ii) agree that effective upon, and following, the occurrence of the Automatic Transfer, other than with respect to payments that have become due and payable prior to such Automatic Transfer, no amount shall be due and payable to the Pre-Transfer Holders under the Notes, and the Pre-Transfer Holders shall not have the right to give a direction to the trustee with respect to the Capital Adequacy Trigger Event and any related Automatic Transfer and (iii) waive, to the extent permitted by the Trust Indenture Act, any claim against the trustee arising out of its acceptance of its trusteeship for the Notes, including, without limitation, claims related to or arising out of or in connection with a Capital Adequacy Trigger Event and/or the Automatic Transfer.

Automatic Transfer Procedure

Automatic Transfer Procedure for Notes Held Through DTC

If a Capital Adequacy Trigger Event has occurred as of any Quarterly Financial Period End Date or Extraordinary Calculation Date, as the case may be, we shall deliver an Automatic Transfer Notice to the trustee and the Pre-Transfer Holders via DTC:

(i) in the case of a Capital Adequacy Trigger Event that has occurred as of any Quarterly Financial Period End Date, on or within five (5) business days after the relevant Ordinary Reporting Date; and

(ii) in the case of a Capital Adequacy Trigger Event that has occurred as of any Extraordinary Calculation Date, on or as soon as practicable after such Extraordinary Calculation Date.

Following the receipt of the Automatic Transfer Notice by DTC and the commencement of the Suspension Period, DTC shall suspend all clearance and settlement of the Notes. As a result, Pre-Transfer Holders will not be able to settle the transfer of any Notes from the commencement of the Suspension Period, and any sale or other transfer of the Notes that a Pre-Transfer Holder may have initiated prior to the commencement of the Suspension Period that is scheduled to settle during the Suspension Period will be rejected by DTC and will not be settled within DTC. See "*Risk Factors—Any transfer of Notes that is initiated prior to the delivery of an Automatic Transfer Notice to DTC specifying the occurrence of a Capital Adequacy Trigger Event but that is scheduled to settle within DTC's system during the Suspension Period will be rejected by DTC and will not settle within DTC*." for more information.

In addition, it is expected that promptly following its receipt of the Automatic Transfer Notice, DTC shall post the Automatic Transfer Notice to its Reorganization Inquiry for Participants System, and within two (2) business days of its receipt of the Automatic Transfer Notice, the trustee shall transmit the Automatic Transfer Notice to the direct participants of DTC holding the Notes at such time.

On the business day immediately following the expiration of the Suspension Period, the Automatic Transfer shall occur. Effective upon, and following, the Automatic Transfer, Pre-Transfer Holders shall not have any rights against us with respect to repayment of the principal amount of the Notes that has not become due or the payment of interest on such Notes for any period from (and including) the Interest Payment Date falling immediately prior to the occurrence of such Automatic Transfer. As a result, the Pre-Transfer Holders will lose their entire investment in the Notes.

By its acquisition of the Notes, each Pre-Transfer Holder shall be deemed to have (i) consented to the Automatic Transfer and acknowledged that such Automatic Transfer of its Notes (including any beneficial interest therein) following a Capital Adequacy Trigger Event may occur without any action on such Pre-Transfer Holder's part and (ii) authorized, directed and requested DTC and any direct participant in DTC or other intermediary through which it holds such Notes to take any and all necessary action, if required, to effectuate the Automatic Transfer without any further action or direction on the part of such Pre-Transfer Holder.

Notwithstanding anything to the contrary contained in this Prospectus, once we have delivered the Automatic Transfer Notice to DTC following the occurrence of a Capital Adequacy Trigger Event, (a) the Pre-Transfer Holders shall have no rights whatsoever under the Indenture or the Notes to instruct the trustee to take any action whatsoever and (b) as of the date of the Automatic Transfer Notice, except for any indemnity and/or security provided by any Pre-Transfer Holder in such direction or related to such

direction, any direction previously given to the trustee by any Pre-Transfer Holders shall cease automatically and shall be null and void and of no further effect, except in each case of (a) and (b), with respect to any rights of Pre-Transfer Holders with respect to any payments under the Notes that were due and payable prior to the date of the Automatic Transfer Notice or unless the trustee is instructed by us to act otherwise.

This section shall be subject to the provisions described under "*—Effect of Order or Resolution for Winding-up or Administration*" below.

Automatic Transfer Procedure in the Event Definitive Notes Have Been Issued

In the event the Notes are in definitive form, then if a Capital Adequacy Trigger Event has occurred as of any Quarterly Financial Period End Date or Extraordinary Calculation Date, as the case may be, we shall deliver an Automatic Transfer Notice to the trustee (and, if different, the security registrar of Notes) and the Pre-Transfer Holders in accordance with the timetables described above under "*—Automatic Transfer Procedure for Notes Held Through DTC.*"

On the business day on which such notice is received by the trustee or on the business day immediately following such receipt, the trustee and any security registrar, if applicable, shall cease to register any attempted transfer of any definitive Notes by a Pre-Transfer Holder. As a result, Pre-Transfer Holders will no longer be able to transfer any Notes.

On the sixth business day following receipt of the Automatic Transfer Notice by the trustee and any security registrar, if applicable, the Automatic Transfer shall occur, any definitive Notes held by Pre-Transfer Holders will be deemed to have been surrendered for transfer to our parent, Barclays PLC (or another entity within the Group), and a new definitive Note will be executed, authenticated and registered in its name. Effective upon, and following, the Automatic Transfer, Pre-Transfer Holders shall not have any rights against us with respect to repayment of the principal amount of the Notes that has not become due or the payment of interest on such Notes for any period from (and including) the Interest Payment Date falling immediately prior to the occurrence of such Automatic Transfer. As a result, the Pre-Transfer Holders will lose their entire investment in the Notes.

By its acquisition of the Notes, each Pre-Transfer Holder shall be deemed to have (i) consented to the Automatic Transfer and acknowledged that such Automatic Transfer of its Notes held in definitive form following a Capital Adequacy Trigger Event may occur without any action on such Pre-Transfer Holder's part and (ii) authorized, directed and requested the trustee, the security registrar, if applicable, and any intermediary through which it holds such Notes to take any and all necessary action, if required, to effectuate the Automatic Transfer without any further action or direction on the part of such Pre-Transfer Holder.

This section shall be subject to the provisions described under "*—Effect of Order or Resolution for Winding-up or Administration*" below.

Definitions

For purposes of this Prospectus:

"**Automatic Transfer**" means the occurrence of the following prior to the maturity date:

(i) the automatic transfer of interest in the Notes from the Pre-Transfer Holders to our parent, Barclays PLC (or another entity within the Group), for nil consideration; and

(ii) for the avoidance of doubt, upon the automatic transfer referred to in clause (i) above, (a) all Pre-Transfer Holders will not have any rights against us with respect to repayment of the principal amount of the Notes that has not become due or the payment of interest on such Notes for any period from (and including) the interest payment date falling immediately prior to the occurrence of such automatic transfer and (b) all rights under the Notes shall transfer to Barclays PLC (or another entity within the Group), except for any rights of Pre-Transfer Holders with respect to any payments under the Notes that were due and payable prior to the date of such automatic transfer.

