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## BARCLAYS BANK PLC

(Incorporated with limited liability in England and Wales)

### EUR 75,000,000 Non-Principal Protected Bond Linked Notes due 2016

**Issue Price: 100% of par**  
issued pursuant to the  
**GLOBAL STRUCTURED SECURITIES PROGRAMME**  
Series GSN41018

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#### Prospectus

This document (including the information incorporated by reference herein) constitutes a prospectus (the “**Prospectus**”) in respect of EUR 75,000,000 Non-Principal Protected Bond Linked Notes due 2016 (the “**Securities**”) to be issued by Barclays Bank PLC (the “**Issuer**” or the “**Bank**”) for the purposes of Article 5 of Directive 2003/71/EC (the “**Prospectus Directive**”).

#### Listing and Admission to Trading

This Prospectus has been approved by the UK Financial Services Authority (the “**FSA**”), which is the United Kingdom competent authority for the purposes of the Prospectus Directive and relevant implementing measures in the United Kingdom (the “**UK Regulatory Authority**”). Application has been made to the FSA in its capacity as competent authority under the Financial Services and Markets Act 2000 (“**FSMA**”) for the Securities to be admitted to the official list of the UK Regulatory Authority (the “**Official List**”) and to the London Stock Exchange plc (the “**London Stock Exchange**”) for such Securities to be admitted to trading on the London Stock Exchange’s Regulated Market (the “**Market**”). References in this Prospectus to Securities being “listed” (and all related references) shall mean that such Securities have been admitted to the Official List and have been admitted to trading on the Market. The Market is a regulated Market for the purposes of the Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments.

The Issuer has requested the UK Regulatory Authority to notify the approval of this Prospectus in accordance with Article 18 of the Prospectus Directive to the *Autorité des marchés financiers* (“**AMF**”) for the purposes of the Prospectus Directive by providing them, *inter alia*, with a certificate of approval attesting that this Prospectus has been drawn up in accordance with the Prospectus Directive.

#### Offer and Sale of Securities

Any person (an “**Investor**”) intending to acquire or acquiring any Securities from any Distributor (as defined herein) should be aware that, in the context of an offer to the public as defined in section 102B of the Financial Services and Markets Act 2000, the Issuer may be responsible to the Investor for this Prospectus under section 90 of the Financial Services and Markets Act 2000 if the Issuer has authorised that Distributor to make the offer to the Investor. Each Investor should therefore enquire whether the Distributor is so authorised by the Issuer. If the Distributor is not so authorised by the Issuer, the Investor should check with the Distributor whether anyone is responsible for this Prospectus for the purposes of section 90 of the Financial Services and Markets Act 2000 in the context of the offer to the public and, if so, who that person is. If the Investor is in doubt about whether it can rely on this Prospectus and/or who is responsible for its contents, it should take legal advice. **Where information relating to the terms of the relevant offer required pursuant to the Prospectus Directive is not contained in this Prospectus, it will be the responsibility of the relevant Distributor at the time of such offer to provide the Investor with such information.** This does not affect any responsibility which the Issuer may otherwise have under applicable laws. The offer and sale of Securities may, in certain circumstances, be restricted by the law. For a further description of certain restrictions on the offer and sale of the Securities, see the section headed “Purchase and Sale”.

#### Ratings

As of the date of this Prospectus, the short term unsecured obligations of the Issuer are rated A-1+ by Standard & Poor’s Credit Market Ratings Services Europe Limited, a division of The McGraw-Hill Companies, Inc. (“**Standard & Poor’s**”), P-1 by Moody’s Investors Service Limited (“**Moody’s**”), and F1+ by Fitch Ratings Ltd. (“**Fitch**”) and the long-term obligations of the Issuer are rated AA- by Standard & Poor’s, Aa3 by Moody’s, and AA- by Fitch. The Securities are not separately rated.

The credit ratings included or referred to in this Prospectus will be treated for the purposes of Regulation (EC) No 1060/2009 on credit rating agencies (the “**CRA Regulation**”) as having been issued by Fitch, Moody’s and Standard & Poor’s, each of which is established in the European Union and has applied to be registered under the CRA Regulation, although the result of such applications has not yet been determined.

#### Definitions

Unless otherwise defined, capitalised terms used in this Prospectus have the meanings set out in the terms and conditions of the Securities.

#### Investment Risks

Prospective Investors should have regard to the factors described under the sections headed “Risk Factors” herein.

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Barclays Capital

**Responsibility:** The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

**Group:** References herein to the “**Group**” are to the Issuer and its subsidiary undertakings.

**Independent Investigation:** Neither this Prospectus nor any financial statements or any financial information supplied in connection with this Prospectus or the Securities is intended to provide the basis of any credit or other evaluation or should be considered as a recommendation by the Issuer that any recipient of this Prospectus or any financial statements or any other information supplied in connection with this Prospectus or the Securities should purchase any Securities. Investors should conduct their own independent investigations into the financial condition and affairs, and their own appraisal of the creditworthiness, of the Issuer and of the suitability of the Securities as an investment in the light of their own circumstances and financial condition and after due consideration of an investment linked to the Reference Bonds (as defined below) and, in deciding whether to purchase Securities, Investors should form their own views of the merits of such an investment based upon such investigations and not in reliance solely upon any information given in this Prospectus. Prospective Investors should have regard to the factors described in the section headed “Risk Factors”.

**Reference Bond Information:** All information relating to the bonds to which the Securities are linked (“**Reference Bond Information**”) contained in this Prospectus has been reproduced from publicly available information and the source of such information has been identified in this Prospectus. The Issuer confirms that this information has been accurately reproduced and that, as far as the Issuer is aware and is able to ascertain from such publicly available information, no facts have been omitted which would render the reproduced information inaccurate or misleading. Accordingly, the Issuer accepts responsibility for the accurate reproduction of such information but does not accept any further responsibility in respect of such information. Investors should conduct their own investigations into the Reference Bond Information and, in deciding whether to purchase Securities, Investors should form their own views of the merits of such an investment based upon such investigations and not in reliance solely upon any information given in this Prospectus.

**Change of Circumstances:** The delivery of this Prospectus and any sale of Securities pursuant hereto shall not, in any circumstances, create any impression that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Securities or the Programme is correct as of any time subsequent to the date indicated in the document containing the same. Investors should review, *inter alia*, the most recent consolidated financial statements, if any, and any public announcements, if any, of the Issuer when deciding whether to purchase any Securities.

**Distribution:** The distribution of this Prospectus and the offer or sale of the Securities in certain jurisdictions may be restricted by law. This document does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offering or solicitation and, except as expressly provided in this Prospectus, no action is being taken to permit an offering of the Securities or the distribution of this Prospectus in any jurisdiction where action is required. Persons into whose possession this Prospectus comes are required by the Issuer to inform themselves about and to observe any such restrictions. The Securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) or with any securities regulatory authority of any state or other jurisdiction of the United States. Details of selling restrictions for certain jurisdictions are set out in the section headed “Purchase and Sale”.

**Representations:** In connection with the issue and sale of the Securities, no person has been authorised to give any information or to make any representation not contained in or consistent with this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, Barclays Bank PLC as manager (the “**Manager**”) or the Distributor (as defined below). The Issuer does not accept responsibility for any information not contained in this Prospectus. None of the Issuer, the Manager or the

Distributor makes any representation or warranty whatsoever or accepts any responsibility with respect to the Reference Bonds. None of the Issuer, the Manager or the Distributor makes any representation or warranty whatsoever or accepts any responsibility as to the effect or possible effect of the linking of any payments due under the Securities to the performance or value of the Reference Bonds.

**No Investment Advice:** This Prospectus is not, nor does it purport to be, investment advice. None of the Issuer, the Manager or the Distributor is acting as an investment adviser or providing advice of any other nature, or assumes any fiduciary obligation, to any Investor in Securities.

**References:** In this Prospectus, references to “EUR”, “euro” and “€” are to the currency introduced on 1 January 1999 pursuant to the Treaty establishing the European Community as amended by the Treaty on European Union and references to “GBP”, “sterling” and “£” are to pounds sterling and references to “USD” and “U.S. Dollars” are to United States dollars. In this Prospectus, references to the “Conditions” are to the terms and conditions of the Securities and references to the “Distributor” are to Barclays Bank PLC, Paris Branch.

**Securities Act:** The Securities are being offered and sold outside the United States to non-US persons in reliance on Regulation S (“Regulation S”) under the Securities Act. Prospective Investors are hereby notified that sellers of the Securities may be relying on the exemption from the provisions of section 5 of the Securities Act. Furthermore, by agreeing to purchase the Securities, the Investor is deemed to represent and warrant to the Issuer that it is neither a “United States person” nor a “foreign person controlled by a United States person” as such terms are defined in Regulation X of the Board of Governors of the Federal Reserve System, 12 C.F.R. § 224, as amended from time to time. As at the Issue Date, Regulation X defines (1) “United States person” to include “a person which is organised or exists under the laws of any state of the United States of America or, in the case of a natural person, a citizen or resident of the United States; a domestic estate; or a trust in which one or more of the foregoing persons has a cumulative direct or indirect beneficial interest in excess of 50% of the value of the trust” and (2) “foreign person controlled by a United States person” to include “any non corporate entity in which United States persons directly or indirectly have more than a 50% beneficial interest, and any corporation in which one or more United States persons, directly or indirectly, own stock possessing more than 50% of the total combined voting power of all classes of stock entitled to vote, or more than 50% of the total value of shares of all classes of stock”.

THE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE US SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER US REGULATORY AUTHORITY, NOR HAS ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OF SECURITIES OR THE ACCURACY OR THE ADEQUACY OF THE OFFERING DOCUMENTS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

**Verification:** Neither the Manager nor the Distributor has separately verified the information contained in this Prospectus. To the fullest extent permitted by law, neither the Manager nor the Distributor makes any representation, express or implied, or accepts any responsibility for the contents of this Prospectus or for any other statement made or purported to be made by the Manager or by the Distributor (as the case may be) or on its behalf in connection with the offering of the Securities. Each of the Manager and the Distributor accordingly disclaims all and any liability, whether arising in tort, contract, or otherwise (save as referred to above), which it might otherwise have in respect of this Prospectus or any such statement. Neither this Prospectus nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by either the Issuer and/or the Manager and/or the Distributor that any recipient of this Prospectus or any other financial statements should purchase the Securities. Each prospective Investor should determine for itself the relevance of the information contained in this Prospectus and its purchase of Securities should be based upon such investigation as it deems necessary. Neither the Manager nor the Distributor undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Prospectus or to advise any Investor or prospective Investor in the Securities of any information coming to its attention.

