



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
STRUCTURED SECURITIES PROGRAMME
GLOBAL STRUCTURED SECURITIES PROGRAMME**

This Base Prospectuses Supplement (the "**Combined Supplement 2/2010**") is supplemental to and must be read in conjunction with each of the following: (i) the Base Prospectus dated 9 April 2009 (the "**Original S.I.M.P.L.E. Base Prospectus**"), as supplemented on 1 June 2009, on 6 August 2009, on 24 September 2009, on 4 November 2009, on 2 December 2009 and on 17 February 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 27 March 2009 (the "**Original SSP Base Prospectus**"), as supplemented on 1 June 2009, on 6 August , on 24 September 2009, on 4 November 2009 and on 17 February 2010 (together the "**SSP Base Prospectus**") in connection with the Structured Securities Programme for the issuance of structured Notes, Warrants and Certificates (the "**SS Programme**"); and (iii) the Base Prospectus dated 5 August 2009 (the "**Original GSSP Base Prospectus**"), as supplemented on 24 September 2009, on 4 November 2009, on 5 November 2009, on 16 November 2009, on 13 January 2010, on 1 February 2010 and on 17 February 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 and the SS 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 2/2010 constitutes a base prospectus supplement in respect of each of the S.I.M.P.L.E. Base Prospectus, the SSP 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 2/2010. This Combined Supplement

2/2010 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 2/2010 or any statement incorporated by reference into each Relevant Base Prospectus by this Combined Supplement 2/2010 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 2/2010 and declare that, having taken all reasonable care to ensure that such is the case, the information contained in this Combined Supplement 2/2010 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 2/2010, 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 2/2010 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 2/2010 are:

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

“In respect of information relating to the Bank, the Group and the Holding Company:

- the joint Annual Report of Barclays Bank PLC (the "**Bank**") and Barclays PLC, as filed with the U.S. Securities and Exchange Commission ("**SEC**") on Form 20-F in respect of the years ended 31 December 2008 and 31 December 2009 (the "**Joint Annual Report**"), with the exception of the information incorporated by reference in the Joint Annual Report referred to in the Exhibit Index of the Joint Annual Report, which shall not be deemed to be incorporated in this Base Prospectus; and
- the Annual Reports of the Bank containing the audited consolidated accounts of the Bank in respect of the years ended 31 December 2008 (the "**2008 Bank Annual Report**") and 31 December 2009 (the "**2009 Bank Annual Report**"), respectively.

In respect of information relating to BCCL:

- the Annual Reports of BCCL containing the audited accounts of BCCL in respect of the years ended 31 December 2007 (the "**2007 BCCL Annual Report**") and 31 December 2008 (the "**2008 BCCL Annual Report**"), respectively.

The above documents may be inspected at the registered office of each Issuer and at the specified office of the Issue and Paying Agent as described in the section entitled "**GENERAL INFORMATION**" of this Base Prospectus.

The table below sets out the relevant page references for all of the information contained within the Joint Annual Report as filed on Form 20-F:

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Each of the Bank and Barclays PLC has applied International Financial Reporting Standards as issued by the International Accounting Standards Board and as adopted by the European Union ("IFRS") in the financial statements incorporated by reference above. A summary of the significant accounting policies for each of the Bank and Barclays PLC is included in each of the Joint Annual Report, the 2008 Bank Annual Report and the 2009 Bank Annual Report."

the subsection headed "In respect of information relating to the Bank, the Group and the Holding Company" commencing on:

- 1) page 23 and ending on page 24 of the Original S.I.M.P.L.E. Base Prospectus; and
- 2) commencing on page 35 and ending on page 36 of the Original SSP Base Prospectus; and
- 3) commencing on page 40 and ending on page 41 of the Original GSSP Base Prospectus.