"**Automatic Transfer Notice**" means the written notice delivered by us to the trustee and the Pre-Transfer Holders via DTC (or, if the Notes are held in definitive form, the trustee) specifying that a Capital Adequacy Trigger Event has occurred and that an Automatic Transfer shall therefore take place.

Except as described under "*—Effect of Order or Resolution for Winding-up or Administration*", a "**Capital Adequacy Trigger Event**" shall occur if the CET1 Ratio as of any Quarterly Financial Period End Date or Extraordinary Calculation Date, as the case may be, is less than 7.00% on such date.

"**CET1 Capital**" means (i) as of any Quarterly Financial Period End Date or Extraordinary Calculation Date that falls before the CRD IV Adoption Date, the sum, expressed in pounds sterling, of all amounts that constitute core tier 1 capital of the Group as of such date, less any deductions from core tier 1 capital required to be made as of such date, in each case as calculated by Barclays PLC on a consolidated basis in accordance with the capital adequacy standards and guidelines of the FSA applicable to the Group on such Quarterly Financial Period End Date or Extraordinary Calculation Date, as the case may be (which calculation shall be binding on the trustee and the holders), and (ii) as of any Quarterly Financial Period End Date or Extraordinary Calculation Date that falls on or after the CRD IV Adoption Date, the sum, expressed in pounds sterling, of all amounts that constitute common equity tier 1 capital of the Group as of such date, less any deductions from common equity tier 1 capital required to be made as of such date, in each case as calculated by Barclays PLC on a consolidated basis in accordance with the capital adequacy standards and guidelines of the FSA applicable to the Group on such Quarterly Financial Period End Date or Extraordinary Calculation Date, as the case may be (which calculation shall be binding on the trustee and the holders). For the avoidance of doubt, the term "core tier 1 capital" as used in this definition shall have the meaning assigned to such term in the capital adequacy standards and guidelines of the FSA (as supplemented by any published statement or guidance given by the FSA from time to time, including, for the avoidance of doubt, the guidance provided by the FSA on 1 May 2009 in its letter to the British Bankers' Association regarding the "Definition of Core Tier 1 Capital") and "common equity tier 1 capital" as used in this definition shall have the meaning assigned to such term in CRD IV, as interpreted and applied in accordance with the capital adequacy standards and guidelines of the FSA from time to time, but subject always to the transitional arrangements thereunder as interpreted by the FSA pursuant to its press release of 26 October 2012 entitled "*CRD IV transitional provisions on capital resources*".

"**CET1 Ratio**" means, as of any Quarterly Financial Period End Date or Extraordinary Calculation Date, as the case may be, the ratio of CET1 Capital as of such date to the Risk Weighted Assets as of the same date, expressed as a percentage.

"**CRD IV**" means the legislative package consisting of the Directive and the Regulation of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms, the first drafts of which were published by the European Commission on 20 July 2011.

"**CRD IV Adoption Date**" means the date on which the Regulation that forms part of CRD IV is deemed to take effect in the United Kingdom according to the terms of such Regulation.

"**Extraordinary Calculation Date**" means any business day (other than a Quarterly Financial Period End Date) on which the CET1 Ratio is calculated upon the instruction of the FSA.

"**Ordinary Reporting Date**" means each business day on which Quarterly Financial Information is published by Barclays PLC.

"**Quarterly Financial Information**" means the financial information of the Group in respect of a fiscal quarter that is contained in the principal financial report for such fiscal quarter published by Barclays PLC. As of the date of this Prospectus, the principal financial reports published by Barclays PLC with respect to each fiscal quarter are: (i) the Q1 Interim Management Statement in respect of the first fiscal quarter, (ii) the Interim Results Announcement in respect of the first half of the year (including the second fiscal quarter), (iii) the Q3 Interim Management Statement in respect of the first nine months of the year (including the third fiscal quarter) and (iv) the Results Announcement in respect of the full year (including the fourth fiscal quarter).

"**Quarterly Financial Period End Date**" means the last day of each fiscal quarter.

"**Risk Weighted Assets**" means, as of any Quarterly Financial Period End Date or Extraordinary Calculation Date, as the case may be, the aggregate amount, expressed in pounds sterling, of the risk weighted assets of the Group as of such date, as calculated by Barclays PLC on a consolidated basis in accordance with the capital adequacy standards and guidelines of the FSA applicable to the Group on such date (which calculation shall be binding on the trustee and the holders). For the avoidance of doubt, the term "risk weighted assets" as used in this definition shall have the meaning assigned to such term in the capital adequacy standards and guidelines of the FSA applicable to the Group on the relevant Quarterly Financial Period End Date or Extraordinary Calculation Date, as the case may be.

"**Suspension Period**" means the period of five (5) business days (or such other period as DTC shall determine in accordance with its rules and procedures) commencing on the business day immediately following the date on which the Automatic Transfer Notice is received by DTC except that such period may commence on the second business day immediately following the date on which the Automatic Transfer Notice is received by DTC, if DTC so determines in its discretion in accordance with its rules and procedures.

Effect of Order or Resolution for Winding-up or Administration

In the event that (i) a court of competent jurisdiction in England (or such other jurisdiction in which we are organized) issues an order, or an effective shareholders' resolution is validly adopted, for our winding-up or (ii) following the appointment of an administrator, the administrator gives notice that it intends to declare and distribute a dividend, and in each such case a Capital Adequacy Trigger Event has not occurred as of the date of such order or the date of such resolution or notice, no subsequent Capital Adequacy Trigger Event shall occur or be deemed to occur.

In the event that (i) a court of competent jurisdiction in England (or such other jurisdiction in which we are organized) issues an order, or an effective shareholders' resolution is validly adopted, for our winding-up or (ii) following the appointment of an administrator, the administrator gives notice that it intends to declare and distribute a dividend, in each such case after the occurrence of a Capital Adequacy Trigger Event but prior to the occurrence of an Automatic Transfer, such Capital Adequacy Trigger Event shall be deemed not to have occurred, and we shall enter into appropriate arrangements with DTC (or make alternative arrangements) to preserve the rights of the Pre-Transfer Holders under the Notes in relation to such winding-up or dividend, which arrangements may include the transfer of the Notes back to the Pre-Transfer Holders to the extent practicable (it being understood that in the event any interests in the Notes shall have been transferred to Barclays PLC (or another entity within the Group) in the circumstances contemplated in this paragraph, Barclays PLC (or such other entity) shall be deemed to hold any such interests on behalf of the Pre-Transfer Holders), and the Pre-Transfer Holders may direct the trustee in accordance with the requirements of Section 5.12 of the Original Indenture.

Event of Default and Defaults

An "**Event of Default**" with respect to the Notes shall result if (i) a court of competent jurisdiction in England (or such other jurisdiction in which we may be organized) makes an order for our winding up which is not successfully appealed within 30 days of the making of such order, or (ii) our shareholders adopt an effective resolution for our winding up (other than, in the case of either (i) or (ii) above, under or in connection with a scheme of reconstruction, merger or amalgamation not involving a bankruptcy or insolvency). Subject to certain provisions relating to the subordination of the Notes (including those limitations set forth in "—Ranking" above), if an Event of Default occurs and is continuing, the trustee or the holders of at least 25% in aggregate principal amount of the outstanding Notes may declare the principal amount of, and any accrued but unpaid interest on, the Notes to be due and payable immediately. However, after this declaration, 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 outstanding Notes may rescind the declaration of acceleration and its consequences, but only if the Event of Default has been cured or waived and all payments due, other than those due as a result of acceleration, have been made.

