Supplement Number 1 dated 15 May 2013
To the Base Prospectus dated 7 December 2012

BARCLAYS BANK PLC

(Incorporated with limited liability in England and Wales)

$10,000,000,000
GLOBAL COLLATERALISED MEDIUM TERM NOTES

supported by a limited recourse undertaking by Barclays CCP Funding LLP

This base prospectus supplement (the "**Supplement**") is supplemental to, forms part of and must be read in conjunction with, the base prospectus dated 7 December 2012 (the "**Base Prospectus**") prepared by Barclays Bank PLC (the "**Bank**" or the "**Issuer**") with respect to its $10,000,000,000 Global Collateralised Medium Term Note Series (the "**Global Collateralised Medium Term Note Series**"). The Supplement has been approved by the Central Bank of Ireland (the "**Central Bank**"), as competent authority under Directive 2003/71/EC (the "**Prospectus Directive**"). The Central Bank only approves this Supplement as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. This Supplement constitutes a base prospectus supplement for the purposes of the Prospectus Directive.

Terms defined in the Base Prospectus have the same meanings when used in this Supplement.

The Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Supplement is supplemental to, and should be read in conjunction with, the Base Prospectus. To the extent that there is any inconsistency between any statement in this Supplement or any statement incorporated by reference into the Base Prospectus, the statements in this Supplement will prevail.

Save as disclosed in this Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus since the publication of the Base Prospectus.

This Supplement has been filed with and approved by the Central Bank as required by the Irish Prospectus (Directive 2003/71/EC) Regulations 2005.

Amendments to "Risk Factors-Risks Relating to the Bank and the Group"

The text of the section entitled "Risk Factors-Risks Relating to the Bank and the Group" on page 15 through 22 of the Base Prospectus shall be amended by the deletion of the existing wording of the section and its replacement with the following wording:

Business conditions and the general economy

The Bank offers a very broad range of services to personal and institutional customers, including governments. The Group has significant activities in a large number of countries. Consequently, there are many ways in which changes in business conditions and the economy in a single country or region or globally can adversely impact profitability, whether at the level of the Group, the individual business units or specific countries of operation.

During 2012, the economic environment in the Bank's main markets was marked by generally weak or negative growth (as measured by GDP), which has affected business, consumer and investor confidence across these regions. Economic performance in the near term remains uncertain and is expected to be subdued, which may in some cases lead to material adverse impacts on the Group's operations, financial condition and prospects, through, for example, changes in credit ratings, share price and solvency of counterparties, as well as higher levels of impairment and default rates, lower revenues and higher costs. A summary of the performance for each main geographical area is as follows:

- in the UK, the economy grew by 0.2% in 2012, but negative growth in the fourth quarter has led to expectations of another difficult year in 2013. The potential for persistent unemployment, higher interest rates and rising inflation may increase the pressure on disposable incomes and affect an individual's ability to service debt with the potential to adversely impact performance in the Group's retail sector.
- although US economic performance in 2012 was largely positive, with growth slightly above 2%, the US economy grew by only 0.1% in the fourth quarter of 2012. Moreover, the unemployment rate remained historically high and the risk of a failure of government leaders to reach a more lasting fiscal agreement remains, both of which increase uncertainty and contribute to a lack of business, consumer and investor confidence and thus adversely affect the Group's US business operations.
- the Eurozone saw negative growth during 2012 as it was impacted by the ongoing sovereign debt crisis. Credit conditions have remained weak and a depressed housing sector, high unemployment (especially acute amongst the under-30 year old population), contracting GDP and high government deficits may in the near term continue to adversely affect the Group's business operations in this region.
- while South Africa experienced moderate economic growth in 2012, the housing sector showed some weakness towards the end of the year leading to uncertainty in the performance of the Absa business in the near term.

For further information on specific risks to the Bank's business relating to a potential economic downturn and the continuing Eurozone crisis, see below under "credit risk".

Credit risk

Credit risk is the risk of the Group suffering financial loss if any of its customers, clients or market counterparties fails to fulfil their contractual obligations to the Group.

The credit risk that the Group faces arises mainly from wholesale and retail loans and advances together with the counterparty credit risk arising from derivative contracts entered into with its clients. Other sources of credit risk arise from trading activities, including: debt securities; settlement balances with market counterparties; available for sale investments; and reverse repurchase agreements. It can also arise when an entity's credit rating is downgraded, leading to a fall in the value of the Group's investment. In addition, the Group may incur significant unrealised gains or losses due solely to changes in the Group's credit spreads or those of third parties, as these changes may affect the fair value of the Group's derivative instruments and the debt securities that the Group holds or issues.

An economic downturn

The Group's results, financial condition and liquidity may continue to be adversely affected by the uncertainty around the global economy and the economies of certain areas where the Group has operations. The Group's performance is at risk from any deterioration in the economic environment which may result from a number of uncertainties, including most significantly the following factors:

(i) Extent and sustainability of economic recovery, including impact of austerity measures on the European economies

The threat of weaker economies in a number of countries in which the Group operates could lead to higher levels of unemployment, rising inflation, potentially higher interest rates and falling property prices. Any deterioration in the global economic conditions could have an adverse impact on the credit quality of the Group's customers and counterparties and could lead to a reduction in recoverability and value of the Group's assets resulting in a requirement to increase the Group's level of impairment allowance.

Growth rates in the UK, US, Europe and South Africa continue to have implications for our portfolios, particularly in Europe where growth forecasts remain weak. Rising unemployment and higher interest rates would reduce debt service ability in the retail sector with a knock-on effect on corporate credit. The implementation of austerity measures to address high levels of public debt has negatively impacted economic growth and led to rising unemployment in some European countries. The monetary, interest rate and other policies of central banks and regulatory authorities may also have a significant adverse effect on a number of countries in which the Group operates. The Group's profitability is subject to further uncertainty from the growth prospects for the Chinese economy and the effect that this may have on the recovery prospects of the global economy.

(ii) Increase in unemployment due to weaker economies in a number of countries in which the Group operates

During 2012 the unemployment rate in the Eurozone increased to 11.7% (December 2011: 10.7%) and remains particularly high in Spain at 26.1% as at 31 December 2012 (December 2011: 23.2%), although rates have declined in the US to 7.8% as at 31 December 2012 (December 2011: 8.5%) and the UK to 7.8% as at 31 December 2012 (December 2011: 8.3%) as businesses created jobs despite weak economies.

As customers' ability to service their debt is particularly sensitive to their employment status, any increase in unemployment rates could lead to an increase in delinquency and default rates, particularly in credit cards and unsecured loan portfolios, which may, in turn, lead to a requirement to increase the Group's impairment allowances in the retail sector. Any increase in impairment or higher charge-off to recovery and write-offs could have a material adverse effect on the Group's results, financial condition and capital position.

(iii) Impact of rising inflation and potential interest rate rises on consumer debt affordability and corporate profitability

Rising inflation resulting from central bank monetary policies or other factors, coupled with the potential for rising interest rates in response, could have significant adverse effects on both economic growth prospects and the ability of consumers and the corporate sector to service existing debt levels. Consumer debt affordability is sensitive to interest rates and so any rise, or series of increases, may lead to a significant rise in the Group's impairment charges, particularly in unsecured products, such as credit cards and personal loans, and adversely impact the Group's performance in a similar way to higher employment levels described above.

(iv) Possibility of further falls in residential property prices in the UK, South Africa and Western Europe

With a £115 billion UK home loan portfolio (50% of the Group's total loans and advances to the retail sector) as at 31 December 2012, the Group has a large exposure to adverse developments in the UK property sector. As at 31 December 2012 76% of the loans in this portfolio had a Loan-to-Value ("LTV") of equal to or less than 75%. While arrears have remained steady and impairment modest in this property book the housing sector remains weak, despite continuing low interest rates. This weakness may contribute to further impairment in the near term resulting from a deterioration in house prices due to reduced affordability as a result of, for example, higher interest rates or increased unemployment.

Specifically, the UK interest only portfolio of £53 billion (as at 31 December 2012) remains more susceptible to weak property prices as these loans mature and customers are required to repay the entire principal outstanding at a time when the loan to value may be high.

The UK Commercial Real Estate sector also remains at risk from deterioration in the housing sector which may affect customer confidence levels causing further adverse movements in real estate. This may result in higher levels of default rates in the corporate sector leading to higher impairment charges and write-offs by the Group.

The Spanish and Portuguese economies, in particular their housing and property sectors, remain under significant stress with falling property prices having led to higher LTV ratios and contributing to higher impairment charges. These increases were principally driven by:

- negative house price movements which have reduced market demand and mortgage supply with the result that a customer's ability to sell has reduced and the likelihood of repossessions has increased. Also loss on default has increased due to lower amounts being realised from the sale of properties in a distressed market; and
- customers' behaviour and a reduced willingness to pay as a result of their perception of a lower equity stake.