**No Regulatory Review:** The contents of this Prospectus have not been reviewed or approved by any regulatory authority (other than the approval of this Prospectus for the purposes of the Prospectus Directive by the UK Regulatory Authority and the provision of a certificate of approval attesting that this Prospectus has been drawn up in accordance with the Prospectus Directive to the AMF).

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## SUMMARY

*This summary has been prepared in accordance with Article 5(2) of the Prospectus Directive and must be read as an introduction to this Prospectus relating to the Securities. Any decision to invest in the Securities should be based on a consideration of this Prospectus as a whole, including the documents incorporated by reference.*

*Following implementation of the relevant provisions of the Prospectus Directive in a Member State of the European Economic Area (“**EEA Member State**”), no civil liability in such EEA Member State will attach to the responsible persons in any Member State solely on the basis of this summary, including any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus. Where a claim relating to the information contained in this Prospectus is brought before a court in an EEA Member State, the plaintiff may, under the national legislation of the EEA Member State where the claim is brought, be required to bear the costs of translating this Prospectus before the legal proceedings are initiated. Unless otherwise defined, capitalised terms used in this Summary shall have the meaning given to them in the Conditions set out in this Prospectus.*

### **Description of the Issuer**

Barclays Bank PLC is a public limited company registered in England and Wales under number 1026167. The liability of the members of Barclays Bank PLC is limited. It has its registered head office at 1 Churchill Place, London, E14 5HP, United Kingdom (telephone number + 44 (0)20 7116 1000). Barclays Bank PLC was incorporated on 7 August 1925 under the Colonial Bank Act 1925 and on 4 October 1971 was registered as a company limited by shares under the Companies Act 1948 to 1967. Pursuant to The Barclays Bank Act 1984, on 1 January 1985, Barclays Bank was re-registered as a public limited company and its name was changed from "Barclays Bank International Limited" to "Barclays Bank PLC".

Barclays Bank PLC and its subsidiary undertakings (taken together, the "**Group**") is a major global financial services provider engaged in retail and commercial banking, credit cards, 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 the Group.

The short term unsecured obligations of Barclays Bank PLC are rated A-1+ by Standard & Poor's, P-1 by Moody's and F1+ by Fitch and the long-term obligations of Barclays Bank PLC are rated AA- by Standard & Poor's, Aa3 by Moody's and AA- by Fitch.

Based on the Group's audited financial information for the year ended 31 December 2010, the Group had total assets of £1,490,038 million (2009: £1,379,148 million), total net loans and advances <sup>1</sup> of £465,741 million (2009: £461,359 million), total deposits <sup>2</sup> of £423,777 million (2009: £398,901 million), and total shareholders' equity of £62,641 million (2009: £58,699 million) (including non-controlling interests of £3,467 million (2009: £2,774 million)). The profit before tax from continuing operations of the Group for the year ended 31 December 2010 was £6,079 million (2009: £4,559 million) after impairment charges and other credit provisions of £5,672 million (2009: £8,071 million). The financial information in this paragraph is extracted from the 2010 Bank Annual Report (as defined in the section below entitled "*Information Incorporated by Reference*").

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<sup>1</sup> Total net loans and advances include balances relating to both bank and customer accounts.

<sup>2</sup> Total deposits include deposits from bank and customer accounts.

## Description of the Securities

The Securities are to be issued by Barclays Bank PLC pursuant to its Global Structured Securities Programme. The Securities will constitute direct, unsubordinated and unsecured obligations of the Issuer ranking equally among themselves and with all other present and future unsecured and unsubordinated obligations of the Issuer (except for obligations preferred by law). The Securities will not evidence deposits, are not insured or guaranteed by any government or agency and are not guaranteed under the UK Government credit guarantee scheme.

The Securities are expected to be issued on 12 July 2011 and are due to mature on 18 November 2016 (subject to certain events that may delay such redemption). The Securities will be denominated in Euro and will have an aggregate nominal amount of EUR 75,000,000 and the denomination of each Security will be EUR 1,000. The Securities will be issued at an issue price of 100 per cent. of their nominal amount. The Securities represent an investment linked to the performance and value of a basket of reference bonds. The return which will be paid to the Investor at maturity is linked to the performance and value of such basket of reference bonds (see below for more information). On the Issue Date, the reference bonds are (i) AIR FRANCE-KLM 6.750 per cent. bonds due 27 October 2016 (ISIN FR0010814459); (ii) ARCELORMITTAL 4.625 per cent. bonds due 17 November 2017 (ISIN XS0559641146); (iii) LAFARGE SA 5.375 per cent. bonds due 29 November 2018 (ISIN XS0562783034); and (iv) RENAULT S.A. 5.625 per cent. bonds due 22 March 2017 (ISIN FR0010871541) (the “**Reference Bonds**”). The Securities will bear interest linked to the interest under the Reference Bonds (see below for more information). After the Issue Date, further to the occurrence of a Successor Event, the Determination Agent may replace and adjust the Weighting of the Reference Bonds.

The Securities may be redeemed before the maturity date for reasons of default by the Issuer, the illegality of the Issuer’s payment obligations or its hedging arrangements, certain changes affecting the tax treatment of the Issuer in relation to the Securities or such hedging arrangements or events impacting one or more currencies affecting the Issuer’s ability to meet its obligations in the settlement currency or otherwise settle, clear, or hedge the Securities. In such event the Securities will be redeemed at an amount equal to their early cash settlement amount. The aggregate early cash settlement amount will be an amount determined by the Determination Agent as *pro rata* proportion of the market value of the Securities, as adjusted for associated costs and other factors. The amount payable on an early redemption of the Securities may be less than the nominal amount of the Securities or even zero.

When the Securities mature, in respect of each Security, Securityholders will receive a Final Cash Settlement Amount. The Final Cash Settlement Amount is equal to the reference bond redemption amount with respect to each Reference Bond divided by the number of Securities outstanding. The reference bond redemption amount in respect of each Reference Bond in relation to which a Bond Event Determination Date has occurred prior to the Scheduled Redemption Date will be calculated by reference to firm bid quotations for a notional amount at least equal to the product of the then outstanding number of Securities and the calculation amount per Security (provided that if after a certain period no firm bid quotations are obtained, the reference bond redemption amount will be the fair market value of the Reference Bond), multiplied by the Weighting. In respect of each Reference Bond in relation to which no Bond Event Determination Date has occurred prior to the Scheduled Redemption Date, the reference bond redemption amount will be an amount equal to the product of the then outstanding number of Securities, the calculation amount per Security and the Weighting. The Final Cash Settlement Amount payable with respect to each Security may be less than the denomination of each Security or even zero.

The Securities will bear interest equal to the sum of interest rates payable in relation to each Reference Bond multiplied by the relevant Weighting. The interest rate payable in relation to each Reference Bond will be 6.00 per cent. per annum, provided that (i) with respect to each Reference Bond in relation to which a Bond

Event Determination Date has occurred prior to the Scheduled Redemption Date of the Securities, such rate will be zero; and (ii) with respect to each Reference Bond that has been redeemed in full prior to its scheduled maturity and in relation to which no Bond Event Determination Date has occurred, the interest rate in relation to such Reference Bond will be adjusted as further specified in the Conditions. Provided that the Securities are not redeemed early, interest will be payable on the redemption date of the Securities.

Unless otherwise required by law, all payments on the Securities will be made free and clear of, and without withholding or deduction for, any present or future Taxes. Where such withholding or deduction is required by law, the Issuer will in certain circumstances pay certain additional amounts to Securityholders or the Issuer may redeem the Securities prior to their scheduled redemption date.

The full terms and conditions contain provisions dealing with defaults and adjustments that may affect the Reference Bonds.

### **Other parties**

The Issue and Paying Agent in respect of the Securities is The Bank of New York Mellon. Barclays Bank PLC will act as Determination Agent in respect of the Securities.

### **Risk Factors**

Set out below are certain factors which may affect the Issuer's ability to fulfil its obligations under the Securities: The Issuer is subject to the same risks as the Group, which include:

- the Group's financial performance may be affected by general business and geopolitical conditions, borrower, customer and counterparty credit quality, and fluctuations in the value or effectiveness of any credit protection purchased or collateral held;
- the Group's businesses, earnings and financial condition have been and will continue to be affected by changes in the overall conditions of the global economy and instability and volatility in global financial markets;
- changes in the level and/or volatility of interest rates, foreign exchange rates, credit spreads, debt, equity and commodity prices and other market factors;
- constraints on increasing capital and changes to capital targets and the calculation of capital;
- liquidity risk, legal risk and insurance risk are inherent in the Group's businesses;
- operation and financial crime risks are inherent in the Group's operations;
- governmental policy and regulation may have an adverse effect on the Group's results and operations;
- the Group may be subject to the special resolution regime under the Banking Act 2009; Any share transfer order, asset and liability transfer or exercise of powers by the FSA, the Bank of England and/or HM Treasury under the Banking Act may have an adverse effect on the Group;
- the Group's participation in the Financial Services Compensation Scheme may have a material impact on the Group's results and financial condition;
- the Group's earnings depend in part on the success of its strategic decisions regarding organic growth and potential acquisitions;
- the Group operates in highly competitive markets and, if unable to perform effectively, its business and results will be adversely affected; and

- the Group is exposed to the risk of changes in tax legislation and its interpretation and to increases in corporate and other tax rates in the jurisdictions in which it operates.

