



**BARCLAYS BANK PLC**

*(Incorporated with limited liability in England and Wales)*

**BARCLAYS CAPITAL (CAYMAN) LIMITED**

*(Incorporated as an exempted company with limited liability in the Cayman Islands)*

*(Guaranteed by Barclays Bank PLC)*

**PROGRAMME FOR THE ISSUANCE OF STRUCTURED INVESTMENT MANAGEMENT PLAN  
LINKED TO EQUITY (S.I.M.P.L.E.) NOTES**

**GLOBAL STRUCTURED SECURITIES PROGRAMME**

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This Base Prospectuses Supplement dated 7 March 2011 (the "**Combined Supplement 1/2011**") is supplemental to and must be read in conjunction with each of the following: (i) the Base Prospectus dated 30 March 2010 (the "**Original S.I.M.P.L.E. Base Prospectus**") as supplemented on 7 May 2010, on 9 August 2010 and on 12 November 2010 (together the "**S.I.M.P.L.E. Base Prospectus**") in connection with the Programme for the issuance of Structured Investment Management Plan Linked to Equity (S.I.M.P.L.E.) Notes (the "**S.I.M.P.L.E. Programme**"); and (ii) the Base Prospectus dated 6 August 2010 (the "**Original GSSP Base Prospectus**"), as supplemented on 17 August 2010, on 22 October 2010, on 4 November 2010, on 12 November 2010 and on 23 December 2010 (together the "**GSSP Base Prospectus**") in connection with the Global Structured Securities Programme for the issuance of structured Notes, Warrants and Certificates (the "**GSS Programme**") and, together with the S.I.M.P.L.E. Programme, the "**Relevant Programmes**" and each a "**Relevant Programme**"). Each of the Relevant Programmes base prospectuses were prepared by Barclays Bank PLC (the "**Bank**") and Barclays Capital (Cayman) Limited ("**BCCL**") (each in its capacity as an issuer, an "**Issuer**" and, together, and where relevant, the "**Issuers**").

This Combined Supplement 1/2011 constitutes a base prospectus supplement in respect of each of the S.I.M.P.L.E. Base Prospectus and the GSSP Base Prospectus (each a "**Relevant Base Prospectus**") for the purposes of Directive 2003/71/EC (the "**Prospectus Directive**") and for the purpose of Section 87G of the UK Financial Services and Markets Act 2000. Investors should be aware of their rights under Section 87Q(4) of the UK Financial Services and Markets Act 2000.

Terms defined in each Relevant Base Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Combined Supplement 1/2011. This Combined Supplement 1/2011 is supplemental to, and shall be read in conjunction with each Relevant Base Prospectus and other supplements to the Relevant Base Prospectuses issued by the Issuers. To the extent that there is any inconsistency between (a) any statement in this Combined Supplement 1/2011 or any statement incorporated by reference into each Relevant Base Prospectus by this Combined Supplement 1/2011 and (b) any other statement in, or incorporated by reference into each Relevant Base Prospectus, the statements in (a) above shall prevail.

The Issuers accept responsibility for the information contained in this Combined Supplement 1/2011 and declare that, having taken all reasonable care to ensure that such is the case, the information contained in this Combined Supplement 1/2011 is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import. Save as disclosed in this Combined Supplement 1/2011, no significant new factor, material mistake or inaccuracy relating to the information included in each Relevant Base Prospectus which is capable of affecting the assessment of the securities issued under each Relevant Programme has arisen or been noted, as the case may be, since the publication of each Relevant Base Prospectus issued by the Issuers.

This Combined Supplement 1/2011 has been approved by the United Kingdom Financial Services Authority, which is the United Kingdom competent authority for the purposes of the Prospectus Directive and the relevant implementing measures in the United Kingdom, as a base prospectus supplement issued in compliance with the Prospectus Directive and the relevant implementing measures in the United Kingdom for the purpose of giving information with regard to the issue of securities under the Relevant Programmes.

The purposes of this Combined Supplement 1/2011 are:

**A) to insert the following:**

**“Ratings:** The credit ratings included or referred to in this Base 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 Ratings Limited, Moody’s Investor Service Limited and Standard & Poor’s Credit Market Services Europe Limited, each of which is established in the European Union and has applied through its respective London office to be registered under the CRA Regulation, although the result of such applications has not yet been determined.”