As at 31 December 2012, home loan balances to Spain and Portugal were £13.6 billion (31 December 2011: £14.9 billion) and £3.7 billion (31 December 2011: £3.9 billion), respectively. The 2012 impairment charge to our residential mortgage book in Spain was £72 million (2011: £38 million) and in Portugal was £24 million (2011: £9 million).

If these trends in Spain and Portugal continue or worsen and/or if these developments occur in other European countries such as Italy in which we have particular exposure to residential mortgages outside the UK, we may incur significant impairment charges in the future, which may materially adversely affect the Group's results of operations and financial condition.

Throughout 2012 the South African housing sector was depressed reflecting a weak economy and uncertain outlook. There is concern that unsecured personal debt levels are becoming very high. If the economic environment worsens and becomes subject to further stress this could adversely affect the Group's performance in the home loan, unsecured loan, auto and credit card portfolios. In the home loan portfolio the average LTV ratio has remained broadly stable at 44.2% at 31 December 2012 (2011: 45.2%), although impairment was higher in 2012 at £339 million (2011: £190 million) reflecting higher loss given default rates and levels of write-offs in the recovery book. In Absa Business Markets, the corporate property book remains sensitive to property prices, with reductions potentially leading to increased impairment charges.

(v) US 'Fiscal Cliff ' and debt ceiling negotiations

Following the temporary agreement reached at the turn of 2012/13 concerning the expiry of tax cuts in the US federal budget as part of the 'Fiscal Cliff ' legislative negotiations, considerable uncertainty remains with regards to a longer term agreement, in particular with respect to potential adjustments to US federal government spending, for which the Fiscal Cliff legislative negotiations are ongoing. Failure to reach a more lasting agreement may lead to a new recession in the US, which may have a significant adverse effect on the global economy and lead to negative pressures on the Group's profitability. Such a failure could also negatively impact upon market confidence, potentially leading to a reduction in investor appetite and liquidity in the US bond and loan markets, which would also impact upon the Group's profitability.

The Eurozone crisis

The Group's performance may be materially adversely affected by the actual or perceived increase in the risk of default on the sovereign debt of certain European countries, the stresses currently being exerted on the financial system within the Eurozone, and the risk that one or more countries may exit the Euro.

(i) Impact of potentially deteriorating sovereign credit quality, particularly debt servicing and refinancing capability

Concerns in the market about credit risk (including that of sovereign states) and the Eurozone crisis remain high. The large sovereign debts and/or fiscal deficits of a number of European countries and the sustainability of austerity programmes they have introduced have raised concerns regarding the financial condition of some sovereign states as well as financial institutions, insurers and other corporates that are: i) located in these countries; ii) have direct or indirect exposure to these countries (both to sovereign and private sector debt) and/or iii) whose banks, counterparties, custodians, customers, service providers, sources of funding and/or suppliers have direct or indirect exposure to these countries.

The default, or a further decline in the credit rating, of one or more sovereigns or financial institutions could cause severe stress in the financial system generally and could adversely affect the markets in which the Group operates, its businesses and the financial condition and prospects of the Group and that of its counterparties, customers, suppliers or creditors, directly or indirectly, in ways which it is difficult to predict.

(ii) Potential exit of one or more countries from the Euro as a result of the European debt crisis

An exit of one or more countries from the Eurozone may adversely impact the Group's profitability in a number of ways. Risks associated with a potential partial break-up of the Euro area include:

- direct risk arising from sovereign default of an exiting country and the impact on the economy of, and the Group's counterparties in, that country;
- indirect risk arising from the subsequent impact on the economy of, and the Group's counterparties in, other Eurozone countries;
- indirect risk arising from credit derivatives that reference Eurozone sovereign debt; and
- direct redenomination risk on the potential mismatch in the currency of the assets and liabilities on balance sheets of the Group's local operations in countries in the Eurozone.

Although the Group reduced the aggregate net funding mismatch in local balance sheets during 2012 from £12.1 billion to a £1.9 billion surplus in Spain, from £6.9 billion to £3.3 billion in Portugal and from £12.0 billion to £9.6 billion in Italy, there can be no assurance that the steps taken by the Group to actively match local external assets with local external liabilities will be fully successful.

Furthermore the departure from and/or the abandonment of the Euro by one or more Eurozone countries could lead to significant negative effects on both existing contractual relations and the fulfilment of obligations by the Group and/or its customers, which would have a negative impact on the activity, operating results, capital position and financial condition of the Group. An exit by a country from the Euro may also adversely affect the economic performance of that country, impacting areas such as interest and unemployment rates, which in turn may adversely affect our retail and wholesale counterparties' (including a country's government or its agencies) solvency and their ability to service their debts. This may lead to additional impairment or a reduction in value of the Group's credit assets in that country, which would adversely impact the Group's profitability.

The current absence of a predetermined mechanism for a member state to exit the Euro means that it is not possible to predict the outcome of such an event and to accurately quantify the impact of such an event on the Group's profitability, liquidity and capital.

The majority of our net on balance sheet exposure to Spain, Portugal and Italy continues to be secured home loans, aggregating to £32.4 billion at 31 December 2012 (31 December 2011: £34.2 billion). Although exposure to the less secured corporates and other retail lending portfolios was reduced in these countries during 2012 by 30% to £8.1 billion (31 December 2011: £11.6 billion) and 17% to £6.1 billion (31 December 2011: £7.5 billion), respectively, there can be no assurance that the steps taken by the Group to reduce its exposures in these countries will be successful.

Specific sectors/geographies

The Group is subject to risks arising from changes in credit quality and recovery of loans and advances due from borrowers and counterparties from a specific portfolio, geography or large individual names remain. Any deterioration in credit quality would lead to lower recoverability and higher impairment in a specific sector, geography or specific large counterparties.

(i) Possible deterioration in Credit Market Exposures

The Investment Bank holds certain exposures to credit markets that became illiquid during 2007. These exposures primarily relate to commercial real estate and leveraged finance loans. The Group remains at risk from further deterioration to the remaining exposures, resulting in further impairment. During 2012, credit market exposures decreased by £5.9 billion to £9.3 billion, mainly reflecting net sales and paydowns and other movements. In 2012, we incurred total impairment charges of £243 million related to these credit market exposures (2011: £49 million release).

(ii) Potential liquidity shortages increasing counterparty risks

The Group's ability to enter into its normal funding arrangements could be materially affected by the actions and commercial soundness of other financial institutions. The Group has exposure to many different industries and counterparties and should funding capacity in either the wholesale markets or central bank operations change significantly, liquidity shortages could result, which may lead to increased counterparty risk with other financial institutions. This could also have an impact on refinancing risks in the corporate and retail sectors. The performance of the Group remains at risk from a material liquidity shortage.

(iii) Large single name losses

In the ordinary course of our loan business, we have large individual exposures to individual single name counterparties. We are accordingly exposed to the credit risk of such counterparties in the event of their default of their obligations to us. If such defaults occur, they may have a significant impact on the impairment charge particularly in Investment Bank and the larger business book in Corporate Banking. In addition, where such counterparty risk has been mitigated by taking collateral, our credit risk may remain high if the collateral we hold cannot be realised or has to be liquidated at prices which are insufficient to recover the full amount of our loan or derivative exposure.

Market Risk

The Bank is at risk from its earnings or capital being reduced due to:

– traded market risk, where the Group supports customer activity primarily via the Investment Bank and is the risk of the Group being impacted by changes in the level or volatility of positions in its trading books. This includes changes in interest rates, inflation rates, credit spreads, property prices, commodity prices, equity and bond prices and foreign exchange levels;
– non-traded market risk, to support customer products primarily in the retail bank and is the risk of the Group being unable to hedge its banking book balance sheet at prevailing market levels; and
– pension risk, where the investment profile is reviewed versus the defined benefit scheme and is the risk of the Group's defined benefit obligations increasing or the value of the assets backing these defined benefit obligations decreasing due to changes in both the level and volatility of prices.

Specific areas and scenarios where market risk could lead to significantly lower revenues and adversely affect our results of operations in future years include:

(i) Reduced client activity and decreased market liquidity

The Investment Bank business model is focused on client intermediation. A significant reduction in client volumes or market liquidity could result in lower fees and commission income and a longer time period between executing a client trade, closing out a hedge, or exiting a position arising from that trade. Longer holding periods in times of higher volatility could lead to revenue volatility caused by price changes. Such conditions could adversely impact the Group's financial results in future periods.

