

Prospective purchasers should refer in particular to the IMPORTANT NOTICE on page 2 of these Final Terms and to the "Risk Factors" section in the Base Prospectus for a discussion of certain matters that should be considered when making a decision to invest in the Notes.

Final Terms

BARCLAYS BANK PLC

(Incorporated with limited liability in England and Wales)

BARCLAYS CAPITAL (CAYMAN) LIMITED

(Incorporated with limited liability in the Cayman Islands)

GLOBAL STRUCTURED SECURITIES PROGRAMME

for the issue of Securities

BARCLAYS BANK PLC

Up to EUR180,000,000 Flippable Notes due 9 March 2015

Series GSN21377

under the Global Structured Securities Programme

The Offer Period shall be from and including 5 January 2010 to and including 4 March 2010

Issue Price: 100 per cent. of par

This document constitutes the final terms of the Notes (the "Final Terms") described herein for the purposes of Article 5.4 of the Directive 2003/71/EC and is prepared in connection with the Global Structured Securities Programme established by Barclays Bank PLC (the "Bank") and Barclays Capital (Cayman) Limited ("BCCL") and is supplemental to and should be read in conjunction with the Base Prospectus dated 5 August 2009, as supplemented and amended from time to time, which constitutes a base prospectus (the "Base Prospectus") for the purpose of the Directive 2003/71/EC (the "Prospectus Directive"). The Base Prospectus has been passported in Italy as Host Member State on 5 August 2009 pursuant to art. 17, co. 1 of the Prospectus Directive. Full information on the Issuer and the offer of the Securities is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing during normal business hours at the registered office of the Issuer and the specified office of the Issue and Paying Agent for the time being in London and copies may be obtained from such office. Words and expressions defined in the Base Prospectus and not defined in this document shall bear the same meanings when used herein.

The Issuer accepts responsibility for the information contained in these Final Terms. To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained in these Final Terms is in accordance with the facts and does not contain anything likely to affect the import of such information.

Investors should refer to the sections headed "Risk Factors" in the Base Prospectus for a discussion of certain matters that should be considered when making a decision to invest in the Securities.

Barclays Capital

Final Terms dated 15 February 2010

The distribution of this document and the offer of the Securities in certain jurisdictions may be restricted by law. Persons into whose possession these Final Terms come are required by the Bank to inform themselves about and to observe any such restrictions. Details of selling restrictions for various jurisdictions are set out in “Purchase and Sale” in the Base Prospectus. In particular, the Securities have not been, and will not be, registered under the US Securities Act of 1933, as amended, and are subject to US tax law requirements. Trading in the Securities has not been approved by the US Commodity Futures Trading Commission under the US Commodity Exchange Act of 1936, as amended. Subject to certain exceptions, the Securities may not at any time be offered, sold or delivered in the United States or to US persons, nor may any US persons at any time trade or maintain a position in such Securities.

MPS Capital Services Banca per le Imprese S.p.A. undertakes to apply for the Securities to be admitted to trading on the Sistema di Negoziazione named “De@IDone Trading” (“DDT”), managed solely by MPS Capital Services Banca per le Imprese S.p.A. acting as “exclusive dealer” (negoziatore unico), in accordance with the provisions of artt. 21 e 51 of Regolamento CONSOB n. 16191/1999 and artt. 77/bis and ss. of the Legislative Decree 24 febbraio 1998, n. 58, as amended from time to time.

IMPORTANT NOTICE

Prospective purchasers of the Notes should be aware that the Issuer and its parent company Barclays PLC are expected to release their unaudited interim financial statements for the financial period from 1 January 2009 to 31 December 2009 on or around 16 February 2010.

Part A
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 and/or any applicable Relevant Annex(es) set out in the Base Prospectus dated 5 August 2009.

Parties

Issuer:	Barclays Bank PLC
Guarantor:	N/A
Manager[s]:	Barclays Bank PLC
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”)). THESE FINAL TERMS HAVE 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 AND FOR LISTING OF THE SECURITIES ON THE RELEVANT STOCK EXCHANGE, IF ANY, AS STATED HEREIN. FOR A DESCRIPTION OF THESE AND CERTAIN FURTHER RESTRICTIONS ON OFFERS AND SALES OF THE SECURITIES AND DISTRIBUTION OF THESE FINAL TERMS AND THE BASE PROSPECTUS SEE “PURCHASE AND SALE” IN THE BASE PROSPECTUS.

ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION 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.

Provisions relating to the Securities

1	Title:	Up to EUR180,000,000 Flippable Notes due 9 March 2015
2	Series:	GSN21377
3	Currency:	EUR
4	Notes:	Applicable
	(i) Aggregate Nominal Amount as at the Issue Date:	Up to EUR180,000,000
	(ii) Specified Denomination:	EUR1,000
5	Certificates:	N/A
6	Form:	
	(i) Global/Definitive/Uncertificated and dematerialised:	Global Bearer Securities: Temporary Global Security, exchangeable for a Permanent Global Security
	(ii) NGN Form:	Applicable
	(iii) CGN Form:	N/A
7	Trade Date:	5 March 2010
8	Issue Date:	9 March 2010
9	Issue Price:	100 per cent. of the Aggregate Nominal Amount
10	Relevant Stock Exchange[s]:	N/A
11	The following Relevant Annex(es) shall apply to the Securities (<i>specify each applicable Relevant Annex</i>):	N/A

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

12	Interest:	Applicable
13	Calculation Amount per Security as at the Issue Date:	EUR1,000
14	Interest Amount:	As per Conditions 4 and 24 of the Base Conditions
15	Interest Basis:	Subject to the Switch Option provisions below, the Interest Basis shall be Floating Rate. In the event that the Issuer exercises its Switch Option, the Basis shall be Fixed Rate.
16	Interest Rate:	Applicable
	(i) Fixed Rate:	If the Issuer exercises the Switch Option, then the

		Interest Rate shall be:
		3.45 per cent. per annum
(ii)	Floating Rate:	Subject to the exercise of the Switch Option by the Issuer, the Interest Rate shall be:
		Screen Rate Determination
(iii)	Variable Rate:	N/A
	(a) Credit Event Accrued Interest:	N/A
	(b) Extension Interest:	N/A
(iv)	Zero Coupon:	N/A
17	Screen Rate Determination:	Applicable
	(i) Reference Rate:	6 month EURIBOR
	(ii) Relevant Screen Page:	Reuters Screen EURIBOR01 Page
18	ISDA Determination:	N/A
19	Margin:	Plus 0.50 per cent. per annum
20	Minimum/Maximum Interest Rate:	N/A
21	Interest Commencement Date:	Issue Date
22	Interest Determination Date:	As per Conditions 4 and 24 of the Base Conditions
23	Interest Calculation Periods:	As defined in Condition 24 of the Base Conditions
	(i) Interest Period End Dates:	Each Interest Payment Date, without adjustment with respect to the Business Day Convention. For the avoidance of doubt, the Interest Period End Dates are set out in paragraph 26 below.
	(ii) Interest calculation method for short or long Interest Calculation Periods:	N/A
24	Interest Payment Dates:	9 March and 9 September in each year, from and including 9 September 2010 and to and including the Redemption Date, subject to adjustment in accordance with the Business Day Convention provided that the amounts due to Noteholders shall not be increased or reduced as a result of any such adjustment. For the avoidance of doubt, the adjusted Interest Payment Dates are expected to be as set out in paragraph 26 below.
25	Day Count Fraction:	Actual/Actual (ISMA)
26	Fall back provisions, rounding provisions,	The Issuer has the right to switch the Interest

denominator and any other terms relating to the method of calculating interest, if different from those set out in the Base Conditions:

Rate payable in respect of all (but not part of) the Notes from the Floating Rate to the Fixed Rate on any Interest Period Start Date (as defined in the table below) from and including 9 March 2011 to and including 9 September 2014, by giving not less than 11 calendar days' prior notice to Noteholders (the "Switch Option").

The Fixed Rate shall be effective from and including such Interest Period Start Date and shall be the applicable Interest Rate for all remaining Interest Calculation Periods.

For the avoidance of doubt, if the Issuer exercises the Switch Option the Fixed Rate Interest Amount will be paid on the Interest Payment Date corresponding to the relevant Interest Period Start Date as set out in the table below.