A "**Default**" with respect to the Notes shall result if we do not pay any instalment of interest upon, or any part of the principal of any 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 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.

Other than the limited remedies specified above, on the occurrence of a Default or an Event of Default which is continuing, no remedy against us shall be available to the trustee or the holders of the Notes whether for the recovery of amounts owing in respect of such Notes or under the Indenture in relation thereto or in respect of any breach by us of any of our other obligations under or in respect of such Notes or under the Indenture in relation thereto, save that the trustee shall have such powers as are required to be authorised to it under the Trust Indenture Act in respect of the rights of the holders of the Notes in response to such Event of Default or Default under the provisions of the Indenture, and provided that any payments are subject to the subordination provisions set forth in the Indenture.

In the event that a Default has occurred and the trustee has instituted proceedings in England (or such other jurisdiction in which we may be organized) (but not elsewhere) for our winding up, then if a Suspension Period shall commence prior to the making of an order by a court of competent jurisdiction for our winding up, the trustee shall cease such proceedings and any direction by Pre-Transfer Holders under the Indenture to the trustee in respect of such proceedings shall cease automatically and shall be null and void and of no further effect, except with respect to any indemnity and/or security given to the trustee by the Pre-Transfer Holders in any such direction or related to such direction. To the extent set forth in the Original Indenture, the trustee shall not be liable to any Pre-Transfer Holder in respect of the cessation of such proceedings or the termination of the effectiveness of any such direction, and any indemnity and/or security given to the trustee by the Pre-Transfer Holders in any such direction or related to such direction shall continue to be in full force and effect and shall be unaffected by the cessation of such proceedings or the termination of the effectiveness of any such direction in accordance with this paragraph.

In the event that a Default has occurred and the trustee receives a direction from Pre-Transfer Holders to institute proceedings in England (or such other jurisdiction in which we may be organized) (but not elsewhere) for our winding up, then if a Suspension Period shall commence before the trustee shall have instituted such proceedings, the trustee shall be directed not to and shall not be required to initiate such proceedings and, to the extent set forth in the Original Indenture, shall not be liable to any Pre-Transfer Holder in respect of not having commenced such proceedings.

For the avoidance of doubt, the rights of Pre-Transfer Holders in respect of any payment that has become due and payable prior to the Automatic Transfer shall not be affected by the provisions described in the preceding two paragraphs, and furthermore effective upon, and following, the commencement of any

Suspension Period, the trustee shall not be required to accept directions from Pre-Transfer Holders other than in respect of action limited solely to pursuing any such payment.

Trustee

The trustee for the holders of the Notes will be The Bank of New York Mellon. See "*—Event of Default and Defaults*" above for a description of the trustee's procedures and remedies available in connection with an Event of Default or Default.

GLOBAL SECURITIES

Legal Ownership; Form of Notes

Street Name and Other Indirect Holders. Investors who hold Notes in accounts at banks or brokers will generally not be recognized by us as legal holders of the Notes. 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 Notes. These intermediary banks, brokers and other financial institutions pass along principal, interest and other payments on the Notes, either because they agree to do so in their customer agreements or because they are legally required to do so. An investor who holds Notes in street name should check with the investor's own intermediary institution to find out:

- how it handles Note 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 Notes registered in the investor's own name so the investor can be a direct holder as described below; and
- how it would pursue rights under the Notes 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 and those of any third parties employed by us or the trustee, run only to persons who are registered as holders of Notes. As noted above, we do not have obligations to an investor who holds in street name or other indirect means, either because the investor chooses to hold Notes in that manner or because the Notes are issued in the form of global securities as described below. For example, once we make payment to the registered 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 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 Notes—Street Name and Other Indirect Holders*". As the Notes are to be issued in the form of global securities, the ultimate beneficial owners can only be indirect holders.

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 of the depositary, as well as general laws relating to Note transfers. We do not recognize this type of investor as a holder of Notes and instead deal only with the depositary that holds the global security.

Investors in Notes that are represented by global securities should be aware that:

- they cannot get Notes registered in their own name;
- they cannot receive physical certificates for their interests in the Notes;
- they will be a street name holder and must look to their own bank or broker for payments on the Notes and protection of their legal rights relating to the Notes, as explained above;
- they may not be able to sell interests in the Notes to some insurance companies and other institutions that are required by law to own their Notes in the form of physical certificates;
- the depositary's policies will govern payments, transfers, exchange and other matters relating to their interest in the global security. We and the trustee have no responsibility for any aspect of the depositary's actions or for its records of ownership interests in the global security. We and the trustee also do not supervise the depositary 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.

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 representing the Notes. After that exchange, the choice of whether to hold the Notes directly or in street name will be up to the investor. Investors must consult their own bank or brokers to find out how 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 in the Notes have been previously described in the section entitled "*Legal Ownership; Form of Notes—Street Name and Other Indirect Holders; Direct Holders*" above.

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 an Event of Default has occurred and has not been cured.

CLEARANCE AND SETTLEMENT

The Notes we issue will be held through the book-entry systems operated by The Depository Trust Company ("**DTC**") and its direct and indirect participants, including Clearstream, Luxembourg and Euroclear. These systems have established electronic securities and payment transfer, processing, depositary and custodial links among themselves and others, either directly or through custodians and depositaries. These links allow Notes to be issued, held and transferred among the clearing systems without the physical transfer of certificates.

Special procedures to facilitate clearance and settlement have been established among these clearing systems to trade Notes across borders in the secondary market. Where payments for Notes we issue in global form will be made in U.S. dollars, these procedures can be used for cross-market transfers and the Notes will be cleared and settled 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 DTC.

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

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

The policies of DTC, Clearstream, Luxembourg and Euroclear will govern payments, transfers, exchange and other matters relating to the investor's interest in the Notes held by them.

We have no responsibility for any aspect of the actions of DTC, Clearstream, Luxembourg or Euroclear or any of their direct or indirect participants. We have no responsibility for any aspect of the records kept by DTC, Clearstream, Luxembourg or Euroclear or any of their direct or indirect participants. We also do not supervise these systems in any way.

DTC, Clearstream, Luxembourg, Euroclear and their participants perform these clearance and settlement functions under agreements they have made with one another or with their customers. Investors should be aware that DTC, Clearstream, Luxembourg, Euroclear and their participants are not obligated to perform these procedures and may modify them or 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 and Euroclear as they are currently 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 between participants through electronic 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 certain other organizations. DTC is 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.

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 is subject to regulation 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 among them. It does so through 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 internationally traded securities and lending and borrowing of securities. It interfaces with the domestic markets in over 30 countries through established depositary and custodial relationships.

- Clearstream, Luxembourg's customers include worldwide securities brokers and dealers, banks, trust companies and clearing corporations and may include 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 customers or that have custodial 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 (*La 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 does so through simultaneous 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. It interfaces with the domestic markets of several countries.

- Euroclear customers include banks, including central banks, securities brokers and dealers, trust companies and clearing corporations and may include certain 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 customers.