(ii) Uncertain interest rate environment

Interest rate volatility can impact the Bank's net interest margin, which is the interest rate spread realised between lending and borrowing costs. The potential for future volatility and margin changes remains, and it is difficult to predict with any accuracy changes in absolute interest rate levels, yield curves and spreads. Most developed economies are currently operating under historically low rates. Consequently the net interest margin earned by the Bank is reduced. This margin would likely compress further were central bank rates to be cut. Rate changes, to the extent they are not neutralised by hedging programmes, may have a material adverse effect on the Group's results of operations, financial condition and prospects.

(iii) Pension fund risk

Adverse movements between pension assets and liabilities for defined benefit pension schemes could contribute to a pension deficit. The key sensitivities are the discount rate and long term inflation assumptions made in determining the defined benefit obligation. The discount rate is derived from yields of corporate bonds with AA-ratings and consequently includes exposure both to risk-free yields and credit spreads. The Bank's defined benefit pension net position has been adversely affected, and could be adversely affected again, by decreases in discount rate or an increase in long term inflation assumptions.

Funding risk

Funding risk is the risk that the Group is unable to achieve its business plans due to:

- Capital risk: the risk that the Group is unable to maintain appropriate capital ratios which could lead to: an inability to support business activity; a failure to meet regulatory requirements; and/or changes to credit ratings, which could also result in increased costs or reduced capacity to raise funding;
- Liquidity risk: the risk that the Group is unable to meet its obligations as they fall due resulting in: an inability to support normal business activity, a failure to meet liquidity regulatory requirements; and/or changes to credit ratings; and
- Structural risk: this risk predominantly arises from the impact on the Group's balance sheet of changes in primarily interest rates on income or foreign exchange rates on capital ratios and is, therefore, difficult to predict with any accuracy and may have a material adverse effect on the Group's results of operations, financial condition and prospects.

(i) Increasing capital requirements

There are a number of regulatory developments that impact capital requirements. Most significantly Basel 3 which is planned to be adopted into EU law through the fourth Capital Requirements Directive (CRD IV) and Capital Requirements Regulation which are on-going through the EU legislative process. Additional capital requirements may arise from other proposals including the recommendations of the UK Independent Commission on Banking, including with respect to 'ring-fencing' separately the trading and non-trading businesses of banks: The Financial Services (Banking Reform) Bill; EU Review; and, section 165 of the Dodd-Frank Act. For more information see "Operational Risk - Legal and Regulatory Related Risks" below.

Increased capital requirements and changes to what is defined to constitute capital may constrain the Group's planned activities and could increase costs 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.

(ii) Maintaining capital strength

A material adverse deterioration in the Group's financial performance can affect the Group's capacity to support further capital deployment.

(iii) Changes in funding availability and costs

Market liquidity and the availability and cost of customer deposits and wholesale funding impacts the Group's ability to meet its obligations as they fall due, support normal business activity and meet liquidity regulatory requirements. Large unexpected outflows, for example from customer withdrawals, ratings downgrades or loan drawdowns, could also result in forced reduction in the balance sheet, inability to fulfil lending obligations and a failure to meet liquidity regulatory requirements.

(iv) Downgrade in credit ratings

Credit ratings affect the cost and other terms upon which the Group is able to obtain funding. Rating agencies regularly evaluate the Group and certain of its subsidiaries, as well as their respective debt securities. Their ratings are based on a number of factors, including their assessment of the relative financial strength of the Group or of the relevant entity, as well as conditions affecting the financial services industry generally and there can be no assurance that the rating agencies will maintain the Group's or the relevant entity's current ratings or outlook, especially in light of the difficulties in the financial services industry and the financial markets.

During 2012, the Bank's rating was downgraded by Moody's, from Aa3/P-1/C to A2/P-1/C-, as a result of the agency's rating repositioning of banks and securities firms with global capital market operations, and by DBRS, from AA High/R-1 High to AA/R-1 High, as the result of the resignation of senior management during the summer.

Credit rating downgrades could result in contractual outflows to meet collateral requirements on existing contracts and potential loss of unsecured funding. The aggregate contractual outflows to meet our collateral requirements on existing contracts following a one and two notch long term and associated short term simultaneous downgrades across all credit rating agencies, would be £13 billion and £17 billion respectively.

(v) Local balance sheet management and redenomination risk

The introduction of capital controls or new currencies by countries (for example in the Eurozone) to mitigate current stresses could have an adverse impact on the performance of local balance sheets of certain Group companies depending on the asset quality, types of collateral and mix of liabilities.

Operational risk

Operational risk is the risk of direct or indirect impacts resulting from human factors, inadequate or failed internal processes and systems or external events. Operational risks are inherent in the Group's business activities and include those relating to the conduct of employees and the Bank as a whole and consider the reputational impact of risks should they occur.

Notwithstanding anything contained in this risk factor, it should not be taken as implying that the Bank will be unable to comply with its obligations as a company with securities admitted to the Official List of the Financial Conduct Authority (the "Official List") nor that it, or its relevant subsidiaries, will be unable to comply with its or their obligations as supervised firms regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

Legal and regulatory related risks

(i) Legal risk

The Group is subject to a comprehensive range of legal obligations in all countries in which it operates and so is exposed to many forms of legal risk, including that: (i) business may not be conducted in accordance with applicable laws in the relevant jurisdictions around the world and financial and other penalties may result; (ii) contractual obligations may either not be enforceable as intended or may be enforced in a way adverse to the Group; (iii) intellectual property may not be adequately protected; and (iv) liability for damages may be incurred to third parties harmed by the conduct of the Group's business. The Group also faces regulatory and other investigations in various jurisdictions, including in the US.

Furthermore, the Group, like many other financial institutions, has come under greater regulatory scrutiny in recent years and expects that environment to continue – see "Regulatory Risk" below for further details. Key legal proceedings to which the Group was exposed during 2012 and continues to be exposed include those relating to:

- Lehman Brothers;
- certain series of preference shares issued in the form of American Depositary Shares;
- residential mortgage backed securities;
- Devonshire Trust; and
- LIBOR Civil Actions.

The outcome of each of these legal proceedings is difficult to predict. However, it is likely that the Group will incur significant expense in connection with these matters and one or more of them could expose the Group to any of the following: substantial monetary damages; other penalties and injunctive relief; potential regulatory restrictions on the Group's business; and/or negative effect on the Group's reputation.

A description of the risks associated with key competition and regulatory matters affecting the Bank during 2012 and which are ongoing is set out below:

- Interchange investigations: The key risks arising from the investigations into Visa and MasterCard credit and debit interchange rates comprise the potential for fines imposed by competition authorities, follow on litigation and proposals for new legislation. It is not currently possible to predict the likelihood or impact of these risks;
- London Interbank Offered Rates (LIBOR) investigations: The risks associated with investigations by various authorities into submissions made by the Bank and other panel members to the bodies that set various interbank offered rates include: the potential for further financial penalties imposed by governmental authorities in addition to those assessed in 2012; the pending and potential additional civil litigation; damage to the Bank's reputation; the potential for criminal prosecution should the Bank violate the terms of its non-prosecution agreement with the Department of Justice, Criminal Division Fraud Section; and potential further regulatory enforcement action should the Bank fail to comply with the Cease and Desist Order entered against it by the Commodity Futures Trading Commission (CFTC);
- Interest Rate Hedging Products: The provision of £850 million that the Bank has made in 2012 for future redress to customers categorised as non-sophisticated has been based on the best currently available information, however there is a risk that the provision may need to be increased to the extent that experience is not in line with management estimates. In addition, customers could initiate civil litigation against the Bank in connection with the sale of interest rate hedging products;
- Federal Energy Regulatory Commission (FERC) investigation: The Bank may be required to pay a civil penalty and profit disgorgement plus interest, and could incur damage to its reputation, if it is found to have violated the FERC's Anti-Manipulation Rule in connection with the Bank's power trading in the western US with respect to the period from late 2006 to 2008; and
- Other Regulatory investigations: These relate to investigations by the FCA and Serious Fraud Office in connection with certain commercial agreements between the Bank and Qatari interests and whether these may have related to the Bank's capital raisings in June and November 2008 and an investigation by the US Department of Justice and US Securities and Exchange Commission into whether the Group's relationships with third parties who assist the Bank to win or retain business are compliant with the US Foreign Corrupt Practices Act. The risk of these investigations is that one or more of the relevant authorities will conclude that the Bank and/or one or more of its current or former senior employees has been involved in some form of wrongdoing. It is not possible to foresee the outcome or impact of such findings other than that a fine or a number of fines would be possible.

(ii) 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 which are currently subject to significant changes. 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. Non-compliance may also lead to costs relating to investigations and remediation of affected customers. The latter may exceed the direct costs of regulatory enforcement actions. In addition, reputational damage may lead to a reduction in franchise value.