Interest Period Number	Interest Period Start Date	Interest Period End Date	Interest Payments Dates
1	09-Mar-10	09-Sep-10	09-Sep-10
2	09-Sep-10	09-Mar-11	09-Mar-11
3	09-Mar-11	09-Sep-11	09-Sep-11
4	09-Sep-11	09-Mar-12	09-Mar-12
5	09-Mar-12	09-Sep-12	10-Sep-12
6	09-Sep-12	09-Mar-13	11-Mar-13
7	09-Mar-13	09-Sep-13	09-Sep-13
8	09-Sep-13	09-Mar-14	10-Mar-14
9	09-Mar-14	09-Sep-14	09-Sep-14
10	09-Sep-14	09-Mar-15	09-Mar-15

Provisions relating to Redemption

27	Redemption Date:	9 March 2015
28	Settlement Method:	Cash Settlement
29	Settlement Currency:	EUR
30	Calculation Amount per Security as at the Issue Date:	EUR1,000
31	Terms relating to Cash Settled Securities:	
	(i) Final Cash Settlement Amount:	Calculation Amount x 100%
	(ii) Early Cash Settlement Amount:	In respect of any early redemption event under the terms of the Notes, the Early Cash Settlement Amount will be determined by the Determination Agent as the then market value

of the Notes, adjusted to take into account all costs, losses and 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 Notes, including (without duplication or limitation) hedging termination and funding breakage costs (whether actual or notional).

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 amount in good faith and in a commercially reasonable manner. Such amount will 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 Notes.

	(iii) Early Cash Redemption Date:	As defined in Condition 24 of the Base Conditions
	(iv) Disruption Cash Settlement Price:	N/A
32	Terms relating to Physically Delivered Securities:	
	(i) Final Physical Redemption Entitlement:	N/A
	(ii) Final Physical Redemption Date:	N/A
	(iii) Physical Delivery Date(s):	N/A
	(iv) Entitlement Substitution:	N/A
33	Nominal Call Event:	N/A
34	Call Option:	N/A
35	Put Option:	N/A
36	Specified Early Redemption Event:	N/A
37	Maximum and Minimum Redemption Requirements:	N/A
38	Valuation Date(s):	N/A
39	Valuation Time:	N/A
40	Averaging Date(s):	N/A
41	Additional Disruption Events in addition to	

those specified in Condition 24 of the Base Conditions and any applicable Relevant Annex:

(i)	Other Additional Disruption Event:	N/A
(ii)	Affected Jurisdiction Hedging Disruption:	N/A
(iii)	Affected Jurisdiction Increased Cost of Hedging:	N/A
(iv)	Affected Jurisdiction:	N/A
42	Share Linked Securities:	N/A
43	Index Linked Securities (<i>Equity indices only</i>):	N/A
44	Inflation Linked Securities:	N/A
45	Fund Linked Securities:	N/A
46	FX Linked Securities:	N/A
47	Credit Linked Securities:	N/A
48	Commodity Linked Securities:	N/A
49	Additional terms and conditions relating to the Securities:	N/A

Provisions relating to Settlement

50	Minimum Settlement Amount:	N/A
51	Settlement in respect of APK Registered Securities, Swedish Registered Securities, VPS Registered Securities or Spanish Securities:	N/A
52	Additional provisions relating to Taxes and Settlement Expenses:	N/A

Definitions

53	Business Day:	As defined in Condition 24 of the Base Conditions
54	Additional Business Centre(s):	N/A

Selling restrictions and provisions relating to certification

55	Non-US Selling Restrictions:	As described in the Base Prospectus and in addition:
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Republic of Italy

Notwithstanding the terms of the public offer set out in Part B below:

To the extent that the Securities have not been registered, and until the offering of the Securities has been registered, pursuant to Italian securities

legislation, no Securities may be offered, sold or delivered, nor may copies of the Base Prospectus (including these Final Terms), any supplement to the Base Prospectus or of any other document relating to the Securities be distributed in the Republic of Italy, except:

(i) to qualified investors (*investitori qualificati/clienti professionali*), as defined in Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the “Financial Services Act”) and its implementing CONSOB regulations, as amended from time to time, and in Article 2 of the Prospectus Directive;

(ii) in other circumstances which are exempted from the rules on solicitation of investments pursuant to Article 100 of the Financial Services Act and Article 34, first paragraph, of CONSOB Regulation No. 11971 of 14 May 1999, as amended (the “Regulation No. 11971”).