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

"Risk relating to the Bank and the Group

Business conditions and general economy

Barclays operates a universal banking business model and its services range from current accounts for personal customers to inflation-risk hedging for governments and institutions. The Group also has significant activities in a large number of countries. There are, therefore, many ways in which changes in business conditions and the general economy can adversely impact the Group's profitability, be they at the level of the Group, the individual business units or the specific countries in which we operate.

The Group's stress testing framework helps it understand the impact of changes in business conditions and the general economy, as well as the sensitivity of its business goals to such changes and the scope of management actions to mitigate their impact.

As the current downturn has shown, higher unemployment in the UK, US, Spain and South Africa has led to increased arrears in the Group's card portfolios, while falls in GDP have reduced the credit quality of the Group's corporate portfolios. In both cases, there is an increased risk that a

higher proportion of the Group's customers and counterparties may be unable to meet their obligations. In addition, declines in residential and commercial property prices have reduced the value of collateral and caused mark to market losses in some of the Group's trading portfolios.

The business conditions facing the Group in 2010 are subject to significant uncertainties, most notably:

- the extent and sustainability of economic recovery and asset prices in the UK, US, Spain and South Africa as governments consider how and when to withdraw stimulus packages;
- the dynamics of unemployment in those markets and the impact on delinquency and charge-off rates;
- the speed and extent of possible rises in interest rates in the UK, US and eurozone;
- the possibility of further falls in residential property prices in the UK, South Africa and Spain;
- the potential for single name risk and for idiosyncratic losses in different sectors and geographies where credit positions are sensitive to economic downturn;
- possible additional deterioration in the Group's remaining credit market exposures, including commercial real estate and leveraged finance;
- the potential impact of deteriorating sovereign credit quality;
- changes in the value of Sterling relative to other currencies, which could increase riskweighted assets and therefore raise the capital requirements of the Group; and
- the liquidity and volatility of capital markets and investors' appetite for risk, which could lead to a decline in the income that the Group receives from fees and commissions.

Retail and Wholesale Credit risk

Credit risk is the risk of suffering financial loss, should any of the Group's customers, clients or market counterparties fail to fulfil their contractual obligations to the Group. The credit risk that the Group faces arises mainly from wholesale and retail loans and advances. However, credit risk may also arise where the downgrading of an entity's credit rating causes a fall in the fair value of the Group's investment in that entity's financial instruments.

In a recessionary environment, such as that recently seen in the United Kingdom, the United States and other economies, credit risk increases. Credit risk may also be manifested as country risk where difficulties may arise in the country in which the exposure is domiciled, thus impeding or reducing the value of the assets, or where the counterparty may be the country itself.

Another form of credit risk is settlement risk, which is the possibility that the Group may pay funds away to a counterparty but fail to receive the corresponding settlement in return. The Group is exposed to many different industries and counterparties in the normal course of its business, but its exposure to counterparties in the financial services industry is particularly significant. This exposure can arise through trading, lending, deposit-taking, clearance and settlement and many other activities and relationships. These counterparties include broker dealers, commercial banks, investment banks, mutual and hedge funds and other institutional clients. Many of these relationships expose the Group to credit risk in the event of default of a counterparty and to systemic risk affecting its counterparties. Where the Group holds collateral against counterparty exposures, it may not be able to realise it or liquidate it at prices sufficient to cover the full exposures. Many of the hedging and other risk management strategies utilised by the Group also involve transactions with financial services counterparties. The failure of these counterparties to settle or the perceived weakness of these counterparties may impair the effectiveness of the Group's hedging and other risk management strategies.

Market risk

Market risk is the risk that the Group's earnings or capital, or its ability to meet business objectives, will be adversely affected by changes in the level or volatility of market rates or prices such as interest rates, credit spreads, commodity prices, equity prices and foreign exchange rates. The majority of the risk resides in the Barclays Capital division of the Bank. The Group is also exposed to market risk through non-traded interest rate risk and the pension fund.