- All securities in Euroclear are held on a fungible basis. This means that specific certificates are not matched to specific securities clearance accounts.

USE OF PROCEEDS

The net proceeds from the sale of the Notes are estimated to be U.S.$2,947,636,000. These proceeds will be used for general corporate purposes and to further strengthen our regulatory capital base.

UNITED KINGDOM TAXATION

*The following is a summary of the United Kingdom withholding taxation treatment at the date hereof in relation to payments of principal and interest in respect of the Notes and certain United Kingdom stamp duty and stamp duty reserve tax implications of acquiring, holding and disposing of the Notes. It is based on current law and the practice of Her Majesty's Revenue & Customs ("**HMRC**"), which may be subject to change, sometimes with retrospective effect. The comments do not deal with other United Kingdom tax aspects of acquiring, holding or disposing of the Notes. The comments relate only to the position of persons who are absolute beneficial owners of the Notes. The following is a general guide and should be treated with appropriate caution. It is not intended as tax advice and it does not purport to describe all of the tax considerations that might be relevant to a prospective purchaser. Holders who are in any doubt as to their tax position should consult their professional advisers. Holders who may be liable to taxation in jurisdictions other than the United Kingdom in respect of their acquisition, holding or disposal of the Notes are particularly advised to consult their professional advisers as to whether they are so liable (and if so under the laws of which jurisdictions), since the following comments relate only to certain United Kingdom taxation aspects of payments in respect of the Notes. In particular, holders should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of the Notes even if such payments may be made without withholding or deduction for or on account of taxation under the laws of the United Kingdom.*

UK Withholding Tax

1. Any Notes issued by us which carry a right to interest will constitute "quoted Eurobonds" provided they are and continue to be listed on a recognised stock exchange. Whilst the Notes are and continue to be quoted Eurobonds, payments of interest by us on the Notes may be made without withholding or deduction for or on account of United Kingdom income tax.

   Securities will be "listed on a recognised stock exchange" for this purpose if they are admitted to trading on an exchange designated as a recognised stock exchange by an order made by the Commissioners for HMRC and either they are included in the United Kingdom official list (within the meaning of Part 6 of the Financial Services and Markets Act 2000) or they are officially listed, in accordance with provisions corresponding to those generally applicable in European Economic Area states, in a country outside the United Kingdom in which there is a recognised stock exchange.

   The London Stock Exchange is a recognised stock exchange, and accordingly the Notes will constitute quoted Eurobonds provided they are, and continue to be included in the United Kingdom official list and admitted to trading on the regulated market of that Exchange.

2. In all cases falling outside the exemption described in 1 above, interest on the Notes may fall to be paid under deduction of United Kingdom income tax at the basic rate (currently 20 per cent.) subject to such relief as may be available under the provisions of any applicable double taxation treaty or to any other exemption which may apply.

Provision of Information

3. Holders should Note that, in certain circumstances, HMRC has power to obtain information (including the name and address of the beneficial owner of the interest) from any person in the United Kingdom who either pays or credits interest to or receives interest for the benefit of a holder. In certain circumstances, the information so obtained may be passed by HMRC to the tax authorities of certain other jurisdictions.

   The provisions referred to above may also apply, in certain circumstances, to payments made on redemption of any Notes which constitute "deeply discounted securities" for the purposes of Schedule 23, Finance Act 2011 (although, in this regard, HMRC published guidance for the year 2012/2013 indicates that HMRC will not exercise its power to obtain information in relation to such payments in that year).

   Information may also be required to be reported in accordance with regulations made pursuant to the EU Savings Directive (see below).

4. **EU Savings Directive**

Under EC Council Directive 2003/48/EC (the "EU Savings Directive") on the taxation of savings income, each EU Member State is required to provide to the tax authorities of another EU 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 resident or certain limited types of entity established in that other EU Member State; however, for a transitional period, Austria and Luxembourg may instead apply a withholding system in relation to such payments, deducting tax at a rate of 35 per cent. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

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

The European Commission has proposed certain amendments to the EU Savings Directive which may, if implemented, amend or broaden the scope of the requirements described above. Investors who are in any doubt as to their position should consult their professional advisers.

Other Rules Relating to United Kingdom Withholding Tax

5. Where interest has been paid under deduction of United Kingdom income tax, holders who are not resident in the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision in any applicable double taxation treaty.

6. The references to "interest" above mean "interest" as understood in United Kingdom tax law. The statements above do not take any account of any different definitions of "interest" or "principal" which may prevail under any other law or which may be created by the terms and conditions of the Notes or any related documentation.

7. The above description of the United Kingdom withholding tax position assumes that there will be no substitution of the Issuer as issuer of the Notes and does not consider the tax consequences of any such substitution.

Stamp Duty and Stamp Duty Reserve Tax

Creation and Issue of Notes

8. No liability for United Kingdom stamp duty or stamp duty reserve tax will arise for a holder on the creation of the Notes or the issue of the Notes into a clearing system.

Transfer of Notes

9. No liability for United Kingdom stamp duty reserve tax will arise for a holder on an agreement to transfer any Notes within a clearing system.

10. For the purposes of paragraph 9, it is assumed that any transfer of, or agreement to transfer, a holder's rights in respect of the Notes held in a clearing system does not amount to the transfer of, or an agreement to transfer, either: (a) an interest in such Notes; or (b) rights against the clearing system; in each case falling short of full ownership of the relevant Notes. Whilst this point is not entirely free from doubt, we are not aware of HMRC seeking to charge stamp duty or stamp duty reserve tax on the basis that the legal position is as set out in (a) or (b) above.

11. No liability for United Kingdom stamp duty or stamp duty reserve tax will arise for a holder on transfer of, or an agreement to transfer any Notes on the assumption that the Notes do not carry

and will not carry at any time a right to interest the amount of which exceeds a reasonable commercial return on the nominal amount of the capital.

12. No liability for United Kingdom stamp duty or stamp duty reserve tax will arise for a holder on transfer of, or an agreement to transfer, any Notes on an Automatic Transfer.

Redemption of Notes

13. No liability for United Kingdom stamp duty or stamp duty reserve tax will arise for a holder on the redemption of the Notes.

UNITED STATES TAXATION

U.S. Internal Revenue Service Circular 230 Notice: To ensure compliance with U.S. Internal Revenue Service Circular 230, prospective investors are hereby notified that: (a) any discussion of U.S. federal tax issues contained or referred to in this Prospectus or any document referred to herein is not intended or written to be used, and cannot be used by prospective investors for the purpose of avoiding penalties that may be imposed on them under the U.S. Internal Revenue Code; (b) such discussion is written for use in connection with the promotion or marketing of the transactions or matters addressed herein; and (c) prospective investors should seek advice based on their particular circumstances from an independent tax advisor.

Material U.S. Federal Income Tax Consequences

The material U.S. federal income tax consequences of your investment in the Notes are summarized below. This section applies to you only if you purchase the Notes in this offering and you hold your Notes as capital assets for tax purposes and does not apply to you if you are a member of a 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 liable for alternative minimum tax;
- a person that actually or constructively owns 10% or more of Barclays Bank PLC voting stock;
- a person that holds Notes as part of a straddle or a hedging or conversion transaction;
- a person that purchases or sells Notes as part of a wash sale for tax purposes; or
- a U.S. holder (as defined below) whose functional currency is not the U.S. dollar.

