

**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 26 March 2012 (the "**Supplementary Prospectus**") is supplemental to and must be read in conjunction with each of the Base Prospectuses (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 S.I.M.P.L.E. Base Prospectus and the GSSP Base Prospectus, Barclays Capital (Cayman) Limited ("**BCCL**") (each in its capacity as an issuer, an "**Issuer**" and, together, and where relevant, 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:

- (a) incorporate by reference into each Base Prospectus the 2011 Bank Annual Report; and
- (b) disclose certain significant new factors relating to the Bank and the Group, being:
  - (i) financial information relating to the Bank and the Group;
  - (ii) information relating to the number of employees employed by the Group;
  - (iii) developments in litigation that the Bank and the Group is involved in; and
  - (iv) developments relating to Payment Protection Insurance claims against the Bank.

Terms defined in the Base Prospectuses shall, unless the context otherwise requires, have the same meaning 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 accept 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 their 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 Programmes 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 Programmes.

## 1. Incorporation of Information by Reference into the Prospectuses

The following documents which have been previously published and approved by the FSA or filed with it, shall, by virtue of this Supplementary Prospectus, be incorporated by reference into each of the Base Prospectuses:

“The Annual Report of the Bank containing the audited consolidated financial statements of the Bank in respect of the year ended 31 December 2011 (the “**2011 Bank Annual Report**”)”.

## 2. Financial Information provided in the 2011 Bank Annual Report

Set out below is a summary of key financial information in respect of the Bank and the Group as at 31 December 2011:

	31 December 2011 (million)
Total assets	£1,563,402
Total net loans and advances <sup>1</sup>	£478,726
Total deposits <sup>2</sup>	£457,161
Total shareholders' equity <sup>3</sup>	£65,170
Profit before tax from continuing operations of the Group <sup>4</sup>	£5,974

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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.

<sup>3</sup> Total shareholders' equity includes non-controlling interests of £3,092 million (£2,774 million for the year ended 31 December 2009 and £3,467 million for the year ended 31 December 2010).

<sup>4</sup> Profit before tax is after impairment charges and other credit provisions of £3,802 (£8,071 million for the year ended 31 December 2009 and £5,672 million for the year ended 31 December 2010)

## Employees

As at 31 December 2011, the total number of persons employed by the Group (full time equivalents) was 141,100.

## Litigation

### (i) *Lehman*

As at 31 December 2011 Barclays Capital Inc.'s ("BCI") potential exposure relating to BCI's litigation with Lehman Brothers Holdings Inc., the SIPA Trustee for Lehman Brothers Inc. and the Official Committee of Unsecured Creditors of Lehman Brothers Holdings Inc. (this litigation relates to the transaction pursuant to which BCI and other companies in the Group acquired most of the assets of Lehman Brothers Inc. ("LBI") (the "Acquisition")) (with corresponding figures as at 30 June 2011) is the following:

	As at 30 June 2011 (billion)	As at 31 December 2011 (billion)
Assets acquired as part of the Acquisition which have not yet been received by BCI	£2.6	£2.7 (U.S.\$4.2)
Amount of the assets acquired pursuant to the Acquisition recognised included in the balance sheet	£1.9	£2.0 (U.S.\$3.0)
Extent of the provision against the uncertainty inherent in the litigation (the "Provision")	£0.7	£0.8 (U.S.\$1.2)
Loss relating to the Contract Claims (as defined in the registration document of Barclays Bank PLC dated 4 November 2011 (the "Registration Document")) (taking into account the Provision) <sup>5</sup>	£2.7	£2.8 (U.S.\$4.3)

### (ii) *U.S. Federal Housing Finance Agency and other residential mortgage-backed securities litigation (the "RMBS Litigation")*

In relation to the RMBS Litigation, the original amount of residential mortgage-backed securities ("RMBS") related to the claims against the Bank totalled approximately U.S.\$6.8 billion, of which approximately U.S.\$2.0 billion was outstanding as at 31 December 2011. Cumulative losses reported on these RMBS as at 31 December 2011 were approximately U.S.\$0.1 billion. If the Bank were to lose these cases it could incur a loss of up to the outstanding amount of the RMBS as at the time of judgement (taking into account further principal payments after 31 December 2011), plus any

<sup>5</sup> Assuming that the final orders which have been delivered on the Contract Claims are unaffected by future proceedings.

cumulative losses on the RMBS at such time and any interest, fees and costs, less the market value of the RMBS at such time. The Bank has estimated the total market value of the RMBS as at 31 December 2011 to be approximately U.S.\$1.1 billion. The Bank may be entitled to indemnification for a portion of any losses.