Regulatory change

The banking industry continues to be subject to unprecedented levels of regulatory change and scrutiny in many of the countries in which the Group operates. This has led to a more intensive approach to supervision and oversight, increased expectations and enhanced requirements, including capital and liquidity requirements (for example relating to Basel 3 and CRD IV), resolvability and the clearing of over-the-counter (OTC) derivatives. Banks, such as the Bank, that are deemed by the Financial Stability Board to be globally systemic banks will be subject to particular scrutiny. In 2013 challenges are expected to increase, particularly in the United Kingdom with the Prudential Regulatory Authority (PRA) and Financial Conduct Authority (FCA) taking over from the Financial Services Authority with enhanced powers and more focused regulatory mandates and objectives. In addition, the Financial Policy Committee (FPC) of the Bank of England will have a powerful influence on the conduct of the new regulatory bodies and powers to raise capital requirements for the sector. Significant challenges are also anticipated in the United States as the Dodd-Frank Wall Street Reform and Consumer Protection Act 2010 (DFA) is implemented, including restrictions on proprietary trading and fund-related activities (the so-called "Volcker Rule"). Some of the impacts of the DFA extend beyond the United States. The full scale of the DFA's impact on the Group remains unclear because the rules required to implement many of the provisions of DFA continue to be subject to rulemaking and will take effect over several years. As a result, regulatory risk will continue to focus senior management attention and consume significant levels of business resource. Furthermore, uncertainty and the extent of international regulatory coordination as enhanced supervisory standards are developed and implemented may adversely affect our ability to engage in effective business, capital and risk management planning.

Banking Act

The Banking Act 2009 (the "Banking Act") provides a regime to allow the Bank of England (or, in certain circumstances, HM Treasury) to resolve failing banks in the UK, in consultation with the PRA and HM Treasury as appropriate. Under the Banking Act, these authorities are given powers, including (a) the power to make share transfer orders pursuant to which all or some of the securities issued by a UK bank may be transferred to a commercial purchaser or the UK government; and (b) the power to transfer all or some of the property, rights and liabilities of a UK bank to a commercial 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. From 1 April 2013, certain of these powers will be extended to companies within the same group as a UK bank. The Banking Act also gives the authorities powers to override events of default or termination rights that might be invoked as a result of the exercise of the resolution powers. 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, its holding company and its group undertakings for reasonable consideration, in order to enable any transferee or successor bank to operate effectively. There is also power for HM 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.

FSCS

Banks, insurance companies and other financial institutions in the UK are subject to a single financial services compensation scheme (the Financial Services Compensation Scheme – "FSCS") which operates when 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 currencies 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 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.

Compensation has previously been paid out by the FSCS funded by loan facilities totalling approximately £18 billion provided by HM Treasury to FSCS in support of FSCS's obligations to the depositors of banks declared in default. In April 2012, the FSCS agreed revised terms on the loan facilities including a 70bps increase in the interest rate payable to 12 month LIBOR plus 100 bps. This rate will be subject to a floor equal to the HM Treasury's own cost of borrowing. The facilities are expected to be repaid wholly from recoveries from the failed deposit takers, except for an estimated shortfall of £0.8 billion. The FSCS has announced it intends to recover this shortfall by levying the industry in instalments across 2013, 2014 and 2015, in addition to the ongoing interest charges on the outstanding loans. The Bank included an accrual of £156 million in other liabilities as at 31 December 2012 (2011: £58 million) in respect of the Bank's portion of the total levies raised by the FSCS.

Structural reform

The UK Government has introduced the Financial Services (Banking Reform) Bill which, when enacted, would give the UK authorities the power to implement the recommendations of the Independent Commission on Banking to ring fence the UK and EEA retail banking activities of the Group. The Government has also announced that it will establish a reserve power allowing the regulator, with approval from the Government, to enforce full separation under certain circumstances.

The European Commission is considering the recommendations of the High Level Expert Group to require banks to ring fence their trading activities. Proposals are expected in 2013.

In December 2012, the Federal Reserve issued a notice of proposed rulemaking (NPR) to implement for foreign banking organisations Section 165 (enhanced prudential standards) and Section 166 (early remediation requirements) of the Dodd-Frank Act. The NPR proposes that foreign banking organisations, like the Bank, with total global assets of $50bn or more and with total US assets of $10bn or more (not including branches/agencies) establish an intermediate holding company (IHC) for its US bank and nonbank subsidiaries. The IHC would be required to meet the enhanced prudential standards and early remediation requirements that to a large degree, the same as, those applicable to similar US bank holding companies, including some requirements previously assessed as not being applicable to the Group. The NPR, if adopted in its current form, has the potential to significantly increase the absolute and regulatory costs of the Group's US operations.

These laws and regulations could result in changes to the structure of the Bank, and an increase in the amount of loss-absorbing capital issued by the Bank, which may have an adverse impact on profitability, return on equity and/or financial condition. It is not yet possible to predict the detail of secondary legislation or regulatory rulemaking or the ultimate consequences to the Group.

Conduct related issues

There are also a number of areas where the Bank's conduct has not met the expectations of regulators and other stakeholders and where the Group has sustained financial and reputational damage in 2012, and where the consequences are likely to endure into 2013 and beyond.

These include participation in benchmark rates and LIBOR and interest rate hedging products, which are discussed in the Legal Risk section above and Payment Protection Insurance ("PPI"). Provisions totalling £850 million have been raised in respect of interest rate hedging products in 2012, and provisions of £2.6 billion have been raised against PPI in 2011-2012. To the extent that experience is not in line with management estimates, additional provisions may be required and further reputational damage may be incurred.

Furthermore, the Group is from time to time subject to regulatory investigations. The risk of these investigations to the Bank is that, a number of or all of the authorities will conclude that the Bank has been involved in some form of wrongdoing. It is not possible to foresee the outcome or impact of such findings other than that fines or other forms of regulatory censure would be possible. This includes the investigation by the United States FERC into the Group's conduct (see "Legal Risk" above).

There is a risk that there may be other conduct issues, including in business already written, that the Bank is not presently aware of.

In addition to the risks highlighted under "Legal Risk" above, the Bank participates in the setting of number of interest rate benchmarks such as LIBOR. The setting of such benchmarks is subject to increased scrutiny and additional regulation in a number of jurisdictions, with enhanced sanctions – including potential criminal sanctions – and attendant damage to the Bank's reputation for violations. The Bank may also be required to contribute to benchmarks due to its presence in certain markets. The FCA is considering the use of such powers.

(iii) Implementation of Basel 3

The new capital requirements regulation and capital requirements directive that implement Basel 3 within the EU (collectively known as CRD IV) include significant developments in the regulatory capital regime including: increased minimum capital ratios; changes to the definition of capital and the calculation of risk weighted assets; and the introduction of new measures relating to leverage, liquidity and funding. The requirements are under consideration and are expected to be finalised during 2013; however the implementation date is uncertain.

The impact of the CRD IV rules, including with respect to the calculation of capital and risk weighted assets, and the timing of implementation including the application of transitional relief, have not been finalised and remain subject to change by European legislators. The PRA may also alter the stated approach of the UK regulator to the adoption of CRD IV in the United Kingdom. For example, the scope of application of the volatility charge for credit value adjustments (CVA) may be different from that expected and restrictions may be applied on the maturity of hedges over to insignificant financial holdings, with the result that individually and/or in aggregate such changes may materially negatively affect Barclays CRD IV capital, leverage, liquidity and funding ratios.

(iv) Recovery and resolution plans (RRP)

The strong regulatory focus on resolvability has continued in 2012, from both UK and international regulators. The Group continues to work with the authorities on RRP and the detailed practicalities of the resolution process. This includes the provision of information that would be required in the event of a resolution, in order to enhance the Bank's resolvability. The Group made its first formal RRP submissions to the UK and US regulators in mid-2012 and has continued to work with the authorities to identify and address any impediments to resolvability.

Should the authorities decide that the Bank is not resolvable they have the ability to demand that the Group is broken into sections that are deemed resolvable. The impact of such structural changes could impact capital, liquidity and leverage ratios, due to reduced benefits of diversification, as well as the overall profitability, via duplicated infrastructure costs, lost cross-rate revenues and additional funding costs.

Other operational risks

(v) Reputation risk

Reputation risk, meaning the risk of damage to the Bank's brand arising from any association, action or inaction which is perceived by stakeholders to be inappropriate or unethical, is inherent in our business. Reputational damage can result from the actual or perceived manner in which we conduct our business activities, from our financial performance, or from actual or perceived practices in the banking and financial industry. Such reputational damage reduces – directly or indirectly – the attractiveness of the Bank to stakeholders and may lead to negative publicity, loss of revenue, litigation, regulatory or legislative action, loss of existing or potential client business, reduced workforce morale, and difficulties in recruiting talent. Sustained reputational damage could have a materially negative impact on our licence to operate and destroy shareholder value.