Any offer, sale or delivery of the Securities or distribution of copies of the Base Prospectus, any supplement to the Base Prospectus or any other document relating to the Securities in the Republic of Italy under (i) or (ii) above must be:

(a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the “Banking Act”); and

(b) in compliance with Article 129 of the Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy; and

(c) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or other Italian authority.

56	Applicable TEFRA exemption:	TEFRA D
General		
57	Business Day Convention:	Following
58	Relevant Clearing Systems:	Euroclear Clearstream, Luxembourg
59	If syndicated, names of Managers:	N/A
60	Details relating to Partly Paid Securities:	N/A
61	Relevant securities codes:	ISIN: XS0475120852 Common Code: 047512085
62	Modifications to the Master Subscription Agreement and/or Master Agency Agreement:	N/A
63	Additional Conditions and/or modification to the Conditions of the Securities:	N/A

Part B
Other Information

1 LISTING AND ADMISSION TO TRADING

- | | | |
|-------|---|-----|
| (i) | Listing | N/A |
| (ii) | Admission to trading: | N/A |
| (iii) | Estimate of total expenses related to admission to trading: | N/A |

2 RATINGS

Ratings: The Securities have not been individually rated.

3 NOTIFICATION

The Financial Services Authority of the United Kingdom has provided on 5 August 2009 the competent authorities in Italy (CONSOB) with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive.

4 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save as discussed in "Subscription and Sale", 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 |
| (ii) | Estimated net proceeds: | Up to EUR180,000,000 |
| (iii) | Estimated total expenses: | N/A |

6 FIXED RATE SECURITIES ONLY - YIELD

Indication of yield: N/A

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

Negative Scenario

Annual Gross Yield of 1.056%% (equivalent to 0.924%% net).

Interest Period	Fixing 6m Euribor	Exercise Flippable option	Interest Period Start Date	Interest Period End Date	Interest Payments Dates	Coupon Annual Rate
1	1.00%		09-Mar-10	09-Sep-10	09-Sep-10	1.50%
2	0.90%		09-Sep-10	09-Mar-11	09-Mar-11	1.40%
3	0.80%	NO	09-Mar-11	09-Sep-11	09-Sep-11	1.30%
4	0.70%	NO	09-Sep-11	09-Mar-12	09-Mar-12	1.20%
5	0.60%	NO	09-Mar-12	09-Sep-12	10-Sep-12	1.10%
6	0.50%	NO	09-Sep-12	09-Mar-13	11-Mar-13	1.00%
7	0.40%	NO	09-Mar-13	09-Sep-13	09-Sep-13	0.90%
8	0.30%	NO	09-Sep-13	09-Mar-14	10-Mar-14	0.80%
9	0.20%	NO	09-Mar-14	09-Sep-14	09-Sep-14	0.70%
10	0.10%	NO	09-Sep-14	09-Mar-15	09-Mar-15	0.60%
Annual Gross Yield						1.056%
Annual Net Yield						0.924%

Intermediate Scenario

Annual Gross Yield of 2.866% % (equivalent to 2.509% % net).

Interest Period	Fixing 6m Euribor	Exercise Flippable option	Interest Period Start Date	Interest Period End Date	Interest Payments Dates	Coupon Annual Rate
1	1.00%		09-Mar-10	09-Sep-10	09-Sep-10	1.50%
2	1.25%		09-Sep-10	09-Mar-11	09-Mar-11	1.75%
3	1.75%	NO	09-Mar-11	09-Sep-11	09-Sep-11	2.25%
4	2.25%	NO	09-Sep-11	09-Mar-12	09-Mar-12	2.75%
5	2.75%	NO	09-Mar-12	09-Sep-12	10-Sep-12	3.25%
6	3.25%	YES	09-Sep-12	09-Mar-13	11-Mar-13	3.45%
7	3.75%	YES	09-Mar-13	09-Sep-13	09-Sep-13	3.45%
8	4.25%	YES	09-Sep-13	09-Mar-14	10-Mar-14	3.45%
9	4.75%	YES	09-Mar-14	09-Sep-14	09-Sep-14	3.45%
10	5.25%	YES	09-Sep-14	09-Mar-15	09-Mar-15	3.45%
Annual Gross Yield						2.866%
Annual Net Yield						2.509%

Positive Scenario

Annual Gross Yield of 3.271%% (equivalent to 2.861%% net).