Certain additional factors are material for the purpose of assessing the risks associated with investing in the Securities:

- the Securities are complex financial instruments and may involve a high degree of risk;
- Securities are unsecured obligations of the Issuer;
- settlement disruptions may occur;
- settlement is subject to satisfaction of all conditions to settlement to be satisfied by the Securityholder within the relevant period;
- the return on the Securities is linked to the performance and value of the Reference Bonds. Investing in a Security is not equivalent to investing directly in the Reference Bonds;
- prior to the maturity of the Securities, an Investor can only realise value from the Securities by selling them in the secondary market;
- there may be no secondary market for and limited liquidity in the Securities;
- the return and value of the Securities will be affected by interest rate fluctuations and other rate and price movements as well as the performance and value of the Reference Bonds;
- the market value of the Securities may be affected by the creditworthiness of the Issuer and/or the Group as well as by economic, regulatory, political and other events;
- inducements, commissions, fees paid by the Issuer to the Distributor;
- the Securities may be volatile;
- if the Securities are redeemed prior to scheduled maturity they may return less than originally invested by the Securityholder, or zero;
- the Securities may not provide an effective hedge against the market risk associated with any asset;
- the Securities are not protected by the Financial Services Compensation Scheme;
- the Securities combine investment types, which may interact unpredictably;
- market disruptions or other events may occur in respect of the Reference Bonds;
- potential conflicts of interest may arise relating to the trading activities of the Issuer and its affiliates and the interests of Securityholders and the Issuer and its affiliates have no obligation to consider the interests of Securityholders;
- Securityholders will have no claim against the Reference Bonds; and
- small holdings of the Securities may not be transferable.

Prospective Investors must reach an investment decision only after careful consideration, with their advisers, of the suitability of the Securities in light of their particular financial circumstances, the information in this Prospectus (and the documents incorporated by reference) and their own investigations into the Issuer and its affiliates.

### **Summary of Offer**

The Issuer intends to offer the Securities to the public in France from 13 July 2011 to 14 November 2011 (inclusive). The maximum nominal amount of Securities to be issued is EUR 75,000,000. Applications for Securities must be made for a minimum nominal amount of EUR 1,000. The offer price for the Securities will be a percentage of their nominal amount (ranging from 99.58% to 100% of their nominal amount) depending on the date on which application is made for the purchase of Securities.

Applications for the Securities can be made in France through the Distributor. Distribution will be in accordance with the Distributor's usual procedures.

The Issue Price includes a commission element to be shared with a third party which shall not exceed 6.02 per cent. of the Issue Price, further details of which are available upon request.

## **RISK FACTORS**

*Words and expressions defined elsewhere in this Prospectus have the same meanings in this section. Investing in the Securities involves certain risks.*

*Each of the risks highlighted below could have a material adverse effect on the Issuer's businesses, operations, financial condition or prospects, which, in turn, could have a material adverse effect on the return which Investors will receive in respect of the Securities. In addition, each of the risks highlighted below could adversely affect the trading price of the Securities or the rights of Investors under the Securities and, as a result, Investors could lose some or all of their investment.*

*Prospective Investors should note that the risks described below are not the only risks that the Issuer faces or that may arise because of the nature of the Securities. The Issuer has described only those risks relating to its operations and to the Securities which it considers to be material. There may be additional risks that the Issuer currently considers not to be material or of which it is not currently aware, and any of these risks could have the negative effects set forth above. Prospective Investors should seek independent financial advice where they do not fully understand the risks relating to the Securities.*

*Prospective Investors should also have regard to the risk factors set out on pages 18 to 45 of the 2010 Base Prospectus (as amended by page 2 of the Combined Supplement 1/2011 and pages 2 to 8 of the GSSP Supplement 1/2011) and the risk factors set out on pages 164 to 167 of the Joint Annual Report (each as defined in the section below entitled "Information Incorporated by Reference").*

### **Risks Relating to the Securities**

#### ***General Considerations***

The Securities involve a degree of risk, which include corporate, market, time value, settlement and/or political risks, as well as other risks arising from fluctuations in the value or performance of, or events impacting, the Reference Bonds to which the return on the Securities is linked, and general risks applicable to the stock market (or markets) and capital markets.

The Securities have a different risk profile from ordinary unsecured debt securities. The return on the Securities is linked to the performance and value of the Reference Bonds underlying the Securities. Investing in a Security is not equivalent to investing directly in the Reference Bonds.

Securityholders will not receive any periodic interest payments on the Securities. Securityholders will not have rights that investors in the Reference Bonds may have. The Securities will be redeemed in cash and Securityholders will have no right to receive delivery of the Reference Bonds.

In order to realise a return upon an investment in a Security linked to the Reference Bonds, an Investor must have correctly anticipated the direction, timing and magnitude of an anticipated change in the value of the Reference Bonds relative to the Issue Price. If the value of the Reference Bonds does not increase, or decreases, as the case may be, an Investor may, upon such redemption, fail to receive any further return in addition to its original investment in such Security.

The only means through which a Securityholder can realise value from a Security prior to its Redemption Date is to sell it at its then market price in an available secondary market. See "Possible Illiquidity of the Securities in the Secondary Market" below. There can be no assurance that a Securityholder will be able to sell any Securities prior to their Redemption Date, at a price equal to or greater than the market value of the Securities on the Issue Date and such holder may only be able to sell Securities at a discount, which may be

substantial, to the Issue Price. Furthermore, if any Securityholder sells its Securities, the purchaser will likely be charged a commission for secondary market transactions, or the price will likely reflect a dealer discount.

***The Securities may not be a suitable investment for all Investors***

Each prospective Investor in the Securities must determine the suitability of that investment in light of its own circumstances. In particular, each prospective Investor should:

- (i) have sufficient knowledge and experience to evaluate the Securities, the merits and risks of investing in the Securities and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Securities and the impact the Securities will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Securities;
- (iv) understand thoroughly the terms of the Securities, and be familiar with any relevant assets, indices and financial markets; and
- (v) 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.

The Securities are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A prospective Investor should not invest in the Securities unless it has the expertise (either alone or with a financial adviser) to evaluate how the Securities will perform under changing conditions, the resulting effects on the value of the Securities and the impact this investment will have on the prospective Investor's overall investment portfolio.

***Certain Factors Affecting the Value and Trading Price of the Securities***

Generally, the Securities offer investment diversification opportunities, but also pose some additional risks with regard to interim value during the term of the Securities. The interim value of the Securities may be affected by a number of factors, including but not limited to:

- (i) market interest rates;
- (ii) fluctuations in equity prices;
- (iii) the liquidity of the Securities in the secondary market;
- (iv) the time remaining to any redemption date; and
- (v) economic, financial, regulatory, political, terrorist, military or other events in one or more jurisdictions, including factors affecting capital markets generally.

In addition to the factors above, the interim value of the Securities will also vary with the value of the Reference Bonds and is affected by a number of other factors, including but not limited to the value and volatility of the Reference Bonds and economic, financial, regulatory, political, terrorist, military or other events in one or more jurisdictions.

Due to the additional risk characteristics of the Securities, prospective Investors in the Securities should understand the risks of transactions involving the Securities and should reach an investment decision only after careful consideration, with their advisers when appropriate, of the suitability of the Securities in light of their particular financial circumstances, the information set forth herein and the information regarding the Securities and the Reference Bonds.

Before selling Securities, holders of the Securities should carefully consider, among other things, (a) the trading price of the Securities, (b) the value and volatility of the Reference Bonds, (c) the time remaining to redemption, (d) any change(s) in currency exchange rates and (e) any related transaction costs.

***A credit rating reduction may result in a reduction in the trading value of the Securities***

The value of the Securities may be expected to be affected, in part, by Investors' general appraisal of the creditworthiness of the Issuer and/or the Group. Such perceptions are generally influenced by the ratings accorded to the outstanding securities of the Issuer by standard statistical rating services, such as Moody's, Standard & Poor's and Fitch. A reduction in the rating, if any, accorded to outstanding debt securities of the Issuer by one of these or other rating agencies could result in a reduction in the trading value of the Securities.

***Additional Disruption Event***

The Issuer may redeem the Securities earlier than the stated Redemption Date if an Additional Disruption Event occurs. The optional redemption feature of Securities is likely to limit their market value. During any period when the Issuer may elect to redeem Securities, the market value of those Securities generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

At the time of such optional redemption, an investor may not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on Securities being redeemed. Prospective Securityholders should consider such reinvestment risk in light of other investments available at the time.

***Synthetic Exposure***

The Securities do not represent a claim against any Reference Bond and, in the event of any loss, Investors will not have recourse under the Securities to any Reference Bond. The Issuer is not obliged to own or hold any Reference Bond, and no inference may be drawn from this Prospectus that the Issuer holds any such Reference Bond or has any credit exposure to any Reference Bond. Amounts payable under the Securities are not, in any direct or indirect way, limited by, associated with, or linked or calculated by reference to, any loss of bargain, cost of funding or any other actual loss or cost suffered by the Issuer as a result of its holding or not holding any Reference Bond.

***Bond Events***

Potential purchasers should note that not all Bond Events have easily ascertainable triggers and disputes can arise as to whether a specific event did or did not constitute a Bond Event. However, under this Prospectus, the Issuer's determination of a Bond Event will, in the absence of manifest error, be conclusive and binding on all persons (including, without limitation, the Securityholders), notwithstanding the disagreement of such persons or other financial institutions, rating agencies or commentators.

***Replacement of Reference Bonds***

The Determination Agent may be entitled to effect replacements of any Reference Bond if such Reference Bond is subject to a Successor Event. The Determination Agent may effect such replacements pursuant to the Conditions without regard to their effect on the value, market price or liquidity of the Securities or of the interests of any person.

Upon the occurrence of a Successor Event, one or more successor Reference Bond(s) will be deemed to be a Reference Bond in replacement of (or in addition to, as applicable) the Reference Bond originally specified in this Prospectus.

As a result of the circumstances discussed in the preceding two paragraphs, the Securities may be linked to the performance and value of certain Reference Bonds notwithstanding that such Reference Bonds were not specified in this Prospectus upon issuance of the Securities.

#### ***Bond Cash Settlement Amount***

In order to determine the Bond Cash Settlement Amount with respect to a Reference Bond in respect of which a Bond Event Determination Date has occurred prior to the Scheduled Redemption Date, the Determination Agent will determine such Bond Cash Settlement Amount by asking for quotations from Dealers. The date, time and method of such auction will impact the Bond Cash Settlement Amount. The Dealers selected by the Determination Agent must be the Issuer, Bank of America Corporation, Barclays Bank plc, BNP Paribas Group, Canadian Imperial Bank of Commerce, Citibank, N.A., Commerzbank AG, Credit Suisse First Boston Inc., Deutsche Bank AG, Goldman, Sachs Group Inc., HSBC Bank PLC, J.P. Morgan Chase & Company, Morgan Stanley & Co. Incorporated, Royal Bank of Scotland, Société Générale, UBS AG or any successor or affiliate thereof. The Dealers have no duty towards any Securityholder and may not be aware that the purpose of the auction is to determine a Bond Cash Settlement Amount for purposes of the Securities or any other securities.