1) after the third paragraph and before the fourth paragraph commencing with the wording “As at the date of this Base Prospectus, the Bank...” appearing on page 2 the Original S.I.M.P.L.E. Base Prospectus; and

2) after the second paragraph and before the third paragraph commencing with the wording **“Offers in Relevant Member States:”** appearing on page 2 the Original GSSP Base Prospectus.

**B) to delete and replace in its entirety with the following:**

***“Financial Services Compensation Scheme***

Banks, insurance companies and other financial institutions in the UK are subject to the Financial Services Compensation Scheme (the **“FSCS”**) where an authorised firm is unable or is likely to be unable to meet claims made against it because of its financial circumstances. Most deposits made with branches of the Bank within the European Economic Area (the **“EEA”**) which are denominated in Sterling or other EEA currencies (including the Euro) are covered by the FSCS. Most claims made in respect of investment business will also be protected claims if the business was carried on from the UK or from a branch of the bank or investment firm in another EEA member state. The FSCS is funded by levies on authorised UK firms such as the Bank. As disclosed in the unaudited Bank Preliminary Results Announcement for the year ended 31 December 2010, as at 31 December 2010, the Group had accrued £63 million (2009: £108 million) for its share of the levies. The provision is based on estimates of the Group’s market participation in the relevant charging periods and the interest the FSCS will pay on the facilities provided by HM Treasury in support of its obligations to depositors of banks declared in default (such facilities were, as at 31 December 2010, estimated by the Group to amount to £20 billion). While it is anticipated that the substantial majority of these facilities will be repaid wholly from recoveries from the institutions concerned, there is the risk of a shortfall, such that the FSCS may place additional levies on FSCS participants. As at the date of this Base Prospectus, it was not possible to estimate the amount of any potential additional levies or the Group’s share. Consequently, in the event that the FSCS raises funds, raises those funds more frequently or significantly increases the levies to be paid by firms, the associated costs to the Group may have a material impact on the Group’s results and financial condition.”

the subsection headed ***“Financial Services Compensation Scheme”*** appearing on:

1) page 15 of the Original S.I.M.P.L.E. Base Prospectus; and

2) on page 23 of the Original GSSP Base Prospectus.

**C) to insert the following:**

- the unaudited Preliminary Results Announcement of Barclays PLC as filed with the SEC on Form 6-K on Film Number 11613689 on 15 February 2011 in respect of the year ended 31 December 2010 (the “**Preliminary Results Announcement**”) and the unaudited Preliminary Results Announcement of the Bank in respect of the year ended 31 December 2010 (the “**Bank Preliminary Results Announcement**”), with the exception of the sections headed “Performance Highlights”, “Chief Executive's Review” and “Group Finance Director's Review” on pages 1-8 inclusive of the Bank Preliminary Results Announcement which shall not be deemed to be incorporated in this Base Prospectus.”

at the end of the subsection headed “**In respect of information relating to the Bank, the Group and the Holding Company**” appearing on:

- 1) page 28 of the Original S.I.M.P.L.E. Base Prospectus; and
- 2) on page 47 of the Original GSSP Base Prospectus.

**D) to amend the section headed “THE BANK AND THE GROUP” commencing on page 49 and ending on page 56 of the Original GSSP Base Prospectus, as follows:**

- (i) to delete in their entirety the fourth, fifth and sixth paragraphs on page 49 of the Original GSSP Base Prospectus and replace with the following:

“Based on the Group's unaudited 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 unaudited Bank Preliminary Results Announcement for the year ended 31 December 2010.”

- (ii) to insert the following before the sub-section entitled “*Acquisition of Tricorona (AB publ)*” on page 50 of the Original GSSP Base Prospectus:

*“Acquisition of Egg's UK credit card assets*

On 1 March 2011, the Bank announced that it agreed to acquire Egg's UK credit card assets. Under the terms of the transaction, the Bank will purchase Egg's UK credit card accounts, consisting of approximately 1.15 million credit card accounts with approximately £2.3 billion of gross receivables (each estimated as at 31 January 2011 with gross receivables estimated under IFRS). Completion is subject to competition clearance and is expected to occur during the first half of 2011.”