(vi) Infrastructure resilience, Technology and CyberSecurity

Events across the industry during 2012 reinforced the importance of infrastructure resilience to the banking infrastructure to allow customers to access their accounts and make payments in a timely fashion. The Group recognises that this is an area of risk that continues to change rapidly and so requires continued focus.

Any disruption in a customer's access to their account information or delays in making payments will have a significant impact on the Group's reputation and may also lead to potentially large costs to both rectify the issue and reimburse losses incurred by customers. However, given that it is not possible to predict the level or impact of such an event, should it occur, it is not possible to accurately quantify either the reputational damage or associated costs to the Group.

Furthermore, the Bank recognises the growing threat of attacks to its systems, customers and Group's information held on customers and transactions processed through these systems from individuals or groups via cyberspace (the interdependent network of information technology infrastructures, and includes technology 'tools' such as the internet, telecommunications networks, computer systems, and embedded processors and controllers in critical industries[1]). The implementation of measures to manage the risk involves continued investment and use of internal resources.

However, given the increasing sophistication and scope of potential attacks via cyberspace, it is possible that in the future such attacks may lead to significant breaches leading to associated costs and reputational damage although these cannot be quantified to any degree of accuracy at this time due to the uncertain nature and impact of any such attack.

(vii) Transform Programme

In February 2013, we presented the results of our Strategic Review and the elements of our Transform Programme. As part of the Transform Programme, we will seek to, among other initiatives, restructure the Bank's European retail operations to focus on the mass affluent customer segment, manage risk weighted assets more efficiently through run-off of legacy assets in Europe and the Investment Bank, and reduce total costs significantly across the Group.

As a result of certain commitments made in the Review, the Bank incurred a restructuring charge of £514 million in the first quarter of 2013 and expects to incur costs associated with implementing the strategic plan of approximately £1 billion in 2013, £1 billion in 2014 and £0.7 billion in 2015.

The development and implementation of our Strategy Review requires difficult, subjective and complex judgements, including forecasts of economic conditions in various parts of the world. We may fail to correctly identify the trends we seek to exploit and the relevant factors in making decisions as to capital deployment and cost reduction. Our ability to execute our strategy may also be limited by our operational capacity and the increasing complexity of the regulatory environment in which we operate. Moreover, there is a risk that the restructuring costs associated with implementing the Transform Programme may be higher than our current expectations. Failure to successfully implement the Transform Programme could have a material adverse effect on the expected benefits of the Transform Programme. In addition, factors beyond our control, including but not limited to the market and economic conditions such as the risk of an economic downturn and other challenges discussed in detail above, could limit or delay our ability to achieve all of the expected benefits of the Transform Programme.

(viii) 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, and is impacted by a number of double taxation agreements between countries.

There is potential risk that the Group could suffer losses due to additional tax charges, other financial costs or reputational damage due to: failure to comply with or correctly assess the application of, relevant tax law; failure to deal with tax authorities in a timely, transparent and effective manner; incorrect calculation of tax estimates for reported and forecast tax numbers; or provision of incorrect tax advice.

[1] As defined by the World Economic Forum's Partnership for Cyber Resilience, of which Barclays is a member.

(ix) Payment Protection Insurance Redress

Following the conclusion of the 2011 judicial review, a provision for PPI redress of £1.0 billion was raised in May 2011 based on the guidelines of the FSA (as predecessor to the FCA) and historic industry experience in resolving similar claims. Subsequently, further provisions of £300 million were raised in March 2012, £700 million in September 2012 and £600 million in December 2012, bringing the total provision for PPI redress to £2.6 billion. As at 31 December 2012 £1.6 billion of the provision was utilised, including gesture of goodwill payments to customers with accrued claims at the conclusion of the judicial review, leaving a residual provision as at such date of £1.0 billion. During the first quarter of 2013, a further £0.3 billion of the provision was utilised, leaving a residual provision as at 31 March 2013 of £0.7 billion.

The current provision is calculated based on a number of key assumptions which continue to involve significant management judgement:

- customer initiated claim volumes – claims received not yet processed and an estimate of future claims initiated by customers where the volume is anticipated to continue to decline over time;
- proactive response rate – volume of claims in response to proactive mailing;
- uphold rate – the percentage of claims that are upheld as being valid upon review; and
- average claim redress – the expected average payment to customers for upheld claims based on the type and age of the policy/policies.

The provision also includes an estimate of the Group's claims handling costs and those costs associated with claims that are subsequently referred to the Financial Ombudsman Service. The Group will continue to monitor actual claims volumes and the assumptions underlying the calculation of its PPI provision. It is possible that the eventual costs may materially differ to the extent that experience is not in line with management estimates. Any increase in the level of the provision may have a material adverse effect on the Group's results of operations, financial condition and prospects.

Amendments to "Risk Factors-Risks Relating to the LLP and the Class Collateral-Insolvency of the Bank and BCSL—Treatment of Repurchase Agreements "

The text of the section entitled "Risk Factors-Risks Relating to the LLP and the Class Collateral-Insolvency of the Bank and BCSL—Treatment of Repurchase Agreements" on pages 30 through 32 of the Base Prospectus shall be amended by the replacement of the term "FSA" in the first, second, fifth and seventh paragraphs of the section with the term "PRA".

Amendments to "Forward-Looking Statements"

The text of the section entitled "Forward-Looking Statements" on page 36 of the Base Prospectus shall be amended by the deletion of the existing wording of the section and its replacement with the following wording:

This Base Prospectus contains certain forward-looking statements within the meaning of Section 21E of the US Securities Exchange Act of 1934, as amended, and Section 27A of the US Securities Act of 1933, as amended, with respect to certain of the Group's plans and its current goals and expectations relating to its future financial condition and performance. Barclays cautions readers that no forward-looking statement is a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking statements. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements sometimes use words such as "may", "will", "seek", "continue", "aim", "anticipate", "target", "projected", "expect", "estimate", "intend", "plan", "goal", "believe", "achieve" or other words of similar meaning. Examples of forward-looking statements include, among others, statements regarding the Group's future financial position, income growth, assets, impairment charges, business strategy, capital ratios, leverage, payment of dividends, projected levels of growth in the banking and financial markets, projected costs, commitments in connection with the Transform programme, estimates of capital expenditures and plans and objectives for future operations and other statements that are not historical fact. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances, including, but not limited to, UK domestic, Eurozone and global macroeconomic and business conditions, the effects of continued volatility in credit markets, market related risks such as changes in interest rates and foreign exchange rates, effects of changes in valuation of credit market exposures, changes in valuation of issued notes, the policies and actions of governmental and regulatory authorities (including requirements regarding capital and Group structures and the potential for one or more countries exiting the Eurozone), changes in legislation, the further development of standards and interpretations under IFRS and prudential capital rules applicable to past, current and future periods, evolving practices with regard to the interpretation and application of standards under IFRS, the outcome of current and future legal proceedings, the success of future acquisitions and other strategic transactions and the impact of competition, a number of such factors being beyond the Group's control. As a result, the Group's actual future results may differ materially from the plans, goals, and expectations set forth in the Group's forward-looking statements.

Any forward-looking statements made herein speak only as of the date they are made. Except as required by the Central Bank, the Irish Stock Exchange, the Prudential Regulation Authority, the Financial Conduct Authority, the London Stock Exchange plc (the "**LSE**") or applicable law, the Bank expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this Base Prospectus to reflect any change in the Bank's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. The reader should, however, consult any additional disclosures that the Bank has made or may make in documents it has filed or may file with the Irish Stock Exchange, the LSE and/or the U.S. Securities and Exchange Commission.