#### ***Hedging***

In the ordinary course of their business, including without limitation in connection with their market-making activities, the Issuer the Manager and/or any Agent or any Affiliate of any of them (each such entity, a “**Programme Party**”) may effect transactions for their own account or for the account of their customers and hold long or short positions in any applicable Reference Bond or related derivatives. In addition, in connection with the offering of the Securities, the Issuer and/or any other Programme Party may enter into one or more hedging transactions with respect to any applicable Reference Bond or related derivatives. In connection with such hedging or market-making activities or with respect to proprietary or other trading activities by the Issuer and/or any other Programme Party, the Issuer and/or any other Programme Party may enter into transactions with respect to any applicable Reference Bond or related derivatives which may affect the market price, liquidity or value of the Securities and which could be deemed to be adverse to the interests of the relevant Securityholders. The Issuer and/or any other Programme Party may pursue such hedging or related derivatives actions and take such steps as they deem necessary or appropriate to protect their interests without regard to the consequences for any Securityholder.

#### ***No Guarantee of Performance***

The Securities constitute direct, unsubordinated and unsecured obligations of the Issuer that are linked to the performance of the Reference Bonds specified in this Prospectus. No Programme Party guarantees the performance of or otherwise stands behind the performance of any Reference Bond or is under any obligation to make good losses suffered as a result of any Bond Event.

#### ***No Principal Protection***

The Securities are not principal protected. The Final Cash Settlement Amount and the Early Cash Settlement Amount (as the case may be) are linked to the performance and value of the Reference Bonds and may be an amount less than the Calculation Amount or even zero.

Assuming all other factors are held constant, the lower the value of a Security and the shorter the remaining term of a Security to redemption, the greater the risk that the purchaser of such Security will lose all or part of their investment. The only means through which a Securityholder can realise value from a Security, prior to its redemption date in relation to such Security, is to sell it at its then market price in an available secondary market. See “Possible Illiquidity of the Secondary Market” below.

There can be no assurance that a Securityholder will be able to sell any Securities prior to their redemption date or exercise date(s), as applicable, at a price equal to or greater than the market value of the Securities on the Issue Date and such holder may only be able to sell Securities at a discount, which may be substantial, to the Issue Price. Furthermore, if any Securityholder sells its Securities, the purchaser will likely be charged a commission for secondary market transactions, or the price will likely reflect a dealer discount.

Prospective investors in Securities should not take the past performance of any Reference Bond as an indication of the future performance of that Reference Bond during the term of any Security.

### ***Provision of Information***

The Programme Parties, whether by virtue of the types of relationships described herein or otherwise, may possess information in relation to any issuer of a Reference Bond, any Affiliate of an issuer of a Reference Bond, any Reference Bond or any guarantor that is or may be material in the context of the Securities and that may or may not be publicly available or known to the Securityholders or any other person. The Securities will not create any obligation on the part of any of the Programme Parties to disclose any such relationship or information (whether or not confidential).

### ***No Representations***

None of the Programme Parties makes any representation, express or implied, as to any issuer of a Reference Bond or any Reference Bond or the credit quality thereof, or any information contained in any documents provided by any issuer of a Reference Bond or filed by an issuer of a Reference Bond with any exchange or with any governmental authority.

### ***Risks relating to Securities generally***

- *Market Disruption.* Markets may become disrupted. Local market disruptions can have a global effect. Market disruption can adversely affect the performance of the Securities.
- *Credit Risk.* The Securities bear the Issuer’s credit risk. A decline in the Issuers’ creditworthiness may reduce the market value of the Securities. If the Issuer becomes insolvent it will not be able to meet its payment obligations under the Securities.
- *Credit Ratings.* Credit ratings may be lowered or withdrawn without notice. A rating is not a recommendation as to the Issuers’ creditworthiness or the risks, returns or suitability of the Securities.
- *Volatility.* These Securities may be volatile. The level of change in value of the Securities is their “volatility”. The Securities’ volatility may be affected by the performance of the Reference Bonds, along with financial, political, and economic events and other market conditions.
- *Structured Products.* Each Security is a structured product. Its return may differ from those of the Reference Bonds it references.
- *Performance of the Reference Bonds.* The Securities are linked to the performance and value of the Reference Bonds. The Final Cash Settlement Amount may be less than the Calculation Amount (and could potentially be zero) if one or more Reference Bonds are subject to a Bond Event Determination

Date prior to the Scheduled Redemption Date. The Interest Rate will be 6.00% per annum if no Bond Event Determination Date occurs prior to the Scheduled Redemption Date and no Reference Bond is redeemed in full prior to its scheduled maturity date. If any of these events occur, the Interest Rate will be less than 6.00% per annum and could potentially be zero.

- *Interest Rate Risk.* The Securities carry interest rate risk. Changes in interest rates will impact the market value of the Securities. Interest rates tend to change suddenly and unpredictably.
- *No Direct Claim in Underlying Assets.* Securityholders have no claim to the Reference Bonds. Buying the Securities is not the same as a direct investment in the Reference Bonds. The market value of the Securities may not reflect movements in the price of the constituents of the Reference Bonds.
- *Interaction Risk.* The Securities combine investment types. Different types of financial risk may interact unpredictably, particularly in times of market stress.
- *Early Redemption.* On early redemption the Securities may return less than their principal amount. The early redemption amount will factor in, among other things, the costs of terminating hedging and funding arrangements relating to the Securities. This may reduce the amount payable to each Securityholder.
- *No Government Protection.* The Securities are not protected by the financial services compensation scheme or similar government protection scheme.
- *Settlements.* Payments and Deliveries may be interrupted. There is a risk of delay or failure in payments or deliveries by the Issuer, the custodian, Clearing System or other third party paying agents or intermediaries.
- *Determination Agent Acts in its Own Best Interests.* The Determination Agent is not required to and will not take into account the interests of any party (including that of any Investors or prospective Investors in the Securities) save as required by applicable laws and regulations. Certain factual circumstances could be Additional Disruption Events depending on whether the Determination Agent determines that such factual circumstances have a material adverse effect on the Securities and/or the Issuer.
- *No Fiduciary Duty.* Neither the Issuer nor the Determination Agent assumes any fiduciary duty or responsibility to, or has any relationship of agency or trust with, any party, including any Investors or prospective Investors in the Securities described in this document. Each of the Issuer and the Determination Agent is acting solely as principal and not as a fiduciary or agent for, or as an advisor to, any party in respect of its duties contained in this document and any document prepared in connection with the Securities. Consequently the Issuer and/or the Determination Agent are not required to and will not take into account the interests of any party (including that of any Investors or prospective Investors in the Securities) save as required by applicable laws and regulations.

This Prospectus is not, nor does it purport to be, investment advice. Neither the Issuer nor the Determination Agent is acting as an investment advisor nor providing advice of any other nature to any party, including Investors or prospective Investors in the Securities. Neither the Issuer nor the Determination Agent provides and have not provided, any investment advice or recommendation to any party in relation to the Securities. No party may rely on any communication (written or oral) from either the Issuer or the Determination Agent, as the case may be, as investment advice or as a recommendation to enter into any transaction. Accordingly, neither the Issuer nor the Determination Agent is under any obligation to, and will not, determine the suitability for any party of any

transaction or the Securities. Prospective Investors in the Securities must determine, on their own behalf (or through independent professional advice) the merits, terms, conditions and risks of the Securities. Prospective Investors must also satisfy themselves that they are capable of assuming, and do assume, the risks of the Securities. Neither the Issuer nor the Determination Agent accept any liability whatsoever for any consequential losses arising from the use of this document or reliance on the information contained herein.

- *Original Bond Prospectuses.* The Issuer does not take any responsibility for the Original Bond Prospectuses (as they may be amended, supplemented or replaced from time to time) or any other information published by or on behalf of any issuer of a Reference Bond.
- *Due Diligence Performed by the Issuer or Determination Agent is for Their Benefit Only.* No representations or warranties have been or are given by either the Issuer or the Determination Agent in respect of the issuers of the Reference Bonds. Securityholders should place no reliance on either the Issuer or the Determination Agent having conducted any investigations, due diligence, searches or other enquiries, any such investigations, due diligence, searches or other enquiries made thereby would be made by such party for its own benefit and for its own purposes in accordance with its own criteria and neither party assumes any responsibility to conduct any such investigations, due diligence, searches or other enquiries or if it does conduct any such investigations, due diligence, searches or other enquiries to notify Investors of the content or results thereof of any such due diligence.
- *Reference Bond Issuer Action.* The Reference Bond issuer is not involved in the issue of the Securities. It may take actions that adversely affect the value and performance of the Securities.
- *The Performance of the Reference Bonds.* The performance of the Reference Bonds is unpredictable. It depends on financial, political, economic and other events as well as the Reference Bond ratings, issuers' earnings, market position, risk situation, shareholder structure and distribution policy.
- *Small Holdings.* Small holdings of Securities may not be transferable. If a Securityholder holds Securities in an amount less than the Specified Denomination or the Minimum Settlement Amount, such Securityholder will not be able to transfer such Securities unless he increases his holding to at least the Specified Denomination and the Minimum Settlement Amount.
- *Other Risks.* This Prospectus cannot disclose all possible risks of the Securities. Before investing, each Investor must satisfy himself that he fully understands the risks of investment.

#### ***Possible Illiquidity of the Secondary Market***

There can be no assurance as to how Securities will trade in the secondary market or whether such market will be liquid or illiquid, which may adversely affect the value of the Securities and/or the ability of a Securityholder to dispose of them.

If additional and competing products are introduced in the markets, this may adversely affect the value of the Securities. Also, to the extent that Securities are redeemed or purchased or cancelled in part, the number of Securities outstanding will decrease, resulting in diminished liquidity for the remaining Securities. A decrease in the liquidity of Securities may cause, in turn, an increase in the volatility associated with the price of the Securities.