The Group's future earnings could be affected by depressed asset valuations resulting from a deterioration in market conditions. Financial markets are sometimes subject to stress conditions where steep falls in asset values can occur, as demonstrated by events in 2007 and 2008 affecting asset backed CDOs and the US sub-prime residential mortgage market and which may occur in other asset classes during an economic downturn. Severe market events are difficult to predict and, if they continue to occur, could result in the Group incurring additional losses.

From the second half of 2007, the Group recorded material net losses on certain credit market exposures, including ABS CDO Super Senior exposures. As market conditions change, the fair value of these exposures could fall further and result in additional losses or impairment charges, which could have a material adverse effect on the Group's earnings. Such losses or impairment charges could derive from: a decline in the value of exposures; a decline in the ability of counterparties, including monoline insurers, to meet their obligations as they fall due; or the ineffectiveness of hedging and other risk management strategies in circumstances of severe stress.

Capital risk

Capital risk is the risk that the Group has insufficient capital resources to:

- meet minimum regulatory requirements in the UK and in other jurisdictions such as the United States and South Africa where regulated activities are undertaken. The Group's authority to operate as a bank is dependent upon the maintenance of adequate capital resources;
- support its credit rating. A weaker credit rating would increase the Group's cost of funds; and
- support its growth and strategic options.

Regulators assess the Group's capital position and target levels of capital resources on an ongoing basis. Targets may increase in the future, and rules dictating the measurement of capital may be adversely changed, which would constrain the Group's planned activities and contribute to adverse impacts on the Group's earnings. During periods of market dislocation, increasing the Group's capital resources in order to meet targets may prove more difficult or costly.

In December 2009, the Basel Committee on Banking Supervision issued a consultative document that outlined proposed changes to the definition of regulatory capital. These proposals are going through a period of consultation and are expected to be introduced by the beginning of 2013, with substantial transitional arrangements. While the proposals may significantly impact the capital resources and requirements of the Group, the Group maintains sufficient balance sheet flexibility to adapt accordingly.

Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its obligations as they fall due as a result of a sudden and protracted increase in cash outflows. Such outflows would deplete available cash resources for client lending, trading activities and investments. In extreme circumstances lack of liquidity could result in reductions in balance sheet and sales of assets, or potentially an inability to fulfil lending commitments. This risk is inherent in all banking operations and can be affected by a range of institution-specific and market-wide events.

During periods of market dislocation, the Group's ability to manage liquidity requirements may be impacted by a reduction in the availability of wholesale term funding as well as an increase in the cost of raising wholesale funds. Asset sales, balance sheet reductions and the increasing costs of raising funding will affect the earnings of the Group.

In illiquid markets, the Group may decide to hold assets rather than securitising, syndicating or disposing of them. This could affect the Group's ability to originate new loans or support other customer transactions as both capital and liquidity are consumed by existing or legacy assets.

The FSA issued its policy document on 'strengthening liquidity standards' on 5 October 2009 detailing the requirements for liquidity governance to be in place by 1 December 2009, and the quantitative requirements for liquidity buffers, which will be in place from 1 June 2010, although with an extended transition period of several years to meet the expected standards.

In addition, the Basel Committee on Banking Supervision released a consultative document 'International framework for liquidity risk measurement, standards and monitoring' in December 2009. This included two new key liquidity metrics. A liquidity coverage ratio aimed at ensuring banks have sufficient unencumbered high quality assets to meet cash outflows in an acute short-term stress and a net stable funding ratio to promote longer-term structural funding of bank's balance sheet and capital market activities.

Operational risk

Operational risk is the risk of direct or indirect losses resulting from human factors, external events, and inadequate or failed internal processes and systems. Operational risks are inherent in the Group's operations and are typical of any large enterprise. Major sources of operational risk include operational process reliability, IT security, outsourcing of operations, dependence on key suppliers, implementation of strategic change, integration of acquisitions, fraud, human error, customer service quality, regulatory compliance, recruitment, training and retention of staff, and social and environmental impacts.