Interest Period	Fixing 6m Euribor	Exercise Flippable option	Interest Period Start Date	Interest Period End Date	Interest Payments Dates	Coupon Annual Rate
1	1.50%		09-Mar-10	09-Sep-10	09-Sep-10	2.00%
2	2.50%		09-Sep-10	09-Mar-11	09-Mar-11	3.00%
3	3.00%	YES	09-Mar-11	09-Sep-11	09-Sep-11	3.45%
4	3.10%	YES	09-Sep-11	09-Mar-12	09-Mar-12	3.45%
5	3.20%	YES	09-Mar-12	09-Sep-12	10-Sep-12	3.45%
6	3.30%	YES	09-Sep-12	09-Mar-13	11-Mar-13	3.45%
7	3.40%	YES	09-Mar-13	09-Sep-13	09-Sep-13	3.45%

8	3.50%	YES	09-Sep-13	09-Mar-14	10-Mar-14	3.45%
9	3.60%	YES	09-Mar-14	09-Sep-14	09-Sep-14	3.45%
10	3.70%	YES	09-Sep-14	09-Mar-15	09-Mar-15	3.45%
Annual Gross Yield						3.271%
Annual Net Yield						2.861%

9 PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT

N/A

10 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):

N/A

Delivery:

Delivery free of payment

Names and addresses of additional Paying Agents(s) (if any) [and APK Issue and Paying Agent / Swedish Issue and Paying Agent / VPS Issue and Paying Agent / Spanish Securities Issue and Paying Agent]:

N/A

Intended to be held in a manner which would allow Eurosystem eligibility:

No

11 OFFER INFORMATION

Offer Price: EUR1,000 per Note

A. Value of the derivative component:

The derivative component of the Notes is represented by the sale, by the holder, of a Flippable Option on the Euribor 6m rate with a Margin of plus 0.50%. Its value, at the date of 22 December 2009, calculated according to the Trinomial Tree model, is equal to -2.06%.

B. Value of the bond component:

The bond component of each Note is represented by a bond that, on redemption pays out 100% and pays out a semiannual floating coupon on the Interest Payment Date equal to Euribor 6m rate with a Margin of plus 0.50. The Issuer has the option, every six months starting from the Interest Calculation Period beginning on 9 March 2011, to switch this floating coupon into a fixed coupon of 3.45%. Once the switch has been done the bond will pay 3.45% on each Interest Payment Date until Maturity. The value of the bond component, at the date of 22 December 2009 is equal to 100.06%.

The Issue Price per Note includes a commission element comprising the Management Fees and the Selling Fees to be paid by the Issuer, respectively, to the Distribution Manager (as defined below) and, through it, to the Distributors, further details of which are available upon request. There is also an implicit derivative component and a bond component, such that the Issue Price should be divided as follows:

Value of the bond component 100.06%

Value of the implicit derivative

component -2.06%

Selling Fees 1.60%

Management Fees 0.40%

Issue Price 100.00%

Offer Period and Distributors

Italy: The Offer Period in Italy shall be from and including 5 January 2010 to and including 4 March 2010. The Notes placed

through door-to-door selling pursuant to Article 30 of the Legislative Decree of 24 February 1998, n. 58, as subsequently amended, will be offered from 16 February 2010 (included) to 25 February 2010 (included).

The Notes will be publicly offered in the Republic of Italy, through the following institutions (each an "Distributor" and together the "Distributors"):

Banca Monte dei Paschi di Siena SpA
Banca Antonveneta S.p.A.
MPS Banca Personale S.p.A

Neither the Distribution Manager nor the Distributors shall assume any underwriting commitment in connection with the Offer.

Non-exempt Offer

An offer of the Notes in Italy may be made through the distribution network ("**Distribution Network**"), and each Distributor, in respect of which MPS Capital Services Banca per le Imprese S.p.A., with registered office at Via Leone Pancaldo, 4, Florence, being part of the Monte dei Paschi di Siena banking group, will act as Distribution Manager (the "**Distribution Manager**" *Responsabile del Collocamento*) pursuant to the applicable Italian laws and regulations in connection with the Offer, other than pursuant to Article 3(2) of the Prospectus Directive in Italy during the period from and including 5 January 2010 to and including 4 March 2010, during the hours in which banks are generally open for business in Milan, Italy. The Notes will be placed into the Republic of Italy by the Distributors and no undertakings have been made by third parties to guarantee the subscription of the Notes.