#### ***Issuer and Conflicts of Interest***

The Issuer and its affiliates may engage in trading and market-making activities and may hold long or short positions in the Reference Bonds and other instruments or derivative products based on or related to the Reference Bonds for their proprietary accounts or for other accounts under their management. The Issuer and

its affiliates may also issue other securities in respect of the Reference Bonds, or issue derivative instruments in respect thereof. To the extent that the Issuer, directly or through its affiliates, serves as issuer, agent, manager, sponsor or underwriter of such securities or other instruments, its interests with respect to such products may be adverse to those of the Securityholders. The Issuer or its affiliates may also act as underwriter in connection with future offerings of securities which comprise the Reference Bonds. Such activities could present certain conflicts of interest, could influence the prices of the Reference Bonds and could adversely affect the value of the Securities.

Certain affiliates of the Issuer may from time to time, by virtue of their status as underwriter, adviser or otherwise, possess or have access to information relating to the Securities, the Reference Bonds and any derivative instruments referencing them. Such affiliates will not be obliged to and will not disclose any such information to a purchaser of the Securities.

In connection with the offering of the Securities, the Issuer and/or any of its affiliates may enter into one or more hedging transactions with respect to the Reference Bonds or related derivatives. In connection with such hedging activities or with respect to proprietary or other trading activities by the Issuer and/or any of its affiliates, the Issuer and/or any of its affiliates may enter into transactions referencing the Reference Bonds or related derivatives which may, but are not intended to, affect the market price, liquidity or value of the Securities and which could be deemed to be adverse to the interest of the relevant Securityholders.

#### ***Determination Agent and Conflicts of Interest***

As the Determination Agent is the same legal entity as the Issuer, potential conflicts of interest may exist between the Determination Agent and the Securityholders, including with respect to the exercise of the very broad discretionary powers of the Determination Agent. The Determination Agent has the authority (i) to determine whether certain specified events and/or matters so specified in the conditions relating to the Securities have occurred, and (ii) to determine any resulting adjustments and calculations as described in such conditions. Prospective Investors should be aware that any determination made by the Determination Agent may have an impact on the value and financial return of the Securities. Any such discretion exercised by, or any calculation made by, the Determination Agent (in the absence of manifest or proven error) will be binding on the Issuer and all Securityholders.

#### ***Status of the Securities***

The Securities are unsecured and unsubordinated obligations of the Issuer and will rank equally among themselves and, with the exception of certain obligations given priority by applicable law, will rank *pari passu* with all other present and future outstanding unsecured and unsubordinated obligations of the Issuer.

#### ***Nominee Arrangements***

Where the Distributor and/or a nominee service provider is used by an Investor to invest in the Securities, such Investor will only receive payments on the basis of arrangements entered into by the Investors with the Distributor or nominee service provider as the case may be. Such Investors must look exclusively to the Distributor or nominee service provider for all payments in respect of the Securities. Neither the Issuer nor the Determination Agent nor any other person will be responsible for the acts or omissions of the Distributor or nominee service provider, nor makes any representation or warranty, express or implied, as to the services provided by the Distributor or nominee service provider.

#### ***Taxation***

Potential purchasers of Securities should be aware that duties and other taxes and/or expenses, including any applicable depositary charges, transaction charges, stamp duty and other charges may be levied in accordance with the laws and practices in the countries where the Securities are transferred.

Except to the extent that the Issuer is required by law to withhold or deduct amounts for or on account of Tax or to the extent otherwise disclosed in the Conditions, a holder of Securities must pay all Taxes and expenses (other than in relation to Taxes) payable on or in respect of, or in connection with the redemption of, Securities and “**Taxes**” means any tax, duty, impost, levy, charge or contribution in the nature of taxation or any withholding or deduction for or on account thereof, including any applicable turnover tax, stamp duty, stamp duty reserve tax and/or other taxes, duties, assessments or governmental charges of whatever nature chargeable or payable and includes any interest and penalties in respect thereof.

Save to the extent otherwise disclosed in the Conditions, the Issuer is not liable for or otherwise obliged to pay any Taxes or such expenses and all payments made by the Issuer will be made subject to any such Taxes or expenses which may be required to be made, paid withheld or deducted.

Potential purchasers of Securities should consult their own independent tax advisers. In addition, potential purchasers should be aware that tax regulations and their application by the relevant taxation authorities change from time to time. Accordingly, it is not possible to predict the precise tax treatment which will apply at any given time.

#### ***Non-registration under the Securities Act and Restrictions on Transfer***

The Securities have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. The Securities are being issued and sold in reliance upon exemptions from registration provided by such laws. Consequently, the transfer of the Securities will be subject to satisfaction of legal requirements applicable to transfers that do not require registration under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. In addition, the Securities are subject to certain transfer restrictions as described herein under “Purchase and Sale”, which may further limit the liquidity of the Securities.

#### ***Substitution of Issuer***

The Issuer is entitled to substitute any other entity in place of the Issuer to act as issuer (the “**New Bank Issuer**”) in respect of the Securities, provided that the New Bank Issuer’s long-term unsecured, unsubordinated and unguaranteed debt obligations are rated at least the same as those of Barclays Bank PLC at the date on which the substitution is to take effect or the New Bank Issuer has an equivalent long-term rating from another internationally recognised rating agency. Following any substitution of a New Bank Issuer, the Securityholders will be exposed to such New Bank Issuer’s credit risk and not that of the Issuer.

## INFORMATION INCORPORATED BY REFERENCE

The following information (unless otherwise expressly stated below) has been filed with the FSA and shall be deemed to be incorporated in, and to form part of, this Prospectus:

- the section headed “Risk Factors” set out on pages 18 to 45 (inclusive), as amended by paragraph (B) on page 2 of the Combined Supplement 1/2011 and as further amended by paragraph (A) on pages 2 to 8 (inclusive) of the GSSP Supplement 1/2011 (each as defined below), the section headed “Information Related to the Issuers” set out on pages 49 to 58 (inclusive), the section headed “Terms and Conditions of the Securities” set out on pages 134 to 211 (inclusive), the section headed “Clearance, Settlement and Transfer Restrictions” set out on pages 689 to 696 (inclusive), the section headed “Taxation” set out on pages 699 to 721 (inclusive) and the section headed “Purchase and Sale” set out on pages 722-741 (inclusive) of the base prospectus approved by the UK Listing Authority on 6 August 2010 relating to the Issuer’s Global Structured Securities Programme (the “**2010 Base Prospectus**”);
- sections (A), (B) and (D) (falling on pages 2 to 7 (inclusive)) of the Base Prospectus Supplement dated 7 March 2011 (the “**Combined Supplement 1/2011**”) that has been approved by the UK Listing Authority, which amend (i) the credit ratings wording on page 2 of the 2010 Base Prospectus, (ii) certain risk factor wording on page 23 of the 2010 Base Prospectus and (iii) the section of the 2010 Base Prospectus headed “THE BANK AND THE GROUP” on pages 49 and 56 (inclusive). For the avoidance of doubt, neither section (C), in respect of information incorporated therein by reference, nor any of sections (E) to (G) (inclusive), which update the disclosure in relation to the (S.I.M.P.L.E) base prospectus dated 30 March 2011 shall form part of this Prospectus;
- sections (A) and (C) falling between pages 2 to 10 (inclusive) of the Base Prospectus Supplement dated 12 May 2011 (the “**GSSP Supplement 1/2011**”) which amend (i) certain risk factors falling on pages 18 to 25 (inclusive) of the 2010 Base Prospectus and (ii) the section of the 2010 Base Prospectus headed “THE BANK AND THE GROUP” on pages 49 to 56 (inclusive). For the avoidance of doubt, section (B), in respect of information incorporated by reference therein shall not form part of this Prospectus.
- the joint Annual Report of the Bank and Barclays PLC, as filed with the U.S. Securities and Exchange Commission (“**SEC**”) on Form 20-F in respect of the years ended 31 December 2009 and 31 December 2010 (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;
- the Annual Reports of the Bank containing the audited consolidated accounts and audit report thereon of the Bank in respect of the years ended 31 December 2009 (the “**2009 Bank Annual Report**”) and 31 December 2010 (the “**2010 Bank Annual Report**”), respectively; and
- the unaudited Interim Management Statement of Barclays PLC as filed with the SEC on Form 6-K on film under 11783377 on 27 April 2011 in respect of the three months ended 31 March 2011 (the “**Interim Management Statement**”).

The above documents may be inspected at the registered office of the Issuer and at the specified office of the Issue and Paying Agent as described in the section entitled “**GENERAL INFORMATION**” of this Prospectus.

The table below sets out the relevant page references for all of the information contained within the Joint Annual Report as filed on Form 20-F:

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Each of the Bank and Barclays PLC has applied International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board and as adopted by the European Union (“EU”) in the financial statements incorporated by reference above. A summary of the significant accounting policies for each of the Bank and Barclays PLC is included in each of the Joint Annual Report, the 2009 Bank Annual Report and the 2010 Bank Annual Report.

**Acquisitions, Disposals and Recent Developments**

*Disposal of private equity fund interests to AXA Private Equity*

On 30 June 2011, the Bank announced that it had signed a definitive agreement to dispose of a €20 million portfolio of U.S. and European private equity interests held and managed by Barclays Capital to AXA Private Equity. The portfolio includes investments in private equity funds as well as several direct private equity interests held by Barclays Capital but does not include any investments managed by Barclays Private Equity. Completion is subject to obtaining certain consents and waivers and is expected to occur in phases, with the initial completion expected to take place later in 2011.

## Litigation

### *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 “**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 claimants seek 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. On 16 November 2009, LBHI, the Trustee and the Committee filed separate complaints in the 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 (collectively with the motions, the “**Rule 60 Claims**”). On 29 January 2010, BCI filed its response to the motions. The Bank considers that the motions and claims against BCI are without merit and BCI is vigorously defending its position. On 29 January 2010, BCI 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 £2.6 billion of the assets acquired as part of the acquisition had not been received by 31 December 2010, approximately £2.0 billion of which were recognised as part of the accounting for the acquisition and are included in the balance sheet as at 31 December 2010. This results in an effective provision of £0.6 billion against the uncertainty inherent in the litigation.

On 22 February 2011, the 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 6 June 2011, the Court announced that it would shortly enter final Orders implementing its Opinion. BCI intends to appeal the Court’s adverse rulings on the Contract Claims in the final Orders and one or more of the other parties may appeal other aspects of the final Orders.

If the Opinion were to be unaffected by future proceedings, the Bank estimates that, after taking into account the effective provision of £0.6 billion, its loss would be approximately £2.6 billion, plus pre-judgment interest (calculated at a rate of five per cent. per annum on approximately £1.3 billion in disputed assets for the period from 22 September 2008 to the date judgment is entered). Any such loss, however, was not (as at the date of this Prospectus) considered probable and the Bank is satisfied with the current level of provision.