Notwithstanding anything in this risk factor, this risk factor should not be taken to imply that the Bank will be unable to comply with its obligations as a company with securities admitted to the Official List of the FSA or that any member of the Group will be unable to comply with its obligations as a supervised firm regulated by the FSA.

Financial crime risk

Financial crime risk is the risk that the Group might suffer losses as a result of internal and external fraud, or might fail to ensure the security of personnel, physical premises and the Bank's assets or internal damage, loss or harm to people, premises or moveable assets.

Regulatory risk

Regulatory risk arises from a failure or inability to comply fully with the laws, regulations or codes applicable specifically to the financial services industry. Non-compliance could lead to fines, public reprimands, damage to reputation, increased prudential requirements, enforced suspension of operations or, in extreme cases, withdrawal of authorisations to operate.

In addition, the Group's businesses and earnings can be affected by the fiscal or other policies and other actions of various governmental and regulatory authorities in the United Kingdom, the EU, the United States, South Africa and elsewhere. All these are subject to change, particularly in an environment where recent developments in the global markets have led to an increase in the involvement of various governmental and regulatory authorities in the financial sector and in the operations of financial institutions. In particular, governmental and regulatory authorities in the United Kingdom, the United States and elsewhere are implementing measures to increase regulatory control in their respective banking sectors, including by imposing enhanced capital and

liquidity requirements. Any future regulatory changes may potentially restrict the Group's operations, mandate certain lending activity and impose other compliance costs.

Areas where changes could have an impact include:

- the monetary, interest rate and other policies of central banks and regulatory authorities;
- general changes in government or regulatory policy that may significantly influence investor decisions in particular markets in which the Group operates;
- general changes in regulatory requirements, for example, prudential rules relating to the capital adequacy framework and rules designed to promote financial stability and increase depositor protection;
- changes in competition and pricing environments;
- further developments in the financial reporting environment;
- differentiation amongst financial institutions by governments with respect to the extension of guarantees to customer deposits and the terms attaching to those guarantees; and
- implementation of, or costs related to, local customer or depositor compensation or reimbursement schemes.

Two specific matters that directly impact the Group are the Banking Act 2009 and the Financial Services Compensation Scheme:

Banking Act 2009

The Banking Act 2009 (the “**Banking Act**”) provides a permanent regime to allow the FSA, the UK Treasury and the Bank of England to resolve failing banks in the UK. Under the Banking Act, these authorities are given powers, including (a) the power to issue share transfer orders pursuant to which all or some of the securities issued by a bank may be transferred to a commercial purchaser or Bank of England entity and (b) the power to transfer all or some of the property, rights and liabilities of the UK bank to a purchaser or Bank of England entity. A share transfer order can extend to a wide range of securities including shares and bonds issued by a UK bank (including the Bank) or its holding company (Barclays PLC) and warrants for such shares and bonds. The Banking Act powers apply regardless of any contractual restrictions and compensation may be payable in the context of both share transfer orders and property appropriation.

The Banking Act also gives the Bank of England the power to override, vary or impose contractual obligations between a UK bank or its holding company and its former group undertakings for reasonable consideration, in order to enable any transferee or successor bank of the UK bank to operate effectively. There is also power for the Treasury to amend the law (excluding provisions made by or under the Banking Act) for the purpose of enabling it to use the regime powers effectively, potentially with retrospective effect. In addition, the Banking Act gives the Bank of England statutory responsibility for financial stability in the UK and for the oversight of payment systems.

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 (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. 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.

Legal risk

The Group is subject to a comprehensive range of legal obligations in all countries in which it operates. As a result, the Group is exposed to many forms of legal risk, which may arise in a number of ways. Primarily:

- the Group's business may not be conducted in accordance with applicable laws around the world;
- contractual obligations may either not be enforceable as intended or may be enforced against the Group in an adverse way;
- the intellectual property of the Group (such as its trade names) may not be adequately protected; and
- the Group may be liable for damages to third parties harmed by the conduct of its business.