A prospective Noteholder will subscribe for Notes in accordance with the arrangements existing between each Distributor and its customers relating to the subscription of securities generally. Noteholders will not be required to enter into any contractual arrangements directly with Barclays Bank PLC related to the subscription for the Notes.

Conditions to which the offer is subject: Offers of the Notes made prior to the Issue Date are conditional on their issue. Notes will be allotted subject to availability in the order of receipt of investors' applications.

The Issuer reserves the right to withdraw in accordance with the Distribution Manager, the offer of the Notes at any time on or prior to the end of the Offer Period. For the avoidance of doubt, if any application has been made by the potential investor and the Issuer exercises such a right, each such potential investor shall not be entitled to subscribe or otherwise acquire the Notes and any applications will be automatically cancelled and any purchase money will be refunded to the applicant.

Description of the application process: Applications for the Notes can be made in Italy through the relevant Distributor. Distribution will be in accordance with the Distributors' usual procedures.

Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: N/A

Details of the minimum and/or maximum amount of application: N/A

Manner in and date on which The Distribution Manager will make the

results of the offer are to be made public:

results of the Offer available to the public on its web site www.mpscapitalservices.it, pursuant to art. 13 co. 2 of the Regulation 11971/1999

Details of the method and time limits for paying up and delivering the Notes:

The Notes will be issued on the Issue Date against payment to the Issuer via the Distributors of the net subscription moneys. Each investor will be notified by the relevant Distributor of the settlement arrangements in respect of the Notes at the time of such investor's application.

Categories of potential investors to which the Notes are offered and whether tranche(s) have been reserved for certain countries:

Offers may be made by Distributors in Italy each to any person. Offers (if any) in other EEA countries will only be made by the Distributors pursuant to an exemption from the obligation under the Prospectus Directive as implemented in such countries to publish a prospectus.

Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:

Each investor will be notified by the relevant Distributor of its allocation of Notes at the time of such investor's application.

No dealings in the Notes may take place prior to the Issue Date.

Amount of any expenses and taxes specifically charged to the subscriber or purchaser:

N/A

Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place.

The Distributors named above at:

Banca Monte dei Paschi di Siena SpA
Piazza Salimbeni, 3
53100 Siena
Italy

Banca Antonveneta S.p.A.
Piazzetta Turati 2
35131 Padova
Italy

MPS Banca Personale S.p.A.
Strada Prov.le Lecce-Surbo,
Zona industriale,
73100 Lecce
Italy

ANNEX

TAXATION

The statements herein regarding taxation are based on the laws in force in Italy as at the date of these Final Terms and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules. Prospective purchasers of the Notes are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Notes.

Tax treatment of the Notes

Legislative Decree No. 239 of 1 April 1996, as a subsequently amended, (the **Decree No. 239**) provides for the applicable regime with respect to the tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price) from notes falling within the category of bonds (obbligazioni) or debentures similar to bonds (titoli similari alle obbligazioni) issued, inter alia, by non-Italian resident issuers.

Where an Italian resident Noteholder is (i) an individual not engaged in an entrepreneurial activity to which the Notes are connected (unless he has opted for the application of the risparmio gestito regime – see "Capital Gains Tax" below), (ii) a non-commercial partnership, (iii) a non-commercial private or public institution, or (iv) an investor exempt from Italian corporate income taxation, interest, premium and other income relating to the Notes, accrued during the relevant holding period, are subject to a withholding tax, referred to as "imposta sostitutiva", levied at the rate of 12.50 per cent. In the event that the Noteholders described under (i) and (iii) above are engaged in an entrepreneurial activity to which the Notes are connected, the imposta sostitutiva applies as a provisional tax.

Where an Italian resident Noteholder is a company or similar commercial entity or a permanent establishment in Italy of a foreign company to which the Notes are effectively connected and the Notes are deposited with an authorised intermediary, interest, premium and other income from the Notes will not be subject to imposta sostitutiva, but must be included in the relevant Noteholder's income tax return and are therefore subject to general Italian corporate taxation (and, in certain circumstances, depending on the "status" of the Noteholder, also to IRAP - the regional tax on productive activities).