In addition, LBHI is pursuing a claim for approximately U.S.\$500 million which relates to allegedly unpaid compensation due to former Lehman employees. As at the date of this Prospectus, this claim was yet to be adjudicated. The Bank considers that this claim is without merit and BCI is vigorously defending its position.

### *American Depositary Shares*

The Bank, 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 Bank at various times between 2006 and 2008 contained misstatements and omissions concerning (amongst other things) the Bank’s portfolio of mortgage-related (including U.S. subprime-related) securities, the Bank’s

exposure to mortgage and credit market risk and the Bank's financial condition. The consolidated amended complaint asserts claims under Sections 11, 12(a)(2) and 15 of the Securities Act of 1933. 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. On 29 June 2011, the plaintiffs filed a notice of appeal to the United States Court of Appeals for the Second Circuit.

The Bank 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 possible to estimate any possible loss in relation to these claims or any effect that they might have upon operating results in any particular financial period.

#### **Significant Change Statement**

There has been no significant change in the financial or trading position of the Bank or the Group since 31 December 2010.

#### **Material Adverse Change Statement**

There has been no material adverse change in the prospects of the Bank or the Group since 31 December 2010.

#### **Litigation Statement**

Save as disclosed under the headings "Lehman Brothers Holdings Inc." and "American Depositary Shares" in the section "Litigation" above, as of the date of this Prospectus no member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Bank is aware), which may have or have had during the 12 months preceding the date of this Prospectus, a significant effect on the financial position or profitability of the Bank and/or the Group.

## TERMS AND CONDITIONS OF THE SECURITIES

The Securities shall have the following terms and conditions, which shall complete, modify and/or amend the Base Conditions set out in the 2010 Base Prospectus.

### Parties

Issuer:	Barclays Bank PLC
Guarantor:	N/A
Manager:	Barclays Bank PLC
Distributor:	Barclays Bank PLC, Paris Branch
Determination Agent:	Barclays Bank PLC
Issue and Paying Agent:	The Bank of New York Mellon
Stabilising Manager:	N/A
Registrar:	N/A
Transfer Agent:	N/A
Exchange Agent:	N/A
Additional Agents:	N/A

**THE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE SECURITIES ACT) AND THE SECURITIES COMPRISE BEARER SECURITIES THAT ARE SUBJECT TO US TAX LAW REQUIREMENTS. SUBJECT TO CERTAIN EXCEPTIONS, THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, US PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT (“REGULATION S”)). THIS PROSPECTUS HAS BEEN PREPARED BY THE ISSUER FOR USE IN CONNECTION WITH THE OFFER AND SALE OF THE SECURITIES OUTSIDE THE UNITED STATES TO NON-US PERSONS IN RELIANCE ON REGULATION S. FOR A DESCRIPTION OF THESE AND CERTAIN FURTHER RESTRICTIONS ON OFFERS AND SALES OF THE SECURITIES AND DISTRIBUTION OF THIS PROSPECTUS AND THE BASE PROSPECTUS SEE “PURCHASE AND SALE” IN THE 2010 BASE PROSPECTUS.**

**ANY UNITED STATES PERSON WHO HOLDS SECURITIES WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED.**

**THE DETERMINATION AGENT SHALL NOT, UNDER ANY CIRCUMSTANCES, BE LIABLE TO SECURITYHOLDERS. IN ANY EVENT, THE DETERMINATION AGENT SHALL NOT BE RESPONSIBLE FOR ANY CONSEQUENTIAL OR INDIRECT LOSS, NOTWITHSTANDING IT HAVING BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSS. ANY CALCULATION OR DETERMINATION MADE BY THE DETERMINATION AGENT IN RESPECT OF THE SECURITIES SHALL BE BINDING EXCEPT IN THE CASE OF MANIFEST ERROR.**

## FINAL TERMS

### Provisions relating to the Securities

1	(i) Series:	GSN41018
	(ii) Tranche:	N/A
2	Currency:	Euro (“EUR”)
3	Notes:	Applicable
	(i) Aggregate Nominal Amount as at the Issue Date:	EUR 75,000,000
	(ii) Specified Denomination:	EUR 1,000
	(iii) Calculation Amount per Security as at the Issue Date:	EUR 1,000
4	Certificates:	N/A
5	Form:	
	(i) Global/Definitive/Uncertificated and dematerialised:	Temporary Global Security, exchangeable for a Permanent Global Security
	(ii) NGN Form:	N/A
	(iii) Held under the NSS:	N/A
	(iv) CGN Form:	Applicable
	(v) CDIs:	N/A
6	Trade Date:	13 June 2011
7	Issue Date:	12 July 2011
8	Redemption Date:	The later to occur of: (a) 18 November 2016 (the “ <b>Scheduled Redemption Date</b> ”); or (b) the Bond Cash Settlement Date if a Bond Event Notice is effective before the Scheduled Redemption Date and the Bond Cash Settlement Date has not occurred prior to the Scheduled Redemption Date.
9	Issue Price:	100 per cent. of the Aggregate Nominal Amount
10	Relevant Stock Exchange[s]:	London Stock Exchange
11	The following Relevant Annex(es) shall apply to the Securities	No Relevant Annex shall apply to the Securities

### Provisions relating to interest (if any) payable on the Securities

12	Interest:	Applicable
13	Interest Amount:	As per Conditions 4 and 24 of the Base Conditions
14	Interest Rate[s]:	
	(i) Fixed Rate:	An amount, expressed as a percentage, equal to

		the sum of the Bond Interest Rates in respect of each Reference Bond.
	(ii) Floating Rate:	N/A
	(iii) Variable Rate:	N/A
	(iv) Zero Coupon:	N/A
	(v) Bond Linked Securities – Fixed Coupon:	N/A
	(vi) Bond Linked Securities – Pass Through Interest:	N/A
15	Screen Rate Determination:	N/A
16	ISDA Determination:	N/A
17	Margin:	N/A
18	Minimum/Maximum Interest Rate:	N/A
19	Interest Commencement Date:	Issue Date
20	Interest Determination Date:	As per Conditions 4 and 24 of the Base Conditions Arrears Setting applicable
21	Interest Calculation Periods:	As defined in Condition 24 of the Base Conditions
	(i) Interest Period End Dates:	Each Interest Payment Date
	(ii) Interest calculation method for short or long Interest Calculation Periods:	N/A
22	Interest Payment Dates:	Redemption Date
23	Day Count Fraction:	N/A
24	Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest, if different from those set out in the Base Conditions:	N/A
<b>Provisions relating to Redemption</b>		
25	Settlement Method:	For the purposes of Condition 5.1 of the Base Conditions: Cash Settlement
26	Settlement Currency:	EUR
27	Settlement Number:	As defined in Condition 24 of the Base Conditions
28	Terms relating to Cash Settled Securities:	
	(i) Final Cash Settlement Amount:	An amount equal to the sum of each Reference Bond Redemption Amount divided by the number of Securities outstanding as of the Redemption Date.
	(ii) Early Cash Settlement Amount:	In respect of any early redemption or

cancellation of the Securities, an amount per Calculation Amount determined by the Determination Agent as the *pro rata* proportion of the market value of the Securities following the event triggering the early redemption or cancellation, adjusted to take into account any fees (including the Distributor Fee), costs, losses, expenses and any Local Market Expenses which are incurred (or expected to be incurred) by (or on behalf of) the Issuer in connection with the early redemption or cancellation of the Securities, including (without duplication or limitation) hedging termination and funding breakage costs. In determining the Early Cash Settlement Amount, the Determination Agent may take into account prevailing market prices and/or proprietary pricing models, or where these pricing methods may not yield a commercially reasonable result, may estimate such Early Cash Settlement Amount in a commercially reasonable manner. The Early Cash Settlement Amount shall be determined by the Determination Agent on or as soon as reasonably practicable following the event giving rise to the early redemption or cancellation of the Securities.

For the purposes of calculating any Early Cash Settlement Amount at any time following an Event of Default, the Determination Agent shall ignore the effect of such Event of Default upon the market value of the Securities.

	(iii) Early Cash Redemption Date:	As defined in Condition 24 of the Base Conditions
29	Terms relating to Physically Delivered Securities:	N/A
30	Nominal Call Event:	N/A
31	Call Option:	N/A
32	Put Option:	N/A
33	Specified Early Redemption Event:	N/A
34	Maximum and Minimum Redemption Requirements:	
	(i) Daily Maximum Amount:	N/A
	(ii) Minimum Number/Minimum Nominal	N/A

	Amount:	
	(iii) Daily Maximum Number/Daily Maximum Amount:	N/A
35	Additional Disruption Events in addition to those specified in Condition 24 of the Base Conditions and any applicable Relevant Annex:	
	(i) Affected Jurisdiction Hedging Disruption:	N/A
	(ii) Affected Jurisdiction Increased Cost of Hedging:	N/A
	(iii) Affected Jurisdiction:	N/A
	(iv) Other Additional Disruption Events:	N/A
	(v) The following shall not constitute Additional Disruption Events:	Increased Cost of Hedging
36	Share Linked Securities:	N/A
37	Index Linked Securities:	N/A
38	Inflation Linked Securities:	N/A
39	FX Linked Securities:	N/A
40	Credit Linked Securities:	N/A
41	Commodity Linked Securities:	N/A
42	Proprietary Index Linked Securities:	N/A
43	Bond Linked Securities:	N/A
44	Mutual Fund Linked Securities:	N/A

#### **Provisions relating to Settlement**

45	Minimum Settlement Amount:	EUR 1,000
46	Settlement in respect of VP Notes, APK Registered Securities, Dutch Securities, Italian Securities, Swedish Registered Securities, VPS Registered Securities or Spanish Securities:	N/A
47	Additional provisions relating to Taxes and Settlement Expenses:	N/A