Amendments to "Information Incorporated by Reference"

The text of the section entitled "Information Incorporated by Reference" on pages 37 and 38 of the Base Prospectus shall be amended by the deletion of the existing wording of the section and its replacement with the following wording:

The following information has been filed pursuant to the Transparency Directive and shall be deemed to be incorporated in, and to form part of, this Base Prospectus:

- the joint Annual Report of Barclays PLC and Barclays Bank PLC (the "**Bank**"), as filed with the U.S. Securities and Exchange Commission (the "**SEC**") on Form 20-F in respect of the years ended 31 December 2011 and 31 December 2012 (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 (available at http://group.barclays.com/Satellite?blobcol=urldata&blobheader=application%2Fpdf&blobheadername1=Content-Disposition&blobheadername2=MDT-Type&blobheadervalue1=inline%3B+filename%3D2012-Form-20-F-PDF.pdf&blobheadervalue2=abinary%3B+charset%3DUTF-8&blobkey=id&blobtable=MungoBlobs&blobwhere=1330696731044&ssbinary=true);

- the Annual Reports of the Bank containing the audited consolidated financial statements of the Bank in respect of the years ended 31 December 2011 (the "**2011 Bank Annual Report**") and 31 December 2012 (the "**2012 Bank Annual Report**"), respectively (available at http://group.barclays.com/Satellite?blobcol=urldata&blobheader=application%2Fpdf&blobheadername1=Content-Disposition&blobheadername2=MDT-Type&blobheadervalue1=inline%3B+filename%3D2011-Barclays-Bank-PLC-Annual-Report-%28PDF%29.pdf&blobheadervalue2=abinary%3B+charset%3DUTF-8&blobkey=id&blobtable=MungoBlobs&blobwhere=1330686323859&ssbinary=true, and http://group.barclays.com/Satellite?blobcol=urldatablobheader=application%2Fpdfblobheadername1=Content-Dispositionblobheadername2=MDT-Typeblobheadervalue1=inline%3B+filename%3D2012-Barclays-Bank-PLC-Annual-Report-PDF.pdfblobheadervalue2=abinary%3B+charset%3DUTF-8blobkey=idblobtable=MungoBlobsblobwhere=1330696635849ssbinary=true, respectively); and

- the unaudited Interim Management Statement of Barclays PLC as filed with the SEC on Form 6-K on Film Number 13779449 on 24 April 2013 in respect of the three months ended 31 March 2013 (the "**Interim Management Statement**") (available at http://tools.morningstar.co.uk/tsweu6nqxu/globaldocuments/document/documentHandler.ashx?DocumentId=51369615).

The above documents may be inspected as described under the heading "Documents available" in the section entitled "General Information". The hyperlinks set out in the preceding paragraphs are provided solely for convenience. Other than the information specifically incorporated by reference pursuant to this section of the Base Prospectus, neither the content of the website of the Bank, nor the content of any website accessible from hyperlinks on such websites, is incorporated into, or forms part of, this Base Prospectus.

The table below sets out the relevant page references for the information contained within the Joint Annual Report:

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Each of the Bank and Barclays PLC has applied International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board and as adopted by the European Union (the "**EU**") 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 2011 Bank Annual Report and the 2012 Bank Annual Report.

Amendments to "Information Relating to the Issuer"

The text of the section entitled "Information Relating to the Issuer" on pages 38 through 46 of the Base Prospectus shall be amended by the deletion of the existing wording of the section and its replacement with the following wording:

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, United Kingdom (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 Acts 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 Group 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 Credit Market Services Europe Limited, P-1 by Moody's Investors Service Ltd. and F1 by Fitch Ratings Limited and the long-term obligations of the Bank are rated A+ by Standard & Poor's Credit Market Services Europe Limited, A2 by Moody's Investors Service Ltd. and A by Fitch Ratings Limited.

Based on the Group's audited financial information for the year ended 31 December 2012, the Group had total assets of £1,490,747 million (2011: £1,563,402 million), total net loans and advances[1] of £466,627 million (2011: £478,726 million), total deposits[2] of £462,806 million (2011: £457,161 million), and total shareholders' equity of £62,894 million (2011: £65,170 million) (including non-controlling interests of £2,856 million (2011: £3,092 million)). The profit before tax from continuing operations of the Group for the year ended 31 December 2012 was £99 million (2011: £5,974 million) after credit impairment charges and other provisions of £3,596 million (2011: £3,802 million). The financial information in this paragraph is extracted from the audited consolidated financial statements of Barclays Bank PLC for the year ended 31 December 2012.

[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

Strategic combination of Barclays Africa with Absa Group Limited

On 6 December 2012, the Bank announced that it had agreed to combine the majority of its Africa operations (the "**Portfolio**") with Absa Group Limited ("**Absa**"). The proposed strategic combination will be effected by way of an acquisition by Absa of Barclays Africa Limited, the proposed holding company of the Portfolio, for a consideration of 129,540,636 Absa ordinary shares (representing a value of approximately £1.3 billion for Barclays Africa Limited). As a result of the transaction, the Bank's stake in Absa will increase from 55.5 per cent. To 62.3 per cent. The proposed combination is expected to complete in the first half of 2013, subject to fulfilment of conditions precedent, including regulatory approvals across the affected jurisdictions.

Acquisition of ING Direct UK

On 9 October 2012, the Bank announced that it had agreed to acquire the deposits, mortgages and business assets of ING Direct UK. Under the terms of the transaction, which completed on 5 March 2013, the Bank acquired amongst other business assets a deposit book with balances of approximately £11.4 billion and a mortgage book with outstanding balances of approximately £5.3 billion.

Disposal of stake in BlackRock, Inc.

On 22 May 2012, the Bank announced that it had agreed to dispose of the Bank's entire holding in BlackRock, Inc. ("**BlackRock**") pursuant to an underwritten public offer and a partial buy-back by BlackRock. On disposal, the Bank received net proceeds of approximately U.S.$5.5 billion.

Impact of Strategic Review

On 12 February 2013, the Bank announced the outcome of its strategic review. As a result of certain commitments made in the review, the Bank incurred a restructuring charge of approximately £514 million in the first quarter of 2013 and expects to incur costs associated with implementing the restructuring plan of £1 billion in 2013, £1 billion in 2014 and £0.7 billion in 2015.

Competition and Regulatory Matters

Regulatory change

There is continuing political and regulatory scrutiny of the banking industry which, in some cases, is leading to increased or changing regulation which is likely to have a significant effect on the industry.

On 4 February 2013, the UK Government introduced the Financial Services (Banking Reform) Bill (the "**Bill**") to the House of Commons. The Bill would give the UK authorities the powers to implement the key recommendations of the Independent Commission on Banking by requiring, amongst other things: (i) the separation of the UK and EEA retail banking activities of UK banks in a legally distinct, operationally separate and economically independent entity (so called "ring fencing") and (ii) the increase of the loss-absorbing capacity of ring-fenced banks and UK headquartered global systemically important banks to levels higher than the Basel 3 guidelines. The Bill would also give depositors protected under the Financial Services Compensation Scheme preference if a bank enters insolvency. At the same time, the UK Government announced that it will be bringing forward amendments to the Bill to establish a reserve power allowing the regulator, with approval from the UK Government, to enforce full separation under certain circumstances. The UK Government is expected to publish draft secondary legislation by late summer this year. The UK Government intends that primary and secondary legislation will be in place by the end of this Parliament (May 2015) and that UK banks will be required to be compliant by 1 January 2019.

The U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act contains far reaching regulatory reform including potential reform of the regulatory regime for foreign banks operating in the U.S. which may, amongst other things, require the U.S. subsidiaries of foreign banks to be held under a U.S. intermediate holding company subject to a comprehensive set of prudential and supervisory requirements in the U.S.. The full impact on the Bank's businesses and markets will not be known until the principal implementing rules are adopted in final form by governmental authorities, a process which is underway and which will take effect over several years.

Interchange

The Office of Fair Trading, as well as other competition authorities elsewhere in Europe, continues to investigate Visa and MasterCard credit and debit interchange rates. These investigations may have an impact on the consumer credit industry as well as having the potential for the imposition of fines. The timing of these cases is uncertain and it is not possible to provide an estimate of the potential financial impact of this matter on the Bank.

London Interbank Offered Rate

The FCA, the U.S. Commodity Futures Trading Commission (the "**CFTC**"), the SEC, the U.S. Department of Justice Fraud Section (the "**DOJ-FS**") and Antitrust Division, the European Commission, the UK Serious Fraud Office and various U.S. state attorneys general are amongst various authorities conducting investigations (the "**Investigations**") into submissions made by the Bank and other panel members to the bodies that set various interbank offered rates, such as the London Interbank Offered Rate ("**LIBOR**") and the Euro Interbank Offered Rate ("**EURIBOR**").

On 27 June 2012, the Bank announced that it had reached settlements with the FSA (as predecessor to the FCA), the CFTC and the DOJ-FS in relation to their Investigations and the Bank has agreed to pay total penalties of £290 million (pounds sterling equivalent), which have been reflected in operating expenses for 2012. The settlements were made by entry into a Settlement Agreement with the FSA, a Non-Prosecution Agreement ("**NPA**") with the DOJ-FS and a Settlement Order Agreement with the CFTC. In addition, the Bank has been granted conditional leniency from the Antitrust Division of the Department of Justice in connection with potential US antitrust law violations with respect to financial instruments that reference EURIBOR.

