

**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**

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This Supplementary Prospectus dated 6 December 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 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.

The purpose of this Supplementary Prospectus is to:

- (a) incorporate by reference the following documents: (i) the unaudited Interim Management Statement of Barclays PLC as filed with the SEC on Form 6-K on Film Number 121170347 as Exhibit 99.1 on 31 October 2012 in respect of the nine months ended 30 September 2012 (the "**Interim Management Statement**"); (ii) the capitalisation and indebtedness table of the Bank Group as at 30 June 2012 as filed with the SEC on Form 6-K on Film Number 121170347 as Exhibit 99.3 on 31 October 2012 (the "**Bank's Capitalisation and Indebtedness Table**"); and (iii) the capitalisation and indebtedness table of Barclays PLC and the Group as at 30 June 2012 as filed with the SEC on Form 6-K on Film Number 121170347 as Exhibit 99.2 on 31 October 2012 (the "**Barclays PLC's Capitalisation and Indebtedness Table**");
- (b) supplement the Base Prospectuses with information relating to (i) the acquisition of ING Direct UK; (ii) the disposal of the Bank's entire holding in BlackRock, Inc.; (iii) the investigation by the UK Serious Fraud Office into certain commercial agreements between the Bank and Qatar Holding LLC; and (iv) the increase of the provision covering future redress and administration of PPI complaints by a further £700 million.

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 into any Base Prospectus, the statements in (a) above shall prevail.

The Issuers accepts responsibility for the information contained in this Supplementary Prospectus and declare 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.

If the Interim Management Statement, Bank's Capitalisation and Indebtedness Table, or Barclays PLC's Capitalisation and Indebtedness Table, which are incorporated by reference into this Supplementary Prospectus themselves incorporate any information or other documents therein, either expressly or implicitly, such information or other documents will not form part of this Supplementary Prospectus for the purposes of the Prospectus Directive except where such information or other documents are specifically incorporated by reference into this Supplementary Prospectus.

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.

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

## 1. Risk Factors

### *Redenomination Risk*

Redenomination risk is the risk of financial loss to the Group should one or more countries exit from the Euro, leading to the redenomination of local balance sheet assets and liabilities. The Group is directly exposed to redenomination risk where there is a mismatch between the level of locally denominated external assets and locally denominated external liabilities. Within the Group, retail banking, corporate banking and wealth activities in the Eurozone are generally booked locally within each country. Locally booked external customer assets and liabilities, primarily loans and advances to customers and customer deposits, are predominantly denominated in Euros. The remaining net funding requirement between local external assets and liabilities is met through either local capital or via funding sourced from the Group. The exit from the Eurozone of one or more countries in which the Group operates could crystallise the effects of redenomination on the net funding. There can be no assurance that the steps taken by the Group to more actively match local external assets with local external liabilities would be fully successful. In addition to redenomination risk, the withdrawal of one or more countries from the Eurozone could adversely affect the economic performance of that country, impacting areas such as interest and unemployment rates, which, in turn, may adversely affect customers' (including a country's government or its agencies) solvency and their ability to service their debt and could have an impact on the performance of assets and liabilities with customers from that country. Any one, or a combination of, the foregoing events resulting from the withdrawal of one of more countries from the Eurozone could also have a material adverse impact on the Group's operations, financial condition and prospects.

## 2. Acquisitions, Disposals and Recent Developments

### *Acquisition of ING Direct UK*

On 9 October 2012, the Bank announced that it had agreed to acquire the deposits, mortgages and business assets of ING Direct UK. Under the terms of the transaction, the Bank will acquire a deposit book with balances of £10.9 billion and a mortgage book with outstanding balances of £5.6 billion (as at 31 August 2012). The mortgage book had a loan-to-value ratio of 50 per cent. as at 31 August 2012 and is being acquired at an approximate three per cent. discount. The deposit book is being acquired at par. Completion is subject, amongst other things, to regulatory approval and is expected to occur in the second quarter of 2013.

*Disposal of stake in BlackRock, Inc.*

On disposal of its entire holding in BlackRock, the Bank received net proceeds of approximately U.S.\$5.5 billion.

3. **Competition and Regulatory Matters**

a) On 18 October 2012, following a further increase in PPI complaint volumes, the Bank announced that it had increased the provision to cover the cost of future redress and administration by a further £700 million.

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

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

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

**Barclays**

The date of this Supplementary Prospectus is 6 December 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**”), as supplemented on 19 July 2012 and 5 September 2012.
2. The Base Prospectus dated 9 February 2012 in connection with the iPath® S&P GSCI® Programme for the issuance of iPath® S&P GSCI® Commodity Index Linked Exchange Traded Notes (the “**iPath® S&P GSCI® Base Prospectus**”), as supplemented on 26 March 2012, 10 May 2012, 19 July 2012 and 5 September 2012.
3. The Base Prospectus dated 9 February 2012 in connection with the iPath® DJ-UBS Programme for the issuance of Dow Jones-UBS Commodity Index<sup>SM</sup> Linked Exchange Traded Notes (the “**iPath® DJ-UBS Base Prospectus**”), as supplemented on 26 March 2012, 10 May 2012, 19 July 2012 and 5 September 2012.
4. 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**”), as supplemented on 19 July 2012 and 5 September 2012.
5. The Base Prospectus dated 29 June 2012 in connection with the iPath® VSTOXX® Programme for the issuance of iPath® VSTOXX® Mid-Term Futures Total Return Exchange Traded Notes (the “**iPath® VSTOXX® Mid-Term Base Prospectus**”) as supplemented on 19 July 2012 and 5 September 2012.
6. The Base Prospectus dated 29 June 2012 in connection with the iPath® VSTOXX® Programme for the issuance of iPath® VSTOXX® Short-Term Futures Total Return Exchange Traded Notes (the “**iPath® VSTOXX® Short-Term Futures Base Prospectus**”) as supplemented on 19 July 2012 and 5 September 2012.
7. The Base Prospectus dated 29 June 2012 in connection with the iPath® S&P 500 VIX Programme for the issuance of senior, unsecured, unsubordinated, zero-coupon, S&P 500 VIX futures index linked, exchange traded notes (the “**iPath® S&P 500 VIX Base Prospectus**”) as supplemented on 19 July 2012 and 5 September 2012.