#### **Definitions**

48	Business Day:	As defined in Condition 24 of the Base Conditions, provided that, in relation to any sum payable in EUR, "Business Day" means a day that is a TARGET Business Day and a day other than a Saturday or Sunday on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign Currency deposits) in London.
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49	Additional Business Centre(s):	N/A
<b>Selling restrictions and provisions relating to certification</b>		
50	Non-US Selling Restrictions:	As described in the Base Prospectus
51	Applicable TEFRA exemption:	TEFRA D: D Rules Applicable
<b>General</b>		
52	Business Day Convention:	Following
53	Relevant Clearing System[s]:	Euroclear Clearstream
54	If syndicated, names and addresses of Managers and underwriting commitments:	N/A
55	Details relating to Partly Paid Securities:	N/A
56	Relevant securities codes:	ISIN: XS0602959644 Common Code: 0602959644
57	Modifications to the Master Subscription Agreement and/or Agency Agreement:	N/A
58	Additional Conditions and/or modification to the Conditions of the Securities:	
	(i) Reference Bonds:	After the Issue Date, the Determination Agent may from time to time replace any Reference Bond (and make the necessary adjustments its related Weighting) if such Reference Bond is subject to a Successor Event.
	(ii) Additional Disruption Event:	Any failure by the Issuer to give or publish notice of any adjustment or redemption pursuant to Condition 5.4(a) and Condition 5.4(b) of the Base Conditions, respectively, shall not affect the validity or effectiveness of any such adjustment or redemption.
	(iii) Bond Event Notice:	The Issuer shall, within the Bond Event Notice Delivery Period, send a Bond Event Notice to the Issue and Paying Agent.  The Issue and Paying Agent (on behalf of the Issuer) shall, within the Bond Event Notice Delivery Period, send to Securityholders a Bond Event Notice in accordance with Condition 16 of the Base Conditions.
	(iv) Bond Cash Settlement Amount:	With respect to each Bond Event Determination Date:  (a) the Determination Agent shall calculate the Bond Cash Settlement Amount in accordance with the definition thereof; and  (b) the Issuer shall, in accordance with

Condition 16 of the Base Conditions, notify the Securityholders of the Bond Cash Settlement Amount as soon as reasonably practicable after the Determination Agent has calculated the Bond Cash Settlement Amount.

(v) Determination Agent:

Unless otherwise provided in the Conditions, all determinations made by the Determination Agent pursuant to the Conditions shall be made in its sole and absolute discretion.

(vi) Additional Definitions:

“**Air France Bond**” means the 6.750% Notes of Air France – KLM due 27 October 2016 (ISIN FR0010814459).

“**ArcelorMittal Bond**” means the 4.625% Notes of ArcelorMittal due 17 November 2017 (ISIN XS0559641146).

“**Bankruptcy Proceeding**” means, with respect to the issuer of a Reference Bond, such issuer institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding up or liquidation or (ii) is not dismissed, discharged, stayed or restrained in each case within thirty calendar days of the institution or presentation thereof.

“**Bid**” means, with respect to a Reference Bond, a firm bid quotation (expressed as a percentage) by a Dealer in relation to such Reference Bond (excluding any accrued interest) for a notional amount at least equal to the product of the then outstanding number of Securities and the Calculation Amount.

“**Bond Cash Settlement Amount**” means, with respect to a Reference Bond:

(a) in respect of which a Bond Event Determination Date has occurred prior to the Scheduled Redemption Date, an amount equal to the highest Bid obtained by the Determination Agent by asking three Dealers for a Bid on a day (the “**First Bid Day**”) falling no later than 15

Business Days immediately following such Bond Event Determination Date. If the Determination Agent is unable to obtain a Bid from three Dealers on the First Bid Day, it shall, on the following Business Day (the “**Second Bid Day**”), again attempt to obtain a Bid from three Dealers, and if it obtains any Bid, the Bond Cash Settlement Amount shall be the highest Bid obtained. If no Bid is obtained on the Second Bid Day, the Determination Agent shall try again to obtain Bids from three Dealers on the following Business Day (the “**Third Bid Day**”), and if it obtains any Bid, the Bond Cash Settlement Amount shall be the highest Bid obtained. If no Bid is obtained on the Third Bid Day, the Determination Agent shall again seek to obtain Bids from three Dealers on the thirtieth Business Day (the “**Thirty-Third Bid Day**”) immediately following the Third Bid Day. If the Determination Agent is unable to obtain a Bid from three Dealers on such Thirty-Third Bid Day, it shall, on the following Business Day (the “**Thirty-Fourth Bid Day**”), again attempt to obtain a Bid from three Dealers and if it obtains any Bid, the Bond Cash Settlement Amount shall be the highest Bid obtained. If no Bid is obtained on the Thirty-Fourth Bid Day, the Determination Agent shall try again to obtain Bids from three Dealers on the following Business Day (the “**Thirty-Fifth Bid Day**”) and if it obtains any Bid, the Bond Cash Settlement Amount shall be the highest Bid obtained. If no Bid is obtained on the Thirty-Fifth Bid Day, the Bond Cash Settlement Amount shall be the fair market value of the relevant Reference Bond, as determined by the Determination Agent; or

(b) in respect of which no Bond Event Determination Date has occurred prior to the Scheduled Redemption Date, an amount equal to the product of the then outstanding number of Securities and the Calculation Amount per Security.

“**Bond Cash Settlement Date**” means, with respect to a Reference Bond, the date falling five Business Days immediately after the date on which the Bond Cash Settlement Amount is calculated by the Determination Agent.

**“Bond Event”** means, with respect to a Reference Bond, the occurrence of any of the following events on or after the Bond Event Strike Date:

- (a) such Reference Bond has become capable of being declared due and payable or has become due and payable before it would otherwise have been due and payable and as a result, or on the basis, of the occurrence of a default, event of default, or other similar condition or event (however described in the terms and conditions governing such Reference Bond as of the Issue Date, notwithstanding any change due to the adoption, after the Issue Date, of any change in any applicable law or regulation (including without limitation, any tax law) or due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority or brought in a court of competent jurisdiction), including as a result of a failure to make any required payment, provided that the Reference Bond issuer fails to make a payment due under the Reference Bond and such failure is not remedied on or before the third Business Day (included) immediately following the relevant scheduled payment date, notwithstanding any grace period set forth in the terms and conditions governing such Reference Bond; or
- (b) such Reference Bond is redeemed below par in accordance with its terms; or
- (c) any amount to be received by a holder of such Reference Bond would be reduced or paid in or exchanged into another form due to the adoption, after the issue date of such Reference Bond, of any change in any applicable law or regulation (including without limitation,

any tax law) or due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority or brought in a court of competent jurisdiction); or

- (d) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals in respect of such Reference Bond; or
- (e) a reduction in the amount of principal or premium payable at maturity or at scheduled redemption dates in respect of such Reference Bond; or
- (f) a postponement or other deferral of a date or dates for either the payment or accrual of interest or the payment of principal or premium in respect of such Reference Bond.

**“Bond Event Determination Date”** means the day falling during the Bond Event Notice Delivery Period on which the Bond Event Notice is effective. If the Issuer (or the Determination Agent on its behalf) delivers a Bond Event Notice to the Issue and Paying Agent (a) on or prior to 4.00 p.m. (London time) on a Business Day, such notice shall be effective on such day; or (b) after 4.00 p.m. (London time) on a Business Day, or on a day that is not a Business Day, such notice shall be effective on the next following Business Day.

**“Bond Event Notice”** means a notice delivered by or on behalf of the Issuer informing the Issue and Paying Agent and the Securityholders that a Bond Event has occurred. A Bond Event Notice shall contain a description in reasonable detail of the facts relevant to the determination that a Bond Event has occurred and shall cite Publicly Available Information confirming the occurrence of the Bond Event.

**“Bond Event Notice Delivery Period”** means the period starting from (and including) the Bond Event Strike Date to (but excluding) the

Scheduled Redemption Date.

“**Bond Event Strike Date**” means 16 September 2011.

“**Bond Interest Rate**” means, in respect of a Reference Bond:

(a) if a Bond Event Determination Date occurs in relation to such Reference Bond before the Scheduled Redemption Date, zero;

(b) if such Reference Bond has been redeemed in full prior to its scheduled maturity date specified in the Original Bond Prospectus and no Bond Event Determination Date has occurred in relation to such Reference Bond, an amount equal to  $6.00\% \times N(t)/365$ ; or

(c) in all other circumstances, an amount equal to  $6.00\% \times DCF$ ,

in each case multiplied by relevant Weighting.

“**DCF**” means, with respect to a Reference Bond, the number of calendar days from (and including) the Issue Date to (but excluding) the Redemption Date.

“**Dealers**” means any of the Issuer, Bank of America Corporation, Barclays Bank plc, BNP Paribas Group, Canadian Imperial Bank of Commerce, Citibank, N.A., Commerzbank AG, Credit Suisse First Boston Inc., Deutsche Bank AG, Goldman, Sachs Group Inc., HSBC Bank PLC, J.P. Morgan Chase & Company, Morgan Stanley & Co. Incorporated, Royal Bank of Scotland, Société Générale, UBS AG and any successor or affiliate thereof with whom the Determination Agent would trade the relevant Reference Bond in the normal course of business, as selected by the Determination Agent in its sole and absolute discretion.

“**Distributor Fee**” means a distribution commission payable by the Issuer to a third party (acting in its capacity as distributor of the Securities) in an amount which shall not exceed 6.02 per cent. of the Issue Price.

“**Lafarge Bond**” means the 5.375% Notes of Lafarge S.A. due 29 November 2018 (ISIN XS0562783034).

“**N(t)**” means, with respect to a Reference Bond, the number of calendar days from (and including) the Issue Date to (but excluding) the

date of redemption of such Reference Bond.

**“Original Bond Prospectus”** means, with respect to any Reference Bond, the prospectus or other offering document pursuant to which such Reference Bond was issued.

**“Public Source”** means, with respect to a Reference Bond and a Bond Event, each of Bloomberg Service, Dow Jones Telerate Service, Reuter Monitor Money Rates Services, Dow Jones News Wire, Wall Street Journal, New York Times, Nihon Keizai Shinbun, Asahi Shinbun, Yomiuri Shinbun, Financial Times, La Tribune, Les Echos and The Australian Financial Review (and successor publications), the main source(s) of business news in the country in which the relevant Reference Bond is organised and any other internationally recognised published or electronically displayed news sources.