This section is based on the Internal Revenue Code of 1986, as amended, its legislative history, existing and proposed regulations, published rulings and court decisions, as well as on the income tax convention between the United States of America and the United Kingdom (the "Treaty"). These laws are subject to change, possibly on a retroactive basis.

If a partnership holds the Notes, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and the tax treatment of the partnership. A partner in a partnership holding the Notes should consult its tax advisor with regard to the U.S. federal income tax treatment of an investment in the Notes.

NO STATUTORY, REGULATORY, JUDICIAL OR ADMINISTRATIVE AUTHORITY DIRECTLY DISCUSSES HOW THE NOTES SHOULD BE TREATED FOR U.S. FEDERAL INCOME TAX PURPOSES. AS A RESULT, THE U.S. FEDERAL INCOME TAX CONSEQUENCES OF YOUR INVESTMENT IN THE NOTES ARE UNCERTAIN. ACCORDINGLY, WE URGE YOU TO CONSULT YOUR TAX ADVISER AS TO THE TAX CONSEQUENCES OF OWNERSHIP OF NOTES DESCRIBED BELOW AND AS TO THE APPLICATION OF STATE, LOCAL, OR OTHER TAX LAWS TO YOUR INVESTMENT IN YOUR NOTES.

U.S. Holders

You are a U.S. holder if you are a beneficial owner of a Note and you are for U.S. federal income tax purposes:

- a citizen or resident of the United States;
- a domestic corporation or other entity taxable as 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 control all substantial decisions of the trust.

If you are not a U.S. holder, this sub-section does not apply to you, and you should refer to "*U.S. Alien Holders*" below.

Special considerations apply to U.S. holders resident outside of the United States. Please consult your tax advisor regarding the tax treatment of the Notes in your country of residence and the impact of such treatment on your US federal tax consequences.

Characterization of the Notes. There is no authority that addresses the U.S. federal income tax treatment of an instrument such as the Notes that is denominated as a subordinated debt instrument but that provides for an Automatic Transfer under which a holder could lose its entire investment in the Notes and have no rights with respect to the repayment of the principal amount of the Notes that has not become due or the payment of interest on such Notes from (and including) the Interest Payment Date falling immediately prior to the occurrence of such Automatic Transfer. It is therefore unclear whether the Notes should be treated as equity or debt of Barclays Bank PLC for U.S. federal income tax purposes. We believe, however, that the Notes should be treated as equity of Barclays Bank PLC for U.S. federal income tax purposes, and the terms of the Notes require a U.S. holder and Barclays Bank PLC (in the absence of a statutory, regulatory, administrative or judicial ruling to the contrary) to treat the Notes for U.S. federal income tax purposes in accordance with such characterization. Except as discussed under "*Alternative Treatments*" below, the discussion below assumes that the Notes will be treated as equity of Barclays Bank PLC.

Interest Payments on the Notes. In general, the interest payments with respect to the Notes will be treated as dividends to the extent of Barclays Bank PLC's current or accumulated earnings and profits as determined for U.S. federal income tax purposes. Subject to the discussion under "*PFIC Considerations*" below, any portion of an interest payment in excess of Barclays Bank PLC's current and accumulated earnings and profits would be treated first as a nontaxable return of capital that would reduce your tax basis in the Notes, and would thereafter be treated as capital gain, the tax treatment of which is discussed below under "*Sale, Redemption, Maturity or Automatic Transfer of the Notes*." Because Barclays Bank PLC does not currently maintain calculations of its earnings and profits under U.S. federal income tax principles, it is expected that all interest payments on the Notes will generally be reported to U.S. holders as dividends.

Interest payments we make with respect to the Notes that are treated as dividends for U.S. federal income tax purposes generally will be qualified dividend income. However, in the absence of legislation extending the term of the preferential tax rates for qualified dividend income, all dividends paid in taxable years beginning on or after January 1, 2013 will be taxed at rates applicable to ordinary income. You should consult your tax adviser regarding the availability of the reduced dividend tax rate in light of your particular circumstances. Amounts we pay with respect to the Notes will not be eligible for the dividends-received deduction generally allowed to U.S. corporations in respect of dividends received from other U.S. corporations.

The amount of an interest payment on the Notes will include amounts, if any, withheld in respect of U.K. taxes. For more information on U.K. withholding taxes, please see the discussion under "*United Kingdom Taxation*" in this Prospectus. Amounts we pay with respect to the Notes will be considered foreign-source income to U.S. holders. Subject to applicable limitations, some of which vary depending upon your circumstances, U.K. income taxes withheld from interest payments on the Notes to a U.S. holder not eligible for an exemption from U.K. withholding tax (under the U.S.-U.K. income tax treaty or otherwise) will be creditable against the U.S. holder's U.S. federal income tax liability. The rules governing foreign tax credits are complex, and you should consult your tax adviser regarding the creditability of foreign taxes in your particular circumstances.

Sale, Redemption, Maturity or Automatic Transfer of the Notes. Subject to the discussion under "*PFIC Considerations*" below, you will generally recognize capital gain or loss upon the sale, redemption, maturity or Automatic Transfer of your Notes in an amount equal to the difference between the amount you receive at such time (which in the case of an Automatic Transfer would be zero) and your tax basis in the Notes. In general, your tax basis in your Notes will be equal to the price you paid for them. Such capital gain or loss will be long-term capital gain or loss if you held your Notes for more than one year. Capital gain of a non-corporate U.S. holder is generally taxed at preferential rates where the property is held for more than one year. The deductibility of capital losses is subject to limitations. Such gain or loss will generally be income or loss from sources within the United States for foreign tax credit limitation purposes.

PFIC Considerations. Barclays Bank PLC does not expect to be a passive foreign investment company ("**PFIC**") for U.S. federal income tax purposes, and therefore believes that the Notes should not be treated as stock of a PFIC, but this conclusion is a factual determination made annually and thus may be subject to change. In general, Barclays Bank PLC will be a PFIC with respect to you if, for any taxable year in which you hold the Notes, either (i) at least 75% of the gross income of Barclays Bank PLC for the taxable year is passive income or (ii) at least 50% of the value, determined on the basis of a quarterly average, of Barclays Bank PLC's assets is attributable to assets that produce or are held for the production of passive income (including cash). If Barclays Bank PLC were to be treated as a PFIC, gain realized on the sale or other disposition of Notes would in general not be treated as capital gain. Instead, you would be treated as if you had realized such gain ratably over your holding period for the Notes. Amounts allocated to the year of disposition and to years before Barclays Bank PLC became a PFIC would be taxed as ordinary income and amounts allocated to each other taxable year would be taxed at the highest tax rate applicable to individuals or corporations, as appropriate, in effect for each such year to which the gain was allocated, together with an interest charge in respect of the tax attributable to each such year. Further, to the extent that any distribution received by a U.S. holder on its Notes exceeded 125% of the average of the annual distributions on the Notes received during the preceding three years or the holder's holding period, whichever is shorter, the distribution would be subject to taxation in the same manner as gain, described immediately above. With certain exceptions, your Notes will be treated as stock in a PFIC if Barclays Bank PLC was a PFIC at any time during your holding period for the Notes.