- (iii) to delete in its entirety the sub-section entitled “*Sale of HomEq Servicing*” on page 50 of the Original GSSP Base Prospectus and replace with the following:

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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

### *“Sale of HomEq Servicing*

On 28 May 2010, the Bank announced that it agreed to sell HomEq Servicing, its U.S. mortgage servicing business, to Ocwen Loan Servicing, LLC (“Ocwen”), a subsidiary of Ocwen Financial Corporation, for a consideration of approximately U.S.\$1.3 billion, payable in cash on completion. The consideration was subject to an adjustment mechanism based on the unpaid principal balance of the servicing portfolio and the value of certain other assets at completion of the transaction. The sale was completed on 1 September 2010.”

- (iv) to delete in its entirety the sub-section entitled *“Exercise of the Warrants”* on page 50 of the Original GSSP Base Prospectus.
- (v) to delete in its entirety the sub-section entitled *“Acquisition of Citi’s Italian credit card business”* on page 50 of the Original GSSP Base Prospectus and replace with the following:

#### *“Acquisition of Citi’s Italian credit card business*

On 11 February 2010, Barclays PLC announced that the Bank agreed to acquire the Italian credit card business of Citibank International Bank plc. The Bank acquired the business as a going concern which involved the acquisition of approximately 197,000 credit card accounts and gross assets of approximately €234 million (as at 31 December 2009). The acquisition was completed on 31 March 2010. “

- (vi) to delete in their entirety the sub-sections entitled *“Sale of Barclays Global Investors”*, *“Acquisition of Standard Life Bank”*, *“Acquisition of Citi’s Portuguese credit card business”*, *“Restructuring of credit market assets”* and *“Life insurance joint venture”* on pages 50 and 51 of the Original GSSP Base Prospectus.
- (vii) to delete in its entirety the section entitled *“Competition and regulatory matters”* commencing on page 51 and ending on page 53 of the Original GSSP Base Prospectus and replace with the following:

### **“Competition and Regulatory Matters**

#### *Regulatory change*

The scale of regulatory change remains challenging with a significant tightening of regulation and changes to regulatory structures globally, especially for banks that are deemed to be of systemic importance. Concurrently, there is continuing political and regulatory scrutiny of the operation of the banking and consumer credit industries which, in some cases, is leading to increased or changing regulation which is likely to have a significant effect on the industry.

In the UK, the FSA’s current responsibilities are to be reallocated between the Prudential Regulatory Authority (a subsidiary of the Bank of England) and a new Consumer Protection and Markets Authority by the end of 2012. The Independent Commission on Banking has been charged by the UK Government with reviewing the UK banking system. Its remit includes looking at reducing systemic risk, mitigating moral hazard, reducing the likelihood and impact of bank failure and competition issues. Its findings and recommendations are expected by September 2011.

In the United States, the Dodd-Frank Wall Street Reform and Consumer Protection Act contains far reaching regulatory reform although the full impact will not be known until implementing rules are made by governmental authorities, a process which is currently ongoing.

### *Payment Protection Insurance (“PPI”)*

PPI has been under scrutiny by the UK competition authorities and financial services regulators. The UK Competition Commission (the “CC”) has undertaken an in-depth enquiry into the PPI market which has resulted in the CC introducing a number of remedies including a prohibition on sale of PPI at the point of sale.

Tackling poor PPI sales practices remains a priority for the FSA who issued a Policy Statement on 10 August 2010 which amends the DISP (Dispute Resolution: Complaints) rules in the FSA Sourcebook for the handling of such complaints. Firms were initially required by the FSA to implement the new measures by 1 December 2010. In October 2010, the British Bankers’ Association launched a judicial review of the FSA on the basis that the Policy Statement applies incorrect standards for the management of PPI sales complaints, including retrospective application of rules with higher standards than those in place at the time of sale. These proceedings are also against the Financial Services Ombudsman Service (the “FOS”) which seeks to implement the same standards for the resolution of complaints referred to it. Pending the outcome of the proceedings which took place in January 2011, implementation of the Policy Statement and FOS Guidance is on hold and affected complaints cannot be determined. There is currently no indication of the timetable for judgment. As at the date of this Base Prospectus, it was not practicable to provide an estimate of the financial effects.

### *Interchange*

The Office of Fair Trading, as well as other competition authorities elsewhere in Europe, continues to carry out investigations into Visa and MasterCard credit and debit interchange rates. These investigations may have an impact on the consumer credit industry as well as having the potential for the imposition of fines. Timing of these cases is uncertain but outcomes may be known within the next 2-4 years.