The Group faces risk where legal proceedings are brought against it. Regardless of whether such claims have merit, the outcome of legal proceedings is inherently uncertain and could result in financial loss. Defending legal proceedings can be expensive and time-consuming and there is no guarantee that all costs incurred will be recovered even if the Group is successful. Although the Group has processes and controls to manage legal risks, failure to manage these risks could impact the Group adversely, both financially and by reputation.

Taxation risk

The Group is subject to the tax laws in all countries in which it operates, including tax laws adopted at an EU level. A number of double taxation agreements entered between two countries also impact on the taxation of the Group. Tax risk is the risk associated with changes in tax law or in the interpretation of tax law. It also includes the risk of changes in tax rates and the risk of failure to comply with procedures required by tax authorities. Failure to manage tax risks could lead to an additional tax charge. It could also lead to a financial penalty for failure to comply with required tax procedures or other aspects of tax law. If, as a result of a particular tax risk materialising, the tax costs associated with particular transactions are greater than anticipated, it could affect the profitability of those transactions.

The Group takes a responsible and transparent approach to the management and control of its tax affairs and related tax risk, specifically:

- tax risks are assessed as part of the Group's formal governance processes and are reviewed by the Executive Committee, Group Finance Director and the Board Risk Committee;
- the tax charge is also reviewed by the Board Audit Committee;
- the tax risks of proposed transactions or new areas of business are fully considered before proceeding;
- the Group takes appropriate advice from reputable professional firms;
- the Group employs high-quality tax professionals and provides ongoing technical training;
- the tax professionals understand and work closely with the different areas of the business;

- the Group uses effective, well-documented and controlled processes to ensure compliance with tax disclosure and filing obligations; and
- where disputes arise with tax authorities with regard to the interpretation and application of tax law, the Group is committed to addressing the matter promptly and resolving the matter with the tax authority in an open and constructive manner.”

the section headed “Risks relating to the Bank and the Group” commencing on:

- 1) page 11 and ending on page 18 of the Original S.I.M.P.L.E. Base Prospectus; and
- 2) commencing on page 14 and ending on page 20 of the Original SSP Base Prospectus; and
- 3) commencing on page 15 and ending on page 21 of the Original GSSP Base Prospectus.

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

“THE BANK AND THE GROUP

The Bank is a public limited company registered in England and Wales under number 1026167. The liability of the members of the Bank is limited. It has its registered and head office at 1 Churchill Place, London, E14 5HP, telephone number +44 (0)20 7116 1000. The Bank was incorporated on 7 August 1925 under the Colonial Bank Act 1925 and on 4 October 1971 was registered as a company limited by shares under the Companies Act 1948 to 1967. Pursuant to The Barclays Bank Act 1984, on 1 January 1985, the Bank was re-registered as a public limited company and its name was changed from "Barclays Bank International Limited" to "Barclays Bank PLC".

The Bank and its subsidiary undertakings (taken together, the "**Group**") is a major global financial services provider engaged in retail and commercial banking, credit cards, investment banking, wealth management and investment management services with an extensive international presence in Europe, United States, Africa and Asia. The whole of the issued ordinary share capital of the Bank is beneficially owned by Barclays PLC, which is the ultimate holding company of the Group.

The short term unsecured obligations of the Bank are rated A-1+ by Standard & Poor's, P-1 by Moody's and F1+ by Fitch Ratings Limited and the long-term obligations of the Bank are rated AA- by Standard & Poor's, Aa3 by Moody's and AA- by Fitch Ratings Limited.

Based on the Group's audited financial information for the year ended 31 December 2009, the Group had total assets of £1,379,148 million (2008: £2,053,029 million), total net loans and advances¹ of £461,359 million (2008: £509,522 million), total deposits² of £398,901 million (2008: £450,443 million), and total shareholders' equity of £58,699 million (2008: £43,574 million) (including non-controlling interests of £2,774 million (2008: £2,372 million)). The profit before tax of the Group for the year ended 31 December 2009 was £11,616 million (2008: £6,035 million) (£4,559 million excluding the sale of Barclays Global Investors) after impairment charges and other credit provisions of £8,071 million (2008: £5,419 million). The financial information in this paragraph is extracted from the 2009 Bank Annual Report.