Alternative Treatments. As discussed above, it is possible that Notes could be treated as debt of Barclays Bank PLC for U.S. federal income tax purposes. If the Notes were so treated, you would be required to include the interest payments on the Notes as ordinary interest income. Furthermore, in such case, the Notes may be treated as a contingent payment debt instrument, in which case (i) you would be required to accrue interest on the Notes even if you are otherwise subject to the cash basis method of accounting for tax purposes, and (ii) you would be required to treat any gain that you recognize upon the sale, exchange, redemption or maturity of your Notes as ordinary income that is not subject to taxation at preferential rates.

In addition, it is possible that the Notes will be treated as an investment unit consisting of a debt instrument issued by Barclays Bank PLC and a call option that each holder of Notes has issued to Barclays PLC. If the Notes are so treated, a portion of the interest paid on the Notes would be treated as option premium and taxable as short term capital gain.

Holders should consult their tax advisers as to the tax consequences to them if the Notes are classified as debt for U.S. federal income tax purposes, as well as any other possible alternative treatments of the Notes.

Medicare Tax. For taxable years beginning after December 31, 2012, if you are an individual or estate, or a trust that does not fall into a special class of trusts that is exempt from such tax, you will be subject to a 3.8% tax (the "Medicare Tax") on the lesser of (1) your "net investment income" for the relevant taxable year and (2) the excess of your modified adjusted gross income for the taxable year over a certain threshold (which in the case of individuals will be between U.S.$125,000 and U.S.$250,000, depending on the individual's circumstances). Your net investment income will generally include the interest payments on the Notes (even if they are treated as dividends for tax purposes as described above) and your net gains from the sale, exchange, redemption or maturity of your Notes, unless such net gains are derived in the ordinary course of the conduct of a trade or business (other than a trade or business that consists of certain passive or trading activities). You are urged to consult your tax advisers regarding the applicability of the Medicare Tax to your net investment income in respect of your investment in the Notes.

Information with Respect to Foreign Financial Assets. Owners of "specified foreign financial assets" with an aggregate value in excess of U.S.$50,000 (and in some circumstances, a higher threshold), may be required to file an information report with respect to such assets with their tax returns. "Specified foreign financial assets" include any financial accounts maintained by foreign financial institutions, including financial accounts in which Notes are held, and among other things, securities issued by non-U.S. persons, such as the Notes, if they are not held in accounts maintained by financial institutions. Holders are urged to consult their tax advisers regarding the application of this legislation to their ownership of the Notes.

FATCA Withholding after December 31, 2016. A 30% withholding tax may be imposed on all or some of the payments on the Notes after December 31, 2016 to holders and non-U.S. financial institutions receiving payments on behalf of holders that, in each case, fail to comply with information reporting, certification and related requirements. Under current guidance, the amount to be withheld is not defined, and it is not yet clear whether or to what extent payments on the Notes may be subject to this withholding tax. This withholding tax, if it applies, could apply to any payment made with respect to the Notes, including payments of both principal and interest. Moreover, withholding may be imposed at any point in a chain of payments if a non-U.S. payee fails to comply with U.S. information reporting, certification and related requirements. Accordingly, Notes held through a non-compliant institution may be subject to withholding even if the Note holder otherwise would not be subject to withholding.

If FATCA withholding is required, Barclays Bank PLC will not be required to pay any additional amounts with respect to any amounts withheld. A beneficial owner of Notes that is not a foreign financial institution generally will be entitled to a refund of any amounts withheld under FATCA, but this may entail significant administrative burden. U.S. and U.S. alien holders are urged to consult their tax advisers regarding the application of FATCA to their ownership of the Notes

U.S. Alien Holders

You are a U.S. alien holder if you are a beneficial owner of the Notes and are, for U.S. federal income tax purposes:

- a nonresident 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 the Notes

If you are a U.S. holder, or if you hold the Notes in connection with a U.S. trade or business, this subsection does not apply to you.

Interest Payments on the Notes. Interest paid to you with respect to the Notes will not be subject to U.S. federal income tax unless the interest is "effectively connected" with your conduct of a trade or business within the United States (or treated as such), and, if required by an applicable income tax treaty as a condition for subjecting you to U.S. taxation on a net income basis, the interest is attributable to a permanent establishment that you maintain in the United States. In such cases you generally will be taxed in the same manner as a U.S. holder. If you are a corporate U.S. alien holder, "effectively connected" interest may, under certain circumstances, be subject to an additional "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.

Sale, Redemption, Maturity or Automatic Transfer of the Notes. You generally will not be subject to U.S. federal income tax on gain realized on the sale, exchange, maturity or Automatic Transfer of the Notes 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 on a net income basis; 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 and certain other conditions exist.

If you are a corporate U.S. alien holder, "effectively connected" gains that you recognize may also, under certain circumstances, be subject to an additional "branch profits tax" at 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 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:

- all payments on the Notes within the United States, including payments made by wire transfer from outside the United States to an account you maintain in the United States; and
- the payment of the proceeds from the sale of the Notes effected at a U.S. office of a broker.

Additionally, backup withholding will apply to such payments 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 report all interest and dividends required to be shown on your federal income tax returns; or
- in certain circumstances, fails to comply with applicable certification requirements.

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 the Notes made to you outside the United States by Barclays Bank PLC; and
- other payments of principal and interest and the payment of the proceeds from the sale of the Notes effected at a U.S. office of 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:
        - an appropriate Internal Revenue Service Form W-8 or an acceptable substitute form upon which you certify, under penalties of perjury, that you are not a 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; or
    - you otherwise establish an exemption.

Payment of the proceeds from the sale of the Notes effected at a foreign office of a broker generally will not be subject to information reporting or backup withholding. However, a sale of the Notes that is effected at a foreign office of a broker will be subject to information reporting and 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 are met or you otherwise establish an exemption.

In addition, a sale of Notes effected at a foreign office of a broker will be subject to information reporting if the broker is:

- a U.S. person;
- a controlled foreign corporation for U.S. tax purposes;
- 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 specified three-year period;
- 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 income or capital interest in 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 are met or you otherwise 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 refund claim with the United States Internal Revenue Service.

SUBSCRIPTION AND SALE

Barclays Capital Inc., Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC, Deutsche Bank Securities Inc., Morgan Stanley & Co. LLC, ABN AMRO Securities (USA) LLC, Banca IMI S.p.A., Banco Bilbao Vizcaya Argentaria, S.A., BNP Paribas Securities Corp, Danske Bank A/S, ING Bank N.V. Belgian Branch, Lloyds TSB Bank plc, Mediobanca – Banca di Credito Finanziario S.p.A., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Mitsubishi UFJ Securities (USA) plc, Mizuho Securities USA Inc., Natixis Securities Americas LLC, Santander Investment Securities Inc., Scotia Capital (USA) Inc., SG Americas Securities, LLC, SMBC Nikko Capital Markets Limited, TD Securities (USA) LLC, U.S. Bancorp Investments, Inc. and Wells Fargo Securities, LLC (the "**underwriters**") have, in the Underwriting Agreement – Standard Provisions dated 6 October 2010, incorporated in the pricing agreement dated 14 November 2012 (the "**Pricing Agreement**") and made between us and the underwriters upon the terms and subject to the conditions contained therein, severally but not jointly agreed to subscribe for the Notes at their issue price of 100 per cent. of their principal amount. The underwriters are entitled in certain circumstances to be released and discharged from their obligations under the Pricing Agreement prior to the closing of the issue of the Notes.

