

**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)

The Prospectuses listed in the schedule hereto

This Supplementary Prospectus dated 19 July 2012 (the "**Supplementary Prospectus**") is supplemental to and must be read in conjunction with each of the Base Prospectuses as supplemented (as listed in the schedule hereto (the "**Base Prospectuses**" and each a "**Base Prospectus**"). The Base Prospectuses were prepared by Barclays Bank PLC (the "**Bank**") and, in the case of the GSSP Base Prospectus, Barclays Capital (Cayman) Limited (each in its capacity as an issuer and together the "**Issuers**").

This Supplementary Prospectus constitutes a base prospectus supplement in respect of the Base Prospectuses 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.

The purpose of this Supplementary Prospectus is to disclose certain significant new factors relating to the Bank and the Group, in connection with:

- (a) changes in directors of the Bank;
- (b) competition and regulatory matters regarding:
 - 1. the Independent Commission on Banking ("**ICB**") recommendations on banking reform;
 - 2. interest rate hedging products; and
 - 3. the London Interbank Offered Rate ("**LIBOR**") and Euro Interbank Offered Rate ("**EURIBOR**");
- (c) the expected ratings by Moody's Investors Service Ltd. ("**Moody's**") of securities issued by the Bank, following an announcement by Moody's on 21 June 2012 of a revision to those ratings; and
- (d) developments in litigation with certain Lehman entities that the Bank and the Group are involved in.

Terms defined in the Base Prospectuses shall, unless the context otherwise requires, have the same meanings when used in this Supplementary Prospectus. This Supplementary Prospectus is supplemental to, and should be read in conjunction with each Base Prospectus and other supplements to the relevant Base Prospectus. To the extent that there is any inconsistency between (a) any statement in this Supplementary Prospectus or any statement incorporated by reference into each of the Base Prospectuses by this Supplementary Prospectus and (b) any other statement in, or incorporated by reference in any Base Prospectus, the statements in (a) above shall prevail.

The Issuers accepts responsibility for the information contained in this Supplementary Prospectus and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Supplementary Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import. Save as disclosed in this Supplementary Prospectus, no significant new factor, material mistake or inaccuracy relating to the information included in each of the Base Prospectuses which is capable of affecting the assessment of the securities issued under the Programme has arisen or been noted, as the case may be, since the publication of each of the Base Prospectuses (as supplemented at the date hereof) issued by the Issuers.

This Supplementary Prospectus has been approved by the United Kingdom Financial Services Authority (the “**FSA**”), 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 Programme.

1. Directors

- (i) On 3 July 2012, Bob Diamond resigned as Chief Executive of the Group with immediate effect.
- (ii) On 3 July 2012, Sir Michael Rake was appointed Deputy Chairman of the Group.
- (iii) On 2 July 2012, Marcus Agius resigned as Group Chairman. Mr Agius will remain in post until an orderly succession is assured.

2. Competition and Regulatory Matters

- (i) ICB

In June 2012, the UK Government published a white paper setting out its proposals for taking forward implementation of the ICB recommendations.

- (ii) Interest Rate Hedging Products

On 29 June 2012, the FSA announced that it had reached agreement with a number of UK banks (including the Bank) in relation to appropriate redress to be provided to small and medium sized enterprises regarding the sale of interest rate hedging products. On 29 June 2012, the Bank announced that it anticipated that the financial impact of remediation costs will not be material to the Group.

- (iii) LIBOR and EURIBOR

On 27 June 2012, the Bank announced that it had reached settlements with the FSA, the U.S. Commodity Futures Trading Commission (the “**CFTC**”) and the U.S. Department of Justice Fraud Section (the “**DOJ-FS**”) in relation to investigations into submissions made by the Bank and other panel members to the bodies that set various interbank offered rates, such as LIBOR and EURIBOR. The Bank has agreed to pay total penalties of £290 million (pounds sterling equivalent), by entry into a Settlement Agreement with the FSA, a Non-Prosecution Agreement with the DOJ-FS and a Settlement Order Agreement with the CFTC. In addition, the Bank has been granted conditional leniency from the Antitrust Division of the Department of Justice in connection with potential US antitrust law violations with respect to financial instruments that reference EURIBOR.

3. Moody’s ratings

Moody's is expected to rate notes issued by the Bank as follows:

	Previous	Current
Long term obligations	Aa3	A2

4. Litigation - Lehman

On 6 June 2012, the U.S. District Court for the Southern District of New York (the "**District Court**") affirmed two of the decisions of the United States Bankruptcy Court for the Southern District of New York (the "**Court**") and reversed one, in connection with the three motions filed with the Court. Both Barclays Capital Inc. and Lehman Brothers Inc. (the "**Trustee**") have the right to appeal the adverse portions of the District Court's decision. The Trustee has filed a notice of appeal.

Save as provided: above and

- A) in relation to the GSSP Base Prospectus, on pages 128-130 of the GSSP Base Prospectus under the sub-section headed "Litigation" (excluding the first paragraph under the heading "Other") in the section headed "Information Relating to the Issuers – The Bank and the Group"; and
- B) in relation to the iPath® Inverse VSTOXX® Base Prospectus, on pages 44-46 of the iPath® Inverse VSTOXX® Base Prospectus under the sub-section headed "Litigation" (excluding the first paragraph under the heading "Other") in the section headed "The Bank and the Group",

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 Supplementary Prospectus, a significant effect on the financial position or profitability of the Bank and/or the Group.

Barclays Capital

The date of this Supplementary Prospectus is 19 July 2012.

SCHEDULE

List of Base Prospectuses

1. The Base Prospectus dated 14 June 2012 in connection with the Global Structured Securities Programme for the issuance of structured Notes, Warrants and Certificates (the “**GSSP Base Prospectus**”).
2. The Base Prospectus dated 19 June 2012 in connection with the iPath® Inverse VSTOXX® Programme for the issuance of Short Term Futures Index Exchange Traded Notes (the “**iPath® Inverse VSTOXX® Base Prospectus**”).