### *Sanctions*

U.S. laws and regulations require compliance with U.S. economic sanctions, administered by the Office of Foreign Assets Control, against designated foreign countries, nationals and others. HM Treasury regulations similarly require compliance with sanctions adopted by the UK Government. The Group conducted an internal review of its conduct with respect to U.S. Dollar payments involving countries, persons and entities subject to U.S. economic sanctions and reported the results of that review to various governmental authorities, including the U.S. Department of Justice, the Manhattan District Attorney’s Office and the U.S. Department Of Treasury’s Office of Foreign Assets Control (together, the “U.S. Authorities”), which conducted investigations of the matter.

On 18 August 2010, the Bank announced that it had reached settlements with the U.S. Authorities in relation to the investigation by those agencies into compliance with U.S. sanctions and U.S. Dollar payment practices. In addition, an Order to Cease and Desist was issued upon consent by the Federal Reserve Bank of New York and the New York State Banking Department. The Bank agreed to pay a total penalty of U.S.\$298 million and entered into Deferred Prosecution Agreements covering a period of 24 months. The Bank fully briefed other relevant regulators on this settlement. The Deferred Prosecution Agreements mean that no further action will be taken against the Bank by the U.S. Authorities if, as is the Bank’s intention, for the duration of the defined period the Bank meets the conditions set down in its agreements with the U.S. Authorities. The Bank does not anticipate any further regulatory actions relating to these issues.”

(viii) **to amend the table setting out the Directors of the Issuer on pages 53 and 54 of the Original GSSP Base Prospectus to reflect the following changes to the composition of the board of Directors:**

- a. The appointment of Robert E. Diamond Jr as Group Chief Executive, replacing John Varley;

- b. The removal of Leigh Clifford as a Non Executive Director of the board;
- c. The inclusion of David Booth as a Non Executive Director of the board;
- d. In relation to the Directors' principal outside activities:
  - i. The appointment of Marcus Agius (Barclays Group Chairman) as Chairman of the board of the British Bankers Association;
  - ii. Sir Richard Broadbent (Deputy Chairman, Senior independent Director and Non-Executive Director) and resignation from the post of Chairman of Arriva plc;
  - iii. The appointment of Alison Carnwath (Non-Executive Director) as Non-Executive Chairman of ISIS EP LLP) resignation from the post of Chairman of Qantas Airways Limited; and
  - iv. The appointment of Reuben Jeffery III (Non-Executive Director) as Chief Executive Officer of Rockefeller & Co., Inc.

- (ix) to delete in its entirety the sub-section entitled "*Employees*" commencing on page 54 of the Original GSSP Base Prospectus and replace with the following:

#### **"Employees**

The average number of persons employed by the Group worldwide during 2010 (full time equivalents) was 147,500 (2009: 144,200)."

- (x) to delete in its entirety the section entitled "*Litigation*" commencing on page 54 and ending on page 55 of the Original GSSP Base Prospectus and replace with the following:

#### **"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 challenge 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. 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. 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. The Opinion calls for the parties to submit proposed Orders that will implement the Opinion and anticipates a possible status conference to resolve any potential differences between the parties regarding the final Order that should be entered. Any such Order should clarify the precise impact of the Opinion and may include specific guidance regarding the treatment of specific types of assets. Such an Order may be the subject of further proceedings or appeals by one or more of the parties.

The Bank has considered the Opinion and the decisions contained therein and its possible actions with respect thereto. If the Opinion were to be unaffected by future proceedings, the Bank estimates that its maximum possible loss, based on its worst case reading of the Opinion, would be approximately £2.6 billion, after taking into account the effective provision of £0.6 billion. Any such loss, however, was not (as at the date of this Base Prospectus) considered probable and the Bank is satisfied with the current level of provision.

#### *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 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, and that motion is pending. The Bank considers that these ADS-related claims against it are without merit and is defending them vigorously. As at the date of this Base 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.

#### *Other*

Barclays PLC and the Group are engaged in various other litigation proceedings both in the United Kingdom and a number of overseas jurisdictions, including the United States, involving claims by and against them which arise in the ordinary course of business. The Bank does not expect the ultimate resolution of any of the proceedings to which the Group is party to have a significant adverse effect on the financial position of the Group and the Bank has not disclosed the contingent liabilities associated with these claims either because they cannot reasonably be estimated or because such disclosure could be prejudicial to the conduct of the claims.

Save as disclosed in the sections under the headings "Lehman Brothers Holdings Inc." and "American Depositary Shares" above, 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 Base Prospectus, a significant effect on the financial position or profitability of the Bank and/or the Group."