¹ Total net loans and advances include balances relating to both bank and customer accounts.

² Total deposits include deposits from bank and customer accounts.

Acquisitions, Disposals and Recent Developments

Exercise of the warrants

On 17 February 2010, Barclays PLC received notice of the exercise by PCP Gulf Invest 3 Limited, owned by Nexus Capital Investing Limited, of 626,835,443 of the 758,437,618 warrants it holds in Barclays PLC for an aggregate exercise price of approximately £1,240 million, resulting in the issue of 626,835,443 new ordinary shares in Barclays PLC.

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. Barclays will acquire the business as a going concern which involves the acquisition of approximately 197,000 credit card accounts and gross assets of approximately €234 million (as at 31 December 2009). Completion is expected to occur in the first quarter of 2010 but is subject to customary conditions, including competition clearance and completion of the mandatory consultation procedure with trade unions.

Sale of Barclays Global Investors

On 12 June 2009, Barclays PLC announced receipt of a binding offer for the Barclays Global Investors business and on 16 June 2009 announced acceptance of such offer. The sale of Barclays Global Investors business to BlackRock, Inc. was completed on 1 December, 2009 for US\$15.2 billion (£9.5 billion), including 37.567 million new BlackRock shares.

Acquisition of Standard Life Bank

On 26 October 2009 Barclays PLC announced that the Bank had agreed to acquire Standard Life Bank Plc from Standard Life Plc for a consideration of £226m. The acquisition was completed on 1 January 2010.

Acquisition of Citi's Portuguese credit card business

On 29 September 2009 Barclays PLC announced that the Bank, acting through its Portuguese branch, had agreed to acquire approximately 400,000 credit card accounts (representing gross assets of approximately €644m (as at 30 June 2009)) from Citibank International plc, Sucursal em Portugal. The acquisition was completed on 30 November 2009.

Restructuring of credit market assets

On 16 September 2009 Barclays PLC announced the restructuring of US\$12.3 billion of credit market assets. Further information is included in the Joint Annual Report incorporated herein by reference.

Life insurance joint venture

On 10 September 2009 the Bank and CNP Assurances SA ("CNP") confirmed the establishment of a long-term life insurance joint venture in Spain, Portugal and Italy. As part of this transaction, Barclays sold a 50 per cent stake in Barclays Vida y Pensiones Compañía de Seguros ("BVP"), Barclays Iberian life insurance and pensions subsidiary, to CNP. CNP paid €140 million on completion. This is subject to a post-completion adjustment by reference to BVP's net assets as at closing.

Competition and regulatory matters

The scale of regulatory change remains challenging and the global financial crisis is resulting in 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 in the UK

and elsewhere which, in some cases, is leading to increased regulation. For example, the Credit Card Accountability, Responsibility and Disclosure Act of 2009 in the US will restrict many credit card pricing and marketing practices. The nature and impact of future changes in the legal framework, policies and regulatory action cannot currently be fully predicted and are beyond the Group's control but, especially in the area of banking regulation, are likely to have an impact on the Group's businesses and earnings.

The market for payment protection insurance ("PPI") has been under scrutiny by the UK competition authorities and financial services regulators. Following a reference from the Office of Fair Trading ("OFT"), the UK Competition Commission ("CC") undertook an in-depth enquiry into the PPI market. The CC published its final report on 29th January 2009 concluding that the businesses which offer PPI alongside credit face little or no competition when selling PPI to their credit customers. In March 2009, Barclays submitted a targeted appeal focused on the prohibition on sale of PPI at the point of sale ("POSP") remedy on the basis that it was not based on sound analysis, and is unduly draconian. The Competition Appeals Tribunal ("CAT") upheld Barclays appeal on two grounds, meaning that the CC will be required to reconsider the POSP remedy and the basis for it, and made an order to that effect on 26th November 2009. This remittal process is expected to take until the autumn of 2010, at which time the CC will publish its final Remedies Order.