The terms of the Settlement Agreement with the FSA are confidential. However, the Final Notice of the FSA, which imposed a financial penalty of £59.5 million, is publicly available on the website of the FCA. This sets out the FSA's reasoning for the penalty, references the settlement principles and sets out the factual context and justification for the terms imposed. Summaries of the NPA and the CFTC Order are set out below. The full text of the NPA and the CFTC Order are publicly available on the websites of the DOJ and the CFTC, respectively.

In addition to a $200m civil monetary penalty, the CFTC Order requires the Bank to cease and desist from further violations of specified provisions of the U.S. Commodity Exchange Act and take specified steps to ensure the integrity and reliability of its benchmark interest rate submissions, including LIBOR and EURIBOR, and improve related internal controls. Amongst other things, the CFTC Order requires the Bank to:

- make its submissions based on certain specified factors, with the Bank's transactions being given the greatest weight, subject to certain specified adjustments and considerations;
- implement firewalls to prevent improper communications including between traders and submitters;
- prepare and retain certain documents concerning submissions and retain relevant communications;
- implement auditing, monitoring and training measures concerning its submissions and related processes;
- make regular reports to the CFTC concerning compliance with the terms of the CFTC Order;
- use best efforts to encourage the development of rigorous standards for benchmark interest rates; and
- continue to cooperate with the CFTC's ongoing investigation of benchmark interest rates.

As part of the NPA, the Bank agreed to pay a $160m penalty. In addition, the DOJ agreed not to prosecute the Bank for any crimes (except for criminal tax violations, as to which the DOJ cannot and does not make any agreement) related to the Bank's submissions of benchmark interest rates, including LIBOR and EURIBOR, contingent upon the Bank's satisfaction of specified obligations under the NPA. In particular, under the NPA, the Bank agreed for a period of two years from 26 June 2012, amongst other things, to:

- commit no United States crime whatsoever;
- truthfully and completely disclose non-privileged information with respect to the activities of the Bank, its officers and employees, and others concerning all matters about which the DOJ inquires of it, which information can be used for any purpose, except as otherwise limited in the NPA;
- bring to the DOJ's attention all potentially criminal conduct by the Bank or any of its employees that relates to fraud or violations of the laws governing securities and commodities markets; and
- bring to the DOJ's attention all criminal or regulatory investigations, administrative proceedings or civil actions brought by any governmental authority in the United States by or against the Bank or its employees that alleges fraud or violations of the laws governing securities and commodities markets.

The Bank also agreed to cooperate with the DOJ and other government authorities in the United States in connection with any investigation or prosecution arising out of the conduct described in the NPA, which commitment shall remain in force until all such investigations and prosecutions are concluded. The Bank also continues to cooperate with the other ongoing investigations.

It is not practicable to provide an estimate of the financial impact of these matters or what effect, if any, that the matters might have upon operating results, cash flows or the Bank's financial position in any particular period.

Please see "Legal Proceedings — LIBOR Civil Actions" for a discussion of litigation arising in connection with the Investigations.

Interest Rate Hedging Product Redress

On 29 June 2012, the FSA (as predecessor to the FCA) announced that it had reached agreement with a number of UK banks, including the Bank, in relation to a review and redress exercise to be carried out in respect of interest rate hedging products sold to small and medium sized enterprises. During the second half of 2012, the Bank completed a pilot review of a sample of individual cases. On 31 January 2013, the FSA issued a report on the findings of the pilot, along with those conducted by a number of other banks. The report included a number of changes and clarifications to the requirements under which the main review and redress exercise should be conducted. The Bank has agreed to conduct the exercise in line with the approach set out in this report and will commence shortly. Our current analysis suggests that there are approximately 4,000 private or retail classified customers to which interest rate hedging products were sold within the relevant timeframe, of which approximately 3,000 are likely to be categorised as non-sophisticated under the terms of the agreement.

As at 30 June 2012, a provision of £450 million was recognised, reflecting management's initial estimate of future redress to customers categorised as non-sophisticated and related costs. As at 31 December 2012, an additional provision of £400 million was recognised, reflecting the results of the pilot review, an updated estimate of administrative costs and the greater clarity afforded by the implementation requirements agreed with the FSA. The provision recognised in the balance sheet as at 31 December 2012 is £814 million, after utilisation of £36 million during 2012, primarily related to administrative costs. During the first quarter of 2013 a further £55 million of the provision was utilised. The provision reflects the Bank's best current estimate of the ultimate cost.

The pilot exercise provides the best currently available information upon which to base an estimate. However, the ultimate cost of the exercise will depend on the extent and nature of redress payable across the impacted population. This will be impacted by a number of factors, including:

- the number of customers for which the Bank is deemed not to have complied with relevant regulatory requirements at the time of sale;
- the nature of any redress offered by the Bank, in particular whether existing products are terminated or replaced with alternative products; and
- the level of reasonably foreseeable consequential loss payable.

The appropriate provision level will be kept under ongoing review as the main redress and review exercise progresses.

Payment Protection Insurance Redress

On 20 April 2011, the judicial review proceedings brought by the British Bankers' Association in October 2010 against the FSA (as predecessor to the FCA) and the Financial Ombudsman Service regarding the assessment and redress of payment protection insurance ("PPI") complaints were dismissed. On 9 May 2011, the Bank announced that it would not be participating in any application for permission to appeal against the High Court judgment and that the Bank had agreed with the FSA that it would process all on-hold and any new complaints from customers about PPI policies that they hold. The Bank also announced that, as a goodwill gesture, it would pay out compensation to customers who had PPI complaints put on hold during the judicial review. The Bank took a provision of £1 billion in the second quarter of 2011 to cover the cost of future redress and administration. On 26 April 2012, 18 October 2012 and 5 February 2013, following an increase in PPI complaint volumes, the Bank announced that it had increased the provision by a further £300 million, £700 million and £600 million, respectively.

The Group will continue to monitor actual claims volumes and the assumptions underlying the calculation of its PPI provision. It is possible that the eventual costs may materially differ to the extent that experience is not in line with management estimates.

FERC Investigation

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

Other Regulatory Investigations

The FCA and the Serious Fraud Office are both investigating certain commercial agreements between the Bank and Qatari interests and whether these may have related to the Bank's capital raisings in June and November 2008. The FCA investigation involves four current and former senior employees, including Chris Lucas, Group Finance Director as well as the Bank. The FCA enforcement investigation began in July 2012 and the Serious Fraud Office commenced its investigation in August 2012.

In October 2012 the Bank was informed by the US Department of Justice and the US Securities and Exchange Commission that they had commenced an investigation into whether the Group's relationships with third parties who assist the Bank to win or retain business are compliant with the United States Foreign Corrupt Practices Act.

The Bank is co-operating with all the authorities fully. It is not possible to estimate the financial impact upon the Bank should any adverse findings be made.

Directors

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

Name	*Function(s) within the Group*	*Principal outside activities*
Sir David Walker	Chairman	—
Antony Jenkins	Group Chief Executive	—
Chris Lucas	Group Finance Director[2]	—
David Booth	Non-Executive Director	Director, East Ferry Investors Inc
Tim Breedon CBE	Non-Executive Director	Non-Executive Director, Ministry of Justice
Fulvio Conti	Non-Executive Director	Chief Executive Officer, Enel SpA; Director, AON Corporation; Independent Director, RCS MediaGroup S.p.A
Simon Fraser	Non-Executive Director	Non-Executive Director, Fidelity Japanese Values Plc and Fidelity European Values Plc; Chairman, Foreign & Colonial Investment Trust PLC; Chairman, Merchants Trust PLC; Non-Executive Director, Ashmore Group PLC
Reuben Jeffery III	Non-Executive Director	Senior Adviser, Center for Strategic & International Studies; Chief Executive Officer, Rockefeller & Co., Inc.
Sir Andrew Likierman	Non-Executive Director	Dean of London Business School; Chairman, National Audit Office
Dambisa Moyo	Non-Executive Director	Non-Executive Director, SABMiller plc; Non-Executive Director, Barrick Gold Corporation
Sir Michael Rake	Deputy Chairman and Senior Independent Director	Chairman, BT Group PLC; Director, McGraw-Hill Companies; Chairman, EasyJet PLC
Sir John Sunderland	Non-Executive Director	Chairman, Merlin Entertainments Group; Non-Executive Director, AFC Energy plc
Diane de Saint Victor	Non-Executive Director	General Counsel, Company Secretary and a member of the Group Executive Committee of ABB Limited

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

Employees

As at 31 December 2012, the total number of persons employed by the Group (full time equivalents) was 139,200 (2011: 141,100).