- (xi) **to delete in its entirety the section entitled "*Significant Change Statement*" on page 56 of the Original GSSP Base Prospectus and replace with the following:**

#### **"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."

E) to amend the section headed “THE BANK AND THE GROUP” commencing on page 258 and ending on page 263 of the Original S.I.M.P.L.E. Base Prospectus, as follows:

- (i) to delete in its entirety the fourth paragraph on page 258 of the Original S.I.M.P.L.E. Base Prospectus and replace with the following:

“Based on the Group's unaudited 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>3</sup> of £465,741 million (2009: £461,359 million), total deposits<sup>4</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 unaudited Bank Preliminary Results Announcement for the year ended 31 December 2010.”

- (ii) to delete in its entirety the sub-section entitled “*Exercise of the warrants*” on page 258 of the Original S.I.M.P.L.E. Base Prospectus and replace with the following:

*“Acquisition of Egg’s UK credit card assets*

On 1 March 2011, the Bank announced that it agreed to acquire Egg’s UK credit card assets. Under the terms of the transaction, the Bank will purchase Egg’s UK credit card accounts, consisting of approximately 1.15 million credit card accounts with approximately £2.3 billion of gross receivables (each estimated as at 31 January 2011 with gross receivables estimated under IFRS). Completion is subject to competition clearance and is expected to occur during the first half of 2011.

*Acquisition of Tricorona AB (publ)*

On 2 June 2010, Barclays PLC announced that its wholly owned subsidiary TAV AB had made a recommended cash offer to acquire all the shares in Tricorona AB (publ), a Stockholm-listed carbon developer, for a total consideration of approximately £98 million (SEK 1,130 million) (the “Offer”). The Offer was declared unconditional in all respects on 20 July 2010.

*Sale of HomEq Servicing*

On 28 May 2010, the Bank announced that it agreed to sell HomEq Servicing, its U.S. mortgage servicing business, to Ocwen Loan Servicing, LLC (“Ocwen”), a subsidiary of Ocwen Financial Corporation, for a consideration of approximately U.S.\$1.3 billion, payable in cash on completion. The consideration was subject to an adjustment mechanism based on the unpaid principal balance of the servicing portfolio and the value of certain other assets at completion of the transaction. The sale was completed on 1 September 2010.”

- (iii) to delete in its entirety the sub-section entitled “*Acquisition of Citi’s Italian credit card business*” on page 258 of the Original S.I.M.P.L.E. Base Prospectus and replace it with the following:

*“Acquisition of Citi’s Italian credit card business*

On 11 February 2010, Barclays PLC announced that the Bank agreed to acquire the Italian credit card business of Citibank International Bank plc. The Bank acquired the business as a going concern which involved the acquisition of approximately 197,000 credit card accounts and gross

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<sup>3</sup> Total net loans and advances include balances relating to both bank and customer accounts.

<sup>4</sup> Total deposits include deposits from bank and customer accounts



assets of approximately €234 million (as at 31 December 2009). The acquisition was completed on 31 March 2010. “

- (iv) to delete in their entirety the sub-sections entitled “*Sale of Barclays Global Investors*”, “*Acquisition of Standard Life Bank*”, “*Acquisition of Citi’s Portuguese credit card business*”, “*Restructuring of credit market assets*” and “*Life insurance joint venture*” on pages 258 and 259 of the Original S.I.M.P.L.E. Base Prospectus.
  
- (v) to delete in its entirety the section entitled “*Competition and regulatory matters*” commencing on page 259 and ending on page 260 of the Original S.I.M.P.L.E. Base Prospectus and replace with the following:

### “Competition and Regulatory Matters

#### *Regulatory change*

The scale of regulatory change remains challenging with a significant tightening of regulation and changes to regulatory structures globally, especially for banks that are deemed to be of systemic importance. Concurrently, there is continuing political and regulatory scrutiny of the operation of the banking and consumer credit industries which, in some cases, is leading to increased or changing regulation which is likely to have a significant effect on the industry.

In the UK, the FSA’s current responsibilities are to be reallocated between the Prudential Regulatory Authority (a subsidiary of the Bank of England) and a new Consumer Protection and Markets Authority by the end of 2012. The Independent Commission on Banking has been charged by the UK Government with reviewing the UK banking system. Its remit includes looking at reducing systemic risk, mitigating moral hazard, reducing the likelihood and impact of bank failure and competition issues. Its findings and recommendations are expected by September 2011.