Under the current regime provided by Law Decree No. 351 of 25 September 2001 converted into law with amendments by Law No. 410 of 23 November 2001, as clarified by the Italian Ministry of Economics and Finance through Circular No. 47/E of 8 August 2003, payments of Interest in respect of the Notes made to Italian resident real estate investment funds established pursuant to Article 37 of Legislative Decree No. 58 of 24 February 1998, as amended and supplemented, and Article 14-bis of Law No. 86 of 25 January 1994 are subject neither to substitute tax nor to any other income tax in the hands of a real estate investment fund.

If the investor is resident in Italy and is an open-ended or closed-ended investment fund (the **Fund**) or a SICAV, and the Notes are held by an authorized intermediary, interest, premium and other income accrued during the holding period on the Notes will not be subject to imposta sostitutiva, but must be included in the management results of the Fund accrued at the end of each tax period, subject to an ad-hoc substitute tax applicable at a 12.50 per cent. rate.

Where an Italian resident Noteholder is a pension fund (subject to the regime provided for by article 17 of the Legislative Decree No. 252 of 5 December 2005) and the Notes are deposited with an authorised intermediary, interest, premium and other income relating to the Notes and accrued during the holding period will not be subject to imposta sostitutiva, but must be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to a 11.00 per cent. substitute tax.

Pursuant to Decree No. 239, imposta sostitutiva is applied by banks, SIMs, fiduciary companies, SGRs, stockbrokers and other entities identified by a decree of the Ministry of Economics and Finance (each an **Intermediary**).

An Intermediary must (i) be resident in Italy or be a permanent establishment in Italy of a non-Italian resident financial intermediary and (ii) intervene, in any way, in the collection of interest or in the transfer of the Notes. For the purpose of the application of the imposta sostitutiva, a transfer of Notes includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant Notes or in a change of the Intermediary with which the Notes are deposited.

Where the Notes are not deposited with an Intermediary, the imposta sostitutiva is applied and withheld by any entity paying interest to a Noteholder.

Early Redemption

Without prejudice to the above provisions, in the event that Notes having an original maturity of at least 18 months are redeemed, in full or in part, prior to 18 months from their issue date, Italian resident Noteholders will be required to pay, by way of a withholding to be applied by the Italian intermediary responsible for payment of interest or the redemption of the Notes, an amount equal to 20 per cent. of the interest and other amounts accrued up to the time of the early redemption.

Non-Italian Resident Noteholders

No Italian imposta sostitutiva is applied on payments to a non-Italian resident Noteholder of interest or premium relating to the Notes provided that, if the Notes are held in Italy, the non-Italian resident Noteholder declares itself to be a non-Italian resident according to Italian tax provisions.

Capital Gains Tax

Any gain obtained from the sale or redemption of the Notes would be treated as part of the taxable income (and, in certain circumstances, depending on the "status" of the Noteholder, also as part of the net value of production for IRAP purposes) if realised by an Italian company or a similar commercial entity

(including the Italian permanent establishment of foreign entities to which the Notes are connected) or Italian resident individuals engaged in an entrepreneurial activity to which the Notes are connected.

Where an Italian resident Noteholder is an individual not holding the Notes in connection with an entrepreneurial activity and certain other persons, any capital gain realised by such Noteholder from the sale or redemption of the Notes would be subject to an imposta sostitutiva, levied at the current rate of 12.50 per cent. Noteholders may set off losses with gains.

In respect of the application of the imposta sostitutiva, taxpayers may opt for one of the three regimes described below.

Under the "tax declaration" regime (regime della dichiarazione), which is the default regime for Italian resident individuals not engaged in entrepreneurial activity to which the Notes are connected, the imposta sostitutiva on capital gains will be chargeable, on a cumulative basis, on all capital gains, net of any incurred capital loss, realised by the Italian resident individual Noteholder holding Notes not in connection with an entrepreneurial activity pursuant to all sales or redemptions of the Notes carried out during any given tax year. Italian resident individuals holding Notes not in connection with an entrepreneurial activity must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax return and pay imposta sostitutiva on such gains together with any balance of income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years.