(v) *Litigation statement*

For each of the Base Prospectuses, save as provided above and:

- A) in relation to the S.I.M.P.L.E. Base Prospectus, save as provided in pages 16-17 of the Registration Document (as incorporated by reference into the S.I.M.P.L.E. Base Prospectus) under the section headed Litigation;
- B) in relation to the GSSP Base Prospectus, save as provided in pages 16-17 of the Registration Document (as incorporated by reference into the GSSP Base Prospectus) under the section headed litigation;
- C) in relation to the iPath® VSTOXX® Mid-Term Base Prospectus, save as provided in pages 109-111 of the iPath® VSTOXX® Mid-Term Base Prospectus under the section headed litigation;
- D) in relation to the iPath® VSTOXX® Short-Term Futures Base Prospectus, save as provided in pages 106-107 of the iPath® VSTOXX® Short-Term Futures Base Prospectus under the section headed litigation;
- E) in relation to the iPath® S&P 500 VIX Base Prospectus, save as provided in pages 119-121 of the iPath® S&P 500 VIX Base Prospectus under the section headed litigation;
- F) in relation to the iPath® S&P GSCI® Base Prospectus, save as provided in pages 137-139 of the iPath® S&P GSCI® Base Prospectus under the section headed litigation; and
- G) in relation to the iPath® DJ-UBS Base Prospectus, save as provided in pages 151-153 of the iPath® DJ-UBS Base Prospectus under the section headed litigation,

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.

**Payment Protection Insurance**

As at 31 December 2011, of the Bank's £1 billion provision taken to cover the cost of future redress and administration relating to Payment Protection Insurance claims, £435 million had been utilised (the £565 million remaining of the provision is considered the best estimate to cover expected future settlements).

**Significant Change Statement**

There has been no significant change in the financial or trading position of the Bank or the Group since 31 December 2011.

### **Material Adverse Change Statement**

There has been no material adverse change in the prospects of the Bank or the Group since 31 December 2011.

### **Barclays Capital**

The date of this Supplementary Prospectus is 26 March 2012.

## SCHEDULE

### List of “Base Prospectuses” and “Programmes” (each being a “Base Prospectus” and a “Programme” respectively)

1. The Base Prospectus dated 30 March 2011 as supplemented on 12 May 2011, 5 August 2011, 7 November 2011, 14 December 2011 and 4 January 2012 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. Base Prospectus**”).
2. The Base Prospectus dated 5 August 2011 as supplemented on 7 November 2011, 14 December 2011 and 4 January 2012 in connection with the Global Structured Securities Programme for the issuance of structured Notes, Warrants and Certificates (the “**GSSP Base Prospectus**”).
3. The Base Prospectus dated 9 February 2012 in connection with the iPath® VSTOXX® Mid-Term Programme for the issuance of iPath® VSTOXX® Mid-Term Futures Total Return Exchange Traded Notes (the “**iPath® VSTOXX® Mid-Term Base Prospectus**”).
4. The Base Prospectus dated 9 February 2012 in connection with the iPath® VSTOXX® Short-Term Programme for the issuance of iPath® VSTOXX® Short-Term Futures Total Return Exchange Traded Notes (the “**iPath® VSTOXX® Short-Term Futures Base Prospectus**”).
5. The Base Prospectus dated 9 February 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**”).
6. 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**”).
7. The Base Prospectus dated 9 February 2012 in connection with the iPath® DJ-UBS Programme® for the issuance of iPath® Dow Jones-UBS Commodity IndexSM Linked Exchange Traded Notes (the “**iPath® DJ-UBS Base Prospectus**”).