In the United States, the Dodd-Frank Wall Street Reform and Consumer Protection Act contains far reaching regulatory reform although the full impact will not be known until implementing rules are made by governmental authorities, a process which is currently ongoing.

#### *Payment Protection Insurance (“PPI”)*

PPI has been under scrutiny by the UK competition authorities and financial services regulators. The UK Competition Commission (the “CC”) has undertaken an in-depth enquiry into the PPI market which has resulted in the CC introducing a number of remedies including a prohibition on sale of PPI at the point of sale.

Tackling poor PPI sales practices remains a priority for the FSA who issued a Policy Statement on 10 August 2010 which amends the DISP (Dispute Resolution: Complaints) rules in the FSA Sourcebook for the handling of such complaints. Firms were initially required by the FSA to implement the new measures by 1 December 2010. In October 2010, the British Bankers’ Association launched a judicial review of the FSA on the basis that the Policy Statement applies incorrect standards for the management of PPI sales complaints, including retrospective application of rules with higher standards than those in place at the time of sale. These proceedings are also against the Financial Services Ombudsman Service (the “FOS”) which seeks to implement the same standards for the resolution of complaints referred to it. Pending the outcome of the proceedings which took place in January 2011, implementation of the Policy Statement and FOS Guidance is on hold and affected complaints cannot be determined. There is currently no indication of the timetable for judgment. As at the date of this Base Prospectus, it was not practicable to provide an estimate of the financial effects.

### *Interchange*

The Office of Fair Trading, as well as other competition authorities elsewhere in Europe, continues to carry out investigations into Visa and MasterCard credit and debit interchange rates. These investigations may have an impact on the consumer credit industry as well as having the potential for the imposition of fines. Timing of these cases is uncertain but outcomes may be known within the next 2-4 years.

### *Sanctions*

U.S. laws and regulations require compliance with U.S. economic sanctions, administered by the Office of Foreign Assets Control, against designated foreign countries, nationals and others. HM Treasury regulations similarly require compliance with sanctions adopted by the UK Government. The Group conducted an internal review of its conduct with respect to U.S. Dollar payments involving countries, persons and entities subject to U.S. economic sanctions and reported the results of that review to various governmental authorities, including the U.S. Department of Justice, the Manhattan District Attorney's Office and the U.S. Department Of Treasury's Office of Foreign Assets Control (together, the "U.S. Authorities"), which conducted investigations of the matter.

On 18 August 2010, the Bank announced that it had reached settlements with the U.S. Authorities in relation to the investigation by those agencies into compliance with U.S. sanctions and U.S. Dollar payment practices. In addition, an Order to Cease and Desist was issued upon consent by the Federal Reserve Bank of New York and the New York State Banking Department. The Bank agreed to pay a total penalty of U.S.\$298 million and entered into Deferred Prosecution Agreements covering a period of 24 months. The Bank fully briefed other relevant regulators on this settlement. The Deferred Prosecution Agreements mean that no further action will be taken against the Bank by the U.S. Authorities if, as is the Bank's intention, for the duration of the defined period the Bank meets the conditions set down in its agreements with the U.S. Authorities. The Bank does not anticipate any further regulatory actions relating to these issues."

**(vi) to amend the table setting out the Directors of the Issuer on pages 53 and 54 of the Original GSSP Base Prospectus to reflect the following changes to the composition of the board of Directors:**

- a. The appointment of Robert E. Diamond Jr as Group Chief Executive, replacing John Varley;
- b. The removal of Leigh Clifford as a Non Executive Director of the board;
- c. In relation to the Directors' principal outside activities:
  - i. The appointment of Marcus Agius (Barclays Group Chairman) as Chairman of the board of the British Bankers Association;
  - ii. Sir Richard Broadbent (Deputy Chairman, Senior independent Director and Non-Executive Director) and resignation from the post of Chairman of Arriva plc;
  - iii. The appointment of Alison Carnwath (Non-Executive Director) as Non-Executive Chairman of ISIS EP LLP) resignation from the post of Chairman of Qantas Airways Limited; and
  - iv. The appointment of Reuben Jeffery III (Non-Executive Director) as Chief Executive Officer of Rockefeller & Co., Inc.