As an alternative to the tax declaration regime, Italian resident individual Noteholders holding the Notes not in connection with an entrepreneurial activity may elect to pay the imposta sostitutiva separately on capital gains realised on each sale or redemption of the Notes (the "risparmio amministrato" regime). Such separate taxation of capital gains is allowed subject to (i) the Notes being deposited with Italian banks, SIMs or certain authorised financial intermediaries; and (ii) an express election for the risparmio amministrato regime being punctually made in writing by the relevant Noteholder. The depository is responsible for accounting for imposta sostitutiva in respect of capital gains realised on each sale or redemption of the Notes (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss, and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Noteholder or using funds provided by the Noteholder for this purpose. Under the risparmio amministrato regime, where a sale or redemption of the Notes results in a capital loss, such loss may be deducted from capital gains subsequently realised, within the same securities management, in the same tax year or in the following tax years up to the fourth. Under the risparmio amministrato regime, the Noteholder is not required to declare the capital gains in its annual tax return.

Any capital gains realised by Italian resident individuals holding the Notes not in connection with an entrepreneurial activity who have entrusted the management of their financial assets, including the Notes, to an authorised intermediary and have opted for the so-called "risparmio gestito" regime will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to a 12.50 per cent. substitute tax, to be paid by the managing authorised intermediary. Under the risparmio gestito regime, any depreciation of the managed assets accrued at year end may be carried forward against increase in value of the managed assets accrued in any of the four succeeding tax years. Under the risparmio gestito regime, the Noteholder is not required to declare the capital gains realised in its annual tax return.

Any capital gains realised by a Noteholder which is an Italian open ended or a closed-ended investment fund or a SICAV will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 12.50 per cent. substitute tax.

Any capital gains realised by a Noteholder which is an Italian pension fund (subject to the regime provided for by article 17 of the Legislative Decree No. 252 of 5 December 2005) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 11 per cent. substitute tax.

Capital gains realised by non-Italian resident Noteholders from the sale or redemption of the Notes are not subject to Italian taxation, provided that the Notes (i) are traded on regulated markets, or (ii) if not traded on regulated markets, are held outside Italy.

Inheritance and gift taxes

Pursuant to Law Decree No. 262 of 3 October 2006, (Decree No. 262), converted into Law No. 286 of 24 November 2006, the transfers of any valuable asset (including shares, bonds or other securities) as a result of death or donation are taxed as follows:

- (i) transfers in favour of spouses and direct descendants or direct ancestors are subject to an inheritance and gift tax applied at a rate of 4% on the value of the inheritance or the gift exceeding EUR 1,000,000;
- (ii) transfers in favour of relatives to the fourth degree or relatives-in-law to the third degree, are subject to an inheritance and gift tax applied at a rate of 6% on the entire value of the inheritance or the gift. Transfers in favour of brothers/sisters are subject to the 6 per cent. inheritance and gift tax on the value of the inheritance or the gift exceeding € 100.000; and
- (iii) any other transfer is subject to an inheritance and gift tax applied at a rate of 8% on the entire value of the inheritance or the gift.

Transfer Tax

Article 37 of Law Decree No. 248 of 31 December 2007 (the **Decree No. 248**), as converted into Law No. 31 of 28 February 2008, has abolished the Italian transfer tax provided by Royal Decree No. 3278 of 30 December 1923, as amended and supplemented by Legislative Decree No. 435 of 21 November 1997. Following the repeal of the Italian transfer tax as from 31 December 2007, contracts relating to the transfer of securities are subject to the registration tax as follows: (i) public deeds and notarized deeds are subject to fixed registration tax at rate of EUR 168; (ii) private deeds are subject to registration tax only in case of use or voluntary registration.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income (the **EU Savings Directive**), Member States are required, to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in

that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland) with effect from the same date.

Implementation in Italy of the EU Savings Directive

Italy has implemented the EU Savings Directive through Legislative Decree No. 84 of 18 April, 2005 (the **Decree No. 84**). Under Decree No. 84, subject to a number of important conditions being met, in the case of interest paid starting from 1 July 2005 to individuals which qualify as beneficial owners of the interest payment and are resident for tax purposes in another Member State, Italian qualified paying agents shall not apply the withholding tax and shall report to the Italian Tax Authorities details of the relevant payments and personal information on the individual beneficial owner. Such information is transmitted by the Italian Tax Authorities to the competent foreign tax authorities of the State of residence of the beneficial owner.