**“Publicly Available Information”** means, with respect to a Bond Event, information that reasonably confirms any of the facts relevant to the determination that such Bond Event has occurred and which (i) has been published in or on not less than the Specified Number of Public Sources, regardless of whether the reader or user thereof pays a fee to obtain such information; provided that, if either of the Issuer or any of its Affiliates is cited as the sole source of such information, then such information shall not be deemed to be Publicly Available Information unless the Issuer or its Affiliate is acting in its capacity as trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Reference Bond, (ii) is information received from or published by (A) the issuer of the relevant Reference Bond or (B) a trustee, fiscal agent, administrative agent, clearing agent or paying agent for the relevant Reference Bond, (iii) is information contained in any petition or filing instituting a Bankruptcy Proceeding against or by the issuer of the Relevant Bond or (iv) is information contained in any order, decree, notice or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body; provided that:

(a) With respect to a Bond Event for which the Issuer is (i) the sole source of information in its capacity as trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for the relevant Reference Bond with respect to which a Bond Event has occurred and (ii) a holder of such Reference Bond, the Issuer shall be required to deliver to the Issue and Paying Agent a certificate signed by a Managing Director (or other substantively equivalent title) of Issuer, which shall certify the occurrence of a Bond Event with respect to such Reference Bond; and

(b) Publicly Available Information need not state that such occurrence has met the subjective criteria (if any) specified in the relevant Bond Event.

**“Reference Asset(s)”** means each of the Reference Bonds.

**“Reference Bond”** means, from time to time, the Air France Bond, the ArcelorMittal Bond, the Lafarge Bond or the Renault Bond, subject to paragraph 58(i) below.

**“Reference Bond Redemption Amount”** means, with respect to a Reference Bond, an amount equal to the product of (a) the Bond Cash Settlement Amount and (b) the Weighting.

**“Renault Bond”** means the 5.625% Notes of Renault S.A. due 22 March 2017 (ISIN FR0010871541).

**“Specified Number”** means two.

**“Successor Event”** means, with respect to a Reference Bond, an event such as a merger, consolidation, amalgamation, transfer of assets or liabilities, demerger, spin-off or other similar event in which one entity succeeds to the obligations of the issuer of such Reference Bond, whether by operation of law or pursuant to any agreement.

**“Weighting”** means, with respect to any Reference Bond, 25% (subject to paragraph 58(i) below).

## **Part B**

### **Other Information**

#### **1 LISTING AND ADMISSION TO TRADING**

- |      |                       |  |
|------|-----------------------|--|
| (i)  | Listing               | London   |
| (ii) | Admission to trading: | Application has been made by the Issuer (or on its behalf) for the Securities to be admitted to trading on the London Stock Exchange's Regulated Market with effect from the Issue Date. |

#### **2 RATINGS**

Ratings: The Securities have not been individually rated.

#### **3 NOTIFICATION**

The Financial Services Authority of the United Kingdom has provided the *Autorité des Marchés Financiers* with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive.

The Financial Services Authority of the United Kingdom has been requested to provide the *Autorité des Marchés Financiers* with a certificate of approval attesting that this Prospectus has been drawn up in accordance with the Prospectus Directive.

#### **4 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE AND THE OFFER**

Save with respect to the Manager and the Distributor (as discussed in "Purchase and Sale" and "Offer and Sale", respectively), so far as the Issuer is aware, no person involved in the offer of the Securities has an interest material to the offer.

#### **5 REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**

- |     |                        |                 |
|-----|------------------------|-----------------|
| (i) | Reasons for the offer: | General funding |
|-----|------------------------|-----------------|

#### **6 FIXED RATE SECURITIES ONLY - YIELD**

Indication of yield:	4.39% per annum
	The yield is calculated at the Issue Date on the basis of the Issue Price and on the assumption that no Bond Event Determination Date occurs before the Scheduled Redemption Date. It is not an indication of future yield.

#### **7 FLOATING RATE SECURITIES ONLY - HISTORIC INTEREST RATES**

N/A

## 8 PERFORMANCE OF REFERENCE ASSET(S) OR OTHER VARIABLE, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE REFERENCE ASSET(S) AND/OR OTHER UNDERLYING

The Securities are linked to the performance and value of the Reference Bonds. The Final Cash Settlement Amount may be less than the Calculation Amount (and could potentially be zero) if one or more Reference Bonds are subject to a Bond Event Determination Date prior to the Scheduled Redemption Date. The Interest Rate will be 6.00% per annum if no Bond Event Determination Date occurs prior to the Scheduled Redemption Date and no Reference Bond is redeemed in full prior to its scheduled maturity date. If any of these events occur, the Interest Rate will be less than 6.00% per annum and could potentially be zero.

The information about the past and the future performance of the Reference Bonds and their volatility can be obtained on “FR0010814459 Corp GP<Go>” in relation to the Air France Bond, on “XS0559641146 Corp GP<Go>” in relation to the ArcelorMittal Bond, “XS0562783034 Corp GP<Go>” in relation to the Lafarge Bond and on “FR0010871541 Corp GP<Go>” in relation to the Renault Bond.

The Issuer does not intend to provide post-issuance information.

## 9 OPERATIONAL INFORMATION

Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking Société Anonyme (together with their addresses) and the relevant identification number(s):

Delivery: Delivery against payment

Names and addresses of additional Paying Agents(s) (if any): N/A

Intended to be held in a manner which would allow Eurosystem eligibility: No

## 10 OFFER INFORMATION

(i) Offer Price: The offer price will be determined by the Distributor in accordance with the following offer schedule:

<b>OFFER SCHEDULE</b>	
<b>Week Ending</b>	<b>Offer Price (% of Issue Price)</b>
Friday 15 July 2011	99.66%
Friday 22 July 2011	99.68%
Friday 29 July 2011	99.70%
Friday 5 August 2011	99.72%
Friday 12 August 2011	99.74%
Friday 19 August 2011	99.76%
Friday 26 August 2011	99.78%
Friday 2 September 2011	99.80%
Friday 9 September 2011	99.82%

	Friday 16 September 2011	99.84%
	Friday 23 September 2011	99.86%
	Friday 30 September 2011	99.88%
	Friday 7 October 2011	99.90%
	Friday 14 October 2011	99.92%
	Friday 21 October 2011	99.94%
	Friday 28 October 2011	99.96%
	Friday 4 November 2011	99.98%
	Friday 11 November 2011	100.00%
	Monday 14 November 2011	100.00%
(ii) Offer Period:	The Securities will be publicly offered through the Distributor during the period commencing at 8 a.m. (Central European Time) on 13 July 2011 to 5 p.m. (Central European Time) on 14 November 2011 (inclusive).	
(iii) Conditions to which the offer is subject:	Not Applicable	
(iv) Description of the application process:	Applications for the Securities can be made in France through the Distributor. Distribution will be in accordance with the Distributor's usual procedures. The Securities are issued on the Issue Date and will be fully subscribed by the Distributor and thereafter offered to the public in the secondary market in France during the Offer Period.	
(v) Details of the minimum and/or maximum amount of application:	The minimum amount of application per Investor will be EUR 1,000 in nominal amount of the Securities.	
(vi) Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:	Not Applicable	
(vii) Details of method and time limits for paying up and delivering the Securities:	The Securities are issued on the Issue Date and shall be delivered to the Distributor against the payment of the net subscription proceeds on a weekly basis.	
(viii) Manner in and date on which results of the offer are to be made public:	Not Applicable	
(ix) Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:	Not Applicable	
(x) Categories of prospective Investors to which the Securities are offered and whether tranche(s) have been reserved for certain countries:	Offers may be made through the Distributor in France to any person to which it is lawful to do so. Offers (if any) in other EEA countries will only be made through the Distributor pursuant to an exemption from the obligation under the Prospectus Directive as implemented in such countries to publish a prospectus.	

- |  |  |
|--|--|
| (xi) Process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made: | No dealings in the Securities may take place prior to the Issue Date.            |
| (xii) Amount of any expenses and taxes specifically charged to the subscriber or purchaser:  | Not Applicable   |
| (xiii) Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place:  | Barclays Bank PLC, Paris Branch<br>183 Avenue Daumesnil<br>75012 Paris<br>France |

The Issue Price includes a commission element to be shared with a third party which shall not exceed 6.02 per cent. of the Issue Price, further details of which are available upon request.

## GENERAL INFORMATION

### Authorisation and Consents

The issue of the Securities has been duly authorised by resolutions of the Issuer passed on 2 August 2010.

The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue and performance of the Securities.

### Use of Proceeds

The Issuer intends to apply the net proceeds from the issue of the Securities for general funding purposes.

### Relevant Clearing Systems

The Securities may be accepted for clearance through Euroclear and Clearstream, Luxembourg. The International Securities Identification Number (ISIN) for the Securities is XS0602959644.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg.

### Documents available

For as long as any Securities remain outstanding, copies of the following documents will, when available, be made available during usual business hours on a weekday (Saturdays and public holidays excepted) for inspection and, in the case of (b), (c), (h) and (i) below, shall be available for collection free of charge at the registered office of the Issuer and at the specified office of the Issue and Paying Agent:

- (a) the constitutional documents of the Issuer;
- (b) the documents set out in the section "Information Incorporated by Reference" of this Prospectus;
- (c) all future annual reports and semi-annual financial statements of the Issuer;
- (d) the Master Subscription Agreement dated 6 August 2010 as further amended on the Issue Date relating to the Programme;
- (e) the Master Agency Agreement dated 6 August 2010 as further amended on the Issue Date relating to the Programme;
- (f) the Deed of Covenant dated 6 August 2010 as further amended on the Issue Date relating to the Programme;
- (g) this Prospectus and any future supplements thereto;
- (h) the Original Bond Prospectuses in respect of the Reference Bonds; and
- (i) any other future documents and/or announcements issued by the Issuer.

**ISSUER**

**Barclays Bank PLC**  
*REGISTERED OFFICE*  
1 Churchill Place  
London E14 5HP  
United Kingdom

**MANAGER**

**Barclays Bank PLC**  
1 Churchill Place  
London E14 5HP  
United Kingdom

**ISSUE AND PAYING AGENT**

The Bank of New York Mellon, London Branch  
One Canada Square  
London E14 5AL  
United Kingdom

**DETERMINATION AGENT**

**Barclays Bank PLC**  
1 Churchill Place  
London E14 5HP  
United Kingdom

**DISTRIBUTOR**

**Barclays Bank PLC, Paris Branch**  
183 Avenue Daumesnil  
75012 Paris  
France

**LEGAL ADVISERS TO THE MANAGER**

*in respect of English law:*

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