Separately, in 2006, the FSA published the outcome of its broad industry thematic review of PPI sales practices in which it concluded that some firms fail to treat customers fairly and that the FSA would strengthen its actions against such firms. Tackling poor PPI sales practices remains a priority for the FSA. In September 2009, the FSA issued a Consultation Paper on the assessment and redress of PPI complaints made on or after 14 January 2005. The FSA issued its response to the Consultation Paper and is consulting further on the entire PPI issue. The FSA has announced that it intends to publish a final version of the policy statement, with implementation on the new rules in July 2010 by way of an amendment to the DISP (Dispute Resolution: Complaints) rules in the FSA Sourcebook. Barclays voluntarily complied with the FSA's request to cease selling single premium PPI by the end of January 2009.

The OFT has carried out investigations into Visa and MasterCard credit card interchange rates. A decision by the OFT in the MasterCard interchange case was set aside by the CAT in 2006. The OFT is progressing its investigations in the Visa interchange case and a second MasterCard interchange case in parallel and both are ongoing. The outcome is not known but these investigations may have an impact on the consumer credit industry in general and therefore on the Group's business in this sector. In 2007, the OFT expanded its investigations into interchange rates to include debit cards.

Notwithstanding the Supreme Court ruling in relation to the test case, Barclays continues to be involved in the OFT's work on personal current accounts. The OFT initiated a market study into personal current accounts ("PCAs") in the UK in 2007 which also included an examination of other retail banking products, in particular savings accounts, credit cards, personal loans and mortgages in order to take into account the competitive dynamics of UK retail banking. In 2008, the OFT published its market study report, in which it concluded that certain features of the UK PCA market were not working well for consumers. The OFT reached the provisional view that some form of regulatory intervention is necessary in the UK PCA market. The OFT also held a consultation to seek views on the findings and possible measures to address the issues raised in its report. In October 2009, the OFT published a follow-up report containing details of voluntary initiatives in relation to transparency and switching agreed between the OFT and the industry. A further follow-up report is expected in March 2010 to provide details of voluntary initiatives agreed in relation to charging structures. The Group has participated fully in the market study process and will continue to do so.

US laws and regulations require compliance with US 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 has been conducting an internal review of its conduct with respect to US Dollar

payments involving countries, persons and entities subject to these sanctions and has been reporting to governmental authorities about the results of that review. Barclays received inquiries relating to these sanctions and certain US Dollar payments processed by its New York branch from the New York County District Attorney's Office and the US Department of Justice, which, along with other authorities, has been reported to be conducting investigations of sanctions compliance by non-US financial institutions. The Group has responded to those inquiries and is cooperating with the regulators, the Department of Justice and the District Attorney's Office in connection with their investigations of the Group's conduct with respect to sanctions compliance. The Group has also received a formal notice of investigation from the FSA, and has been keeping the FSA informed of the progress of the US investigations and the Group's internal review. The Group's review is ongoing. It is currently not possible to predict the ultimate resolution of the issues covered by the Group's review and the investigations, including the timing and potential financial impact of any resolution, which could be substantial.