United Kingdom

Each underwriter has further represented, warranted and undertaken that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to us; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

General

Each Manager has represented, warranted and agreed that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes this Prospectus or any other offering material relating to the Notes. Persons into whose hands this Prospectus comes are required by us and the underwriters to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Prospectus or any other offering material relating to the Notes, in all cases at their own expense.

GENERAL INFORMATION

1. **Authorisation**

The creation and issue of the Notes has been authorised by written resolutions of the Fund Raising Committee of the Board of Directors of the Issuer dated 21 April 2011 and the written resolutions of the Treasury Committee of Barclays PLC and Barclays Bank PLC passed on 19 November 2012.

2. **Legal and Arbitration Proceedings and Regulatory Matters**

Regulatory Matters

Payment Protection Insurance

On 20 April 2011, the judicial review proceedings brought by the British Bankers' Association in October 2010 against the FSA and the Financial Ombudsman Service regarding the assessment and redress of PPI complaints were dismissed. On 9 May 2011, the Issuer announced that it would not be participating in any application for permission to appeal against the High Court judgment and that the Issuer had agreed with the FSA that it would process all on-hold and any new complaints from customers about PPI policies that they hold. The Issuer also announced that, as a goodwill gesture, it would pay out compensation to customers who had PPI complaints put on hold during the judicial review. The Issuer took a provision of £1 billion in the second quarter of 2011 to cover the cost of future redress and administration. On 26 April 2012 and 18 October 2012, following an increase in PPI complaint volumes, the Issuer announced that it had increased the provision by a further £300 million and £700 million, respectively.

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 Issuer 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 Issuer announced that it had reached settlements with the FSA, the CFTC and the DOJ-FS in relation to the Investigations and the Issuer 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 Issuer 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 (the "**SFO**") announced that it had decided formally to accept the LIBOR matter for investigation.

Please see "*Legal and Arbitration Proceedings — LIBOR Civil Actions*" below for a discussion of litigation arising in connection with the Investigations.

Interest Rate Hedging Products

On 29 June 2012, the FSA announced that it had reached agreement with a number of UK banks (including the Issuer) 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 Issuer 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 Issuer expects to unwind over the life of the new arrangements). The ultimate cost of this exercise was (as at the date of this Prospectus) 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.

Other Matters

(i) The FSA has commenced an investigation involving the Issuer 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 Barclays PLC and the Issuer in June and November 2008. The Issuer considers that it satisfied its disclosure obligations and confirms that it will cooperate fully with the FSA's investigation.

(ii) On 29 August 2012, Barclays PLC confirmed that the SFO has commenced an investigation into payments under certain commercial agreements between the Issuer and Qatar Holding LLC.

(iii) On 31 October 2012, the Issuer announced that it had been informed by the Department of Justice (the "**DOJ**") and the SEC that they are undertaking an investigation into whether the Group's relationships with third parties who assist the Group to win or retain business are compliant with the United States Foreign Corrupt Practices Act. The Issuer is investigating and fully co-operating with the DOJ and SEC.

As at the date of this Prospectus, it is not practicable to estimate the Issuer's possible loss in relation to the matters listed in (i), (ii) and (iii) above, or any effect that they might have upon operating results in any particular financial period.

Federal Energy Regulatory Commission

The United States Federal Energy Regulatory Commission (the "**FERC**") Office of Enforcement has been investigating the Group's power trading in the western US with respect to the period from late 2006 through 2008. On 31 October 2012, the FERC issued a public Order to Show Cause and Notice of Proposed Penalties ("**Order and Notice**") against the Issuer in relation to this matter. In the Order and Notice the FERC asserts that the Issuer violated the FERC's Anti-Manipulation Rule by manipulating the electricity markets in and around California from November 2006 to December 2008. The FERC is proposing that the Issuer pay a U.S.$435 million civil penalty and disgorge an additional U.S.$34.9 million of profits plus interest. The Issuer intends to vigorously defend this matter.

Legal and Arbitration Proceedings

Lehman Brothers Holdings Inc.

On 15 September 2009, motions were filed in the United States Bankruptcy Court for the Southern District of New York (the "**Bankruptcy Court**") by Lehman Brothers Holdings Inc. ("**LBHI**"), the SIPA Trustee for Lehman Brothers Inc. (the "**Trustee**") and the Official Committee of Unsecured Creditors of Lehman Brothers Holdings Inc. (the "**Committee**"). All three motions challenged certain aspects of the transaction pursuant to which Barclays Capital Inc. ("**BCI**") and other companies in the Group acquired most of the assets of Lehman Brothers Inc. ("**LBI**") in September 2008 and the court order approving such sale (the "**Sale**"). The claimants were seeking an order voiding the transfer of certain assets to BCI; requiring BCI to return to the LBI estate alleged excess value BCI received; and declaring that BCI is not entitled to certain assets that it claims pursuant to the sale documents and order approving the Sale (the "**Rule 60 Claims**"). On 16 November 2009, LBHI, the Trustee and the Committee filed separate complaints in the Bankruptcy Court asserting claims against BCI based on the same underlying allegations as the pending motions and seeking relief similar to that which is requested in the motions. On 29 January 2010, BCI filed its response to the motions and also filed a motion seeking delivery of certain assets that LBHI and LBI have failed to deliver as required by the sale documents and the court order approving the Sale (together with the Trustee's competing claims to those assets, the "**Contract Claims**"). Approximately U.S.$4.3 billion (£2.8 billion) of the assets acquired as part of the acquisition had not been received by 30 June 2012, approximately U.S.$3.0 billion (£1.9 billion) of which were recognised as part of the accounting for the

acquisition and are included in the balance sheet as at 30 June 2012. This results in an effective provision of U.S.$1.3 billion (£0.8 billion) against the uncertainty inherent in the litigation.

On 22 February 2011, the Bankruptcy Court issued its Opinion in relation to these matters, rejecting the Rule 60 Claims and deciding some of the Contract Claims in the Trustee's favour and some in favour of BCI. On 15 July 2011, the Bankruptcy Court entered final Orders implementing its Opinion. BCI and the Trustee each appealed the Bankruptcy Court's adverse rulings on the Contract Claims to the United States District Court for the Southern District of New York (the "District Court"). LBHI and the Committee did not pursue an appeal from the Bankruptcy Court's ruling on the Rule 60 Claims. After briefing and argument, the District Court issued its Opinion on 5 June 2012 in which it reversed one of the Bankruptcy Court's rulings on the Contract Claims that had been adverse to BCI and affirmed the Bankruptcy 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 Sale (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 (£0.5billion) 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 Prospectus, the Issuer 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 Issuer cannot reliably estimate (as at the date of this Prospectus) 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 (£0.5billion) 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 Issuer 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 Prospectus) considered probable and the Issuer is satisfied with the current level of provision.