**(vii) to delete in its entirety the sub-section entitled "Employees" on page 261 of the Original S.I.M.P.L.E. Base Prospectus and replace with the following:**

#### **"Employees**

The average number of persons employed by the Group worldwide during 2010 (full time equivalents) was 147,500 (2009: 144,200)."

- (viii) to delete in its entirety the section entitled “Litigation” commencing on page 261 and ending on page 262 of the Original S.I.M.P.L.E. Base Prospectus and replace with the following:

#### “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 challenge 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. 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. 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. The Opinion calls for the parties to submit proposed Orders that will implement the Opinion and anticipates a possible status conference to resolve any potential differences between the parties regarding the final Order that should be entered. Any such Order should clarify the precise impact of the Opinion and may include specific guidance regarding the treatment of specific types of assets. Such an Order may be the subject of further proceedings or appeals by one or more of the parties.

The Bank has considered the Opinion and the decisions contained therein and its possible actions with respect thereto. If the Opinion were to be unaffected by future proceedings, the Bank estimates that its maximum possible loss, based on its worst case reading of the Opinion, would be approximately £2.6 billion, after taking into account the effective provision of £0.6 billion. Any such loss, however, was not (as at the date of this Base Prospectus) considered probable and the Bank is satisfied with the current level of provision.

##### *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 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, and that motion is pending. The

Bank considers that these ADS-related claims against it are without merit and is defending them vigorously. As at the date of this Base 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.

#### *Other*

Barclays PLC and the Group are engaged in various other litigation proceedings both in the United Kingdom and a number of overseas jurisdictions, including the United States, involving claims by and against them which arise in the ordinary course of business. The Bank does not expect the ultimate resolution of any of the proceedings to which the Group is party to have a significant adverse effect on the financial position of the Group and the Bank has not disclosed the contingent liabilities associated with these claims either because they cannot reasonably be estimated or because such disclosure could be prejudicial to the conduct of the claims.

Save as disclosed in the sections under the headings “Lehman Brothers Holdings Inc.” and “American Depositary Shares” above, 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 Base Prospectus, a significant effect on the financial position or profitability of the Bank and/or the Group.”

- (ix) to delete in its entirety the section entitled “*Significant Change Statement*” on page 262 of the Original S.I.M.P.L.E. Base Prospectus and replace with the following:

#### **“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.”

- F) to delete and replace in its entirety with the following the section headed “8.1 Calculations” on page 171 of the Original GSSP Base Prospectus:

#### **“8.1 Calculations**

For the purposes of any calculations required pursuant to the Conditions (unless otherwise specified in any applicable Relevant Annex or the applicable Final Terms), (a) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 of a percentage point being rounded up), (b) all figures shall be rounded to seven significant figures (provided that if the eighth significant figure is a 5 or greater, the seventh significant figure shall be rounded up), and (c) all Currency amounts that fall due and payable shall be rounded to the nearest unit of such Currency (with half a unit being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes, “unit” means the lowest amount of such Currency that is available as legal tender in the country of such Currency. Notwithstanding Condition 8.3(b), if Securities are in global form or uncertificated registered form, (x) any calculations in respect of such Securities shall be made in respect of the aggregate nominal amount or number, as the case may be, of such Securities from time to time outstanding (or the relevant affected portion thereof) and (y) the result of any such calculation shall be rounded in accordance with the relevant method above.”

G) to delete and replace in its entirety with the following the section headed “3.6 Calculations” on page 74 of the Original S.I.M.P.L.E. Base Prospectus:

**“3.6 Calculations**

For the purposes of any calculations required pursuant to the Conditions (unless otherwise specified in any applicable Relevant Annex or the applicable Final Terms), (a) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 of a percentage point being rounded up), (b) all figures shall be rounded to seven significant figures (provided that if the eighth significant figure is a 5 or greater, the seventh significant figure shall be rounded up), and (c) all Currency amounts that fall due and payable shall be rounded to the nearest unit of such Currency (with half a unit being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes, "unit" means the lowest amount of such Currency that is available as legal tender in the country of such Currency. If Securities are in global form or uncertificated registered form, (x) any calculations in respect of such Securities shall be made in respect of the aggregate nominal amount or number, as the case may be, of such Securities from time to time outstanding (or the relevant affected portion thereof) and (y) the result of any such calculation shall be rounded in accordance with the relevant method above.”

*Arranger*

**Barclays Capital**

The date of this Combined Supplement 1/2011 is 7 March 2011.