Directors

The Directors of the Bank, each of whose business address is 1 Churchill Place, London E14 5HP, their functions in relation to the Group and their principal outside activities (if any) of significance to the Group are as follows:

<u>Name</u>	<u>Function(s) within the Group</u>	<u>Principal outside activities</u>
Marcus Agius	Group Chairman	Non-Executive Director, British Broadcasting Corporation
John Varley	Group Chief Executive	Non-Executive Director, AstraZeneca PLC, Non-Executive Director, BlackRock, Inc.
Chris Lucas	Group Finance Director	—
Robert E Diamond Jr	President, Barclays PLC, Chief Executive, Investment Banking and Investment Management	Chairman, Old Vic Productions PLC, Non-Executive Director, BlackRock, Inc.
Sir Richard Broadbent	Deputy Chairman, Senior Independent Director and Non-Executive Director	Chairman, Arriva plc
David Booth	Non-Executive Director	—
Leigh Clifford	Non-Executive Director	Chairman, Qantas Airways Limited
Fulvio Conti	Non-Executive Director	Chief Executive Officer, Enel SpA, Director, AON Corporation
Simon Fraser	Non-Executive Director	Non-Executive Director, Fidelity Japanese Values Plc and Fidelity European Values Plc
Reuben Jeffery III	Non-Executive Director	Senior Adviser, Center for Strategic & International Studies
Sir Andrew Likierman	Non-Executive Director	Professor of Management Practice in Accounting, London Business School, Chairman, National Audit Office

<i>Name</i>	<i>Function(s) within the Group</i>	<i>Principal outside activities</i>
Sir Michael Rake	Non-Executive Director	Chairman, BT Group PLC, Director, McGraw-Hill Companies, Director, Financial Reporting Council, Chairman, UK Commission for Employment and Skills, Chairman, Easyjet PLC
Sir John Sunderland	Non-Executive Director	Director, Financial Reporting Council, Chairman, Merlin Entertainments Group

No potential conflicts of interest exist between any duties to the Bank of the Board of Directors listed above and their private interests or other duties.

Employees

The average number of persons employed by the Group worldwide during 2009 (full time equivalents) was 144,200 (2008: 152,800).

Litigation

On 25 November 2009, the UK Supreme Court decided the test case relating to current account overdraft charges in favour of the banks. The Office of Fair Trading subsequently confirmed that it will not proceed with its investigation into the fairness of these charges following the Supreme Court judgment. Accordingly, we are seeking to have all outstanding claims which were premised on the same legal principles as those at issue in the test case discontinued or dismissed. There remain a small number of residual complaints challenging the charges on a different basis, but these complaints are not expected to have a material effect on the Group.

Barclays Bank PLC, 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 12th February 2010, alleges that the registration statements relating to American Depositary Shares representing Preferred Stock, Series 2, 3, 4 and 5 ("ADS") offered by Barclays Bank PLC at various times between 2006 and 2008 contained misstatements and omissions concerning (amongst other things) Barclays portfolio of mortgage-related (including US subprime-related) securities, the Bank's exposure to mortgage and credit market risk and Barclays financial condition. The consolidated amended complaint asserts claims under Sections 11, 12(a)(2) and 15 of the Securities Act of 1933. The Bank considers that these ADS-related claims against it are without merit and is defending them vigorously. It is 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.

On 15 September 2009 motions were filed in the United States Bankruptcy Court for the Southern District of New York 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 Bankruptcy 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. It is not possible to estimate any possible loss to the Bank in relation to these matters or any effect that these matters might have upon operating results in any particular financial period.

Barclays PLC and the Group is 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 it 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 paragraphs 2 and 3 of this section entitled "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 Base Prospectus, a significant effect on the financial position or profitability of the Bank and/or the Group.

Significant Change Statement

There has been no significant change in the financial or trading position of the Bank or the Group since 31 December 2009.

Material Adverse Change Statement

There has been no material adverse change in the prospects of the Bank or the Group since 31 December 2009."

the section headed "THE BANK AND THE GROUP" commencing on:

- 1) page 90 and ending on page 99 of the Original S.I.M.P.L.E. Base Prospectus; and
- 2) commencing on page 37 and ending on page 45 of the Original SSP Base Prospectus; and
- 3) commencing on page 42 and ending on page 51 of the Original GSSP Base Prospectus.

Arranger

Barclays Capital

The date of this Combined Supplement 2/2010 is 24 March 2010.