American Depositary Shares

The Issuer, Barclays PLC and various current and former members of Barclays PLC's Board of Directors have been named as defendants in five proposed securities class actions (which have been consolidated) pending in the United States District Court for the Southern District of New York (the "**Court**"). The consolidated amended complaint, dated 12 February 2010, alleges that the registration statements relating to American Depositary Shares representing Preferred Stock, Series 2, 3, 4 and 5 (the "**ADS**") offered by the Issuer at various times between 2006 and 2008 contained misstatements and omissions concerning (amongst other things) the Issuer's portfolio of mortgage-related (including U.S. subprime-related) securities, the Issuer's exposure to mortgage and credit market risk and the Issuer's financial condition. The consolidated amended complaint asserts claims under Sections 11, 12(a)(2) and 15 of the Securities Act. On 5 January 2011, the Court issued an order and, on 7 January 2011, judgment was entered, granting the defendants' motion to dismiss the complaint in its entirety and closing the case. On 4 February 2011, the plaintiffs filed a motion asking the Court to reconsider in part its dismissal order. On 31 May 2011, the Court denied in full the plaintiffs' motion for reconsideration. The plaintiffs have

appealed both decisions (the grant of the defendants' motion to dismiss and the denial of the plaintiffs' motion for reconsideration) to the United States Court of Appeals for the Second Circuit.

The Issuer considers that these ADS-related claims against it are without merit and is defending them vigorously. As at the date of this Prospectus, it was not practicable to estimate the Issuer's possible loss in relation to these claims or any effect that they might have upon operating results in any particular financial period.

U.S. Federal Housing Finance Agency and other residential mortgage-backed securities litigation

The U.S. Federal Housing Finance Agency ("**FHFA**"), acting for two U.S. government sponsored enterprises, Fannie Mae and Freddie Mac (collectively, the "**GSEs**"), filed lawsuits against 17 financial institutions in connection with the GSEs' purchases of residential mortgage-backed securities ("**RMBS**"). The lawsuits allege, amongst other things, that the RMBS offering materials contained materially false and misleading statements and/or omissions. The Issuer and/or certain of its affiliates or former employees are named in two of these lawsuits, relating to sales between 2005 and 2007 of RMBS, in which BCI was lead or co-lead underwriter.

Both complaints demand, amongst other things: rescission and recovery of the consideration paid for the RMBS; and recovery for the GSEs' alleged monetary losses arising out of their ownership of the RMBS. The complaints are similar to other civil actions filed against the Issuer and/or certain of its affiliates by other plaintiffs, including the Federal Home Loan Bank of Seattle, Federal Home Loan Bank of Boston, Federal Home Loan Bank of Chicago, Cambridge Place Investment Management, Inc., HSH Nordbank AG (and affiliates), Sealink Funding Limited, Landesbank Baden-Württemberg (and affiliates), Deutsche Zentral-Genossenschaftsbank AG (and affiliates) and Stichting Pensioenfonds ABP, relating to their purchases of RMBS. The Issuer considers that the claims against it are without merit and intends to defend them vigorously.

The original amount of RMBS related to the claims against the Issuer in these cases totalled approximately U.S.$7.6 billion, of which approximately U.S.$2.4 billion was outstanding as at 30 June 2012. Cumulative losses reported on these RMBS as at 30 June 2012 were approximately U.S.$0.2 billion. If the Issuer were to lose these cases it could incur a loss of up to the outstanding amount of the RMBS as at the time of judgment (taking into account further principal payments after 30 June 2012), plus any cumulative losses on the RMBS at such time and any interest, fees and costs, less the market value of the RMBS at such time. The Issuer has estimated the total market value of the RMBS as at 30 June 2012 to be approximately U.S.$1.3 billion. The Issuer may be entitled to indemnification for a portion of any losses.

Devonshire Trust

On 13 January 2009, the Issuer commenced an action in the Ontario Superior Court (the "Court") seeking an order that its early terminations earlier that day of two credit default swaps under an ISDA Master Agreement with the Devonshire Trust ("**Devonshire**"), an asset-backed commercial paper conduit trust, were valid. On the same day, Devonshire purported to terminate the swaps on the ground that the Issuer had failed to provide liquidity support to Devonshire's commercial paper when required to do so. On 7 September 2011, the Court ruled that the Issuer's early terminations were invalid, Devonshire's early terminations were valid and, consequently, Devonshire was entitled to receive back from the Issuer cash collateral of approximately C$533 million together with accrued interest thereon. The Issuer is appealing the Court's decision. If the Court's decision were to be unaffected by future proceedings, the Issuer estimates that its loss would be approximately C$500 million, less any impairment provisions taken by the Issuer for this matter.

LIBOR Civil Actions

The Issuer 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 Issuer 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 Issuer 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 Issuer 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 Issuer 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 Issuer 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 Issuer has been granted conditional leniency from the Antitrust Division of 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 Issuer 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 Issuer satisfying the DOJ and the court presiding over the civil litigation of its satisfaction of its cooperation obligations.

The Issuer 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 Issuer's role as a contributor panel bank to LIBOR. The complaint alleges that the Issuer's Annual Reports for the years 2006 to 2011 contained misstatements and omissions concerning (amongst other things) the Issuer'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 Issuer 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 Prospectus, 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 Issuer's or Group's financial position in any particular period.

Save as disclosed under "*Legal and Arbitration Proceedings and Regulatory Matters*" above, there are no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which we are aware), which may have, or have had during the 12 months prior to the date of this Prospectus, a significant effect on the financial position or profitability of the Issuer and/or the Group.

3. **Significant/Material Change**

Since 31 December 2011, there has been no material adverse change in the prospects of the Issuer or the Group and, since 30 June 2012, there has been no significant change in the financial or trading position of the Issuer or the Group.

4. **Auditors**

The annual consolidated financial statements of the Issuer have been audited without qualification for the years ended 31 December 2011 and 31 December 2010 by PricewaterhouseCoopers LLP, chartered accountants and registered auditors (a member of the Institute of Chartered Accountants in England and Wales).

5. **Documents on Display**

Copies of the following documents may be inspected during normal business hours at the offices at Barclays Treasury, 1 Churchill Place, London E14 5HP United Kingdom and at the specified office of The Bank of New York Mellon, at One Canada Square, London E14 5AL, United Kingdom, for 12 months from the date of this Base Prospectus:

(a) the Articles of Association of the Issuer;

(b) the Joint Annual Report, the 2011 Issuer Annual Report, the 2010 Issuer Annual Report, the Interim Management Statement, the June 2012 Issuer's Capitalisation and Indebtedness Table and the June 2012 Barclays PLC's Capitalisation and Indebtedness Table;

(c) a copy of the Original Indenture and the First Supplemental Indenture; and

(d) drafts (subject to modification) of the Underwriting Agreement – Standard Provisions dated 6 October 2012 and pricing agreement 14 November 2012 relating to the Notes.

6. **Yield**

On the basis of the issue price of the Notes of 100 per cent. of their principal amount, the gross real yield of the Notes is 7.625 per cent. on a semi-annual basis.

7. **CUSIP, ISIN and Common Code**

The Notes have been accepted for clearance through DTC. The CUSIP is 06740L8C2, the ISIN is US06740L8C27 and the common code is 085736795.

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