[2] On 4 February 2013, the Bank announced that the Group Finance Director, Chris Lucas, had decided to retire from the Bank. Chris has agreed to remain in his role until his successor has been appointed and an appropriate handover completed.

Legal Proceedings

Lehman Brothers

On 15 September 2009, motions were filed in the United States Bankruptcy Court for the Southern District of New York (the "**Bankruptcy Court**") 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 challenged 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 "**Sale**"). The claimants were seeking 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 (the "**Rule 60 Claims**"). 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 and 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 (together with the Trustee's competing claims to those assets, the "**Contract Claims**"). Approximately U.S.$4.5 billion (£2.8 billion) of the assets acquired as part of the acquisition had not been received by 31 December 2012, approximately U.S.$3.0 billion (£1.9 billion) of which were recognised as part of the accounting for the acquisition and are included in the balance sheet as at 31 December 2012. This results in an effective provision of U.S.$1.5 billion (£0.9 billion) against the uncertainty inherent in the litigation and issues relating to the recovery of certain assets held by institutions outside the United States.

On 22 February 2011, the Bankruptcy Court issued its Opinion in relation to these matters, rejecting the Rule 60 Claims and deciding some of the Contract Claims in the Trustee's favour and some in favour of BCI. On 15 July 2011, the Bankruptcy Court entered final Orders implementing its Opinion. BCI and the Trustee each appealed the Bankruptcy Court's adverse rulings on the Contract Claims to the United States District Court for the Southern District of New York (the "**District Court**"). LBHI and the Committee did not pursue an appeal from the Bankruptcy Court's ruling on the Rule 60 Claims. After briefing and argument, the District Court issued its Opinion on 5 June 2012 in which it reversed one of the Bankruptcy Court's rulings on the Contract Claims that had been adverse to BCI and affirmed the Bankruptcy Court's other rulings on the Contract Claims. On 17 July 2012, the District Court issued an amended Opinion, correcting certain errors but not otherwise affecting the rulings, and an agreed judgment implementing the rulings in the Opinion (the "**Judgment**"). BCI and the Trustee have each appealed the adverse rulings of the District Court to the United States Court of Appeals for the Second Circuit.

Under the Judgment, BCI is entitled to receive: (i) U.S.$1.1 billion (£0.7 billion) from the Trustee in respect of "clearance box" assets; (ii) property held at various institutions to secure obligations under the exchange-traded derivatives transferred to BCI in the Sale (the "**ETD Margin**"), subject to the proviso that BCI will be entitled to receive U.S.$507 million (£0.3 billion) of the ETD Margin only if and to the extent the Trustee has assets available once the Trustee has satisfied all of LBI's customer claims; and (iii) U.S.$769 million (£0.5billion) from the Trustee in respect of LBI's 15c3-3 reserve account assets only if and to the extent the Trustee has assets available once the Trustee has satisfied all of LBI's customer claims.

A portion of the ETD Margin which has not yet been recovered by BCI or the Trustee is held or owed by certain institutions outside the United States (including several Lehman affiliates that are subject to insolvency or similar proceedings). As at the date of this Base Prospectus, the Bank cannot reliably estimate how much of the ETD Margin held or owed by such institutions BCI is ultimately likely to receive. Further, the Bank cannot reliably estimate (as at the date of this Base Prospectus) if and to the extent the Trustee will have assets remaining available to it to pay BCI the U.S.$507 million (£0.3 billion) in respect of ETD Margin or the U.S.$769 million (£0.5billion) in respect of LBI's 15c3-3 reserve account assets after satisfying all of LBI's customer claims. In this regard, the Trustee announced in October 2012 that if his proposed settlement agreements with LBHI and with the administrator for the liquidation of Lehman Brothers Inc. (Europe) are approved by the relevant courts, then the Trustee should be in position to satisfy all customer claims and make meaningful distributions to creditors (without having to use any of the assets that BCI claims). If the District Court's rulings were to be unaffected by future proceedings, conservatively assuming no recovery by BCI of any of the ETD Margin not yet recovered by BCI or the Trustee that is held or owed by institutions outside the

United States and no recovery by BCI of the U.S.$507 million (£0.3 billion) in respect of ETD Margin or the U.S.$769 million (£0.5 billion) in respect of LBI's 15c3-3 reserve account assets, the Bank estimates its loss would be approximately U.S.$0.9 billion (£0.5 billion). Under the same scenario, but assuming the Trustee's proposed settlement agreements with LBHI and the administrator for the liquidation of Lehman Brothers Inc. (Europe) are implemented, and result in the receipt by BCI of the $507 million ETD Margin and $769 million in respect of the 15c3-3 reserve account assets, the Bank estimates its profit would be approximately $0.4 billion (£0.2 billion) plus the value of any recovery of the ETD Margin held or owed by institutions outside of the United States. In this context, the Bank is satisfied with the valuation of the asset recognised on its balance sheet and the resulting level of effective provision.

American Depositary Shares

The Bank, 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 "**Court**"). The consolidated amended complaint, dated 12 February 2010, alleges that the registration statements relating to American Depositary Shares representing Preferred Stock, Series 2, 3, 4 and 5 (the "**ADS**") offered by the Bank at various times between 2006 and 2008 contained misstatements and omissions concerning (amongst other things) the Bank's portfolio of mortgage-related (including U.S. subprime-related) securities, the Bank's exposure to mortgage and credit market risk and the Bank's financial condition. The consolidated amended complaint asserts claims under Sections 11, 12(a)(2) and 15 of the Securities Act of 1933. On 5 January 2011, the Court issued an order and, on 7 January 2011, judgment was entered, granting the defendants' motion to dismiss the complaint in its entirety and closing the case. On 4 February 2011, the plaintiffs filed a motion asking the Court to reconsider in part its dismissal order. On 31 May 2011, the Court denied in full the plaintiffs' motion for reconsideration. The plaintiffs have appealed both decisions (the grant of the defendants' motion to dismiss and the denial of the plaintiffs' motion for reconsideration) to the United States Court of Appeals for the Second Circuit. Oral argument was held on 18 October 2012.

The Bank considers that these ADS-related claims against it are without merit and is defending them vigorously. As at the date of this Base Prospectus, it is not practicable to estimate the Bank's possible loss in relation to these claims or any effect that they might have upon operating results in any particular financial period.

U.S. Federal Housing Finance Agency and Other Residential Mortgage-Backed Securities Litigation

The U.S. Federal Housing Finance Agency ("**FHFA**"), acting for two U.S. government sponsored enterprises, Fannie Mae and Freddie Mac (collectively, the "**GSEs**"), filed lawsuits against 17 financial institutions in connection with the GSEs' purchases of residential mortgage-backed securities ("**RMBS**"). The lawsuits allege, amongst other things, that the RMBS offering materials contained materially false and misleading statements and/or omissions. The Bank and/or certain of its affiliates or former employees are named in two of these lawsuits, relating to sales between 2005 and 2007 of RMBS, in which BCI was lead or co-lead underwriter.

Both complaints demand, amongst other things: rescission and recovery of the consideration paid for the RMBS; and recovery for the GSEs' alleged monetary losses arising out of their ownership of the RMBS. The complaints are similar to other civil actions filed against the Bank and/or certain of its affiliates by other plaintiffs, including the Federal Home Loan Bank of Seattle, Federal Home Loan Bank of Boston, Federal Home Loan Bank of Chicago, Cambridge Place Investment Management, Inc., HSH Nordbank AG (and affiliates), Sealink Funding Limited, Landesbank Baden-Württemberg (and affiliates), Deutsche Zentral-Genossenschaftsbank AG (and affiliates) and Stichting Pensioenfonds ABP, Royal Park Investments SA/NV, Bayerische Landesbank, John Hancock Life Insurance Company (and affiliates), Prudential Life Insurance Company of America (and affiliates) and the National Credit Union Administration relating to purchases of RMBS. The Bank considers that the claims against it are without merit and intends to defend them vigorously.

The original amount of RMBS related to the claims against the Bank in the FHFA cases and the other civil actions against the Group totalled approximately U.S.$8.5 billion, of which approximately U.S.$2.7 billion was outstanding as at 31 December 2012. Cumulative losses reported on these RMBS as at 31 December 2012 were approximately U.S.$0.4 billion. If the Bank were to lose these cases the Bank believes it could incur a loss of up to the outstanding amount of the RMBS at the time of judgment (taking into account further principal payments after 31 December 2012), plus any 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 2012 to be approximately U.S.$1.6 billion. The Bank may be entitled to indemnification for a portion of any losses. These figures do not include two related class actions brought on behalf of a putative class of investors in RMBS issued by Countrywide and underwritten by BCI and other underwriters, in which the Bank is indemnified by Countrywide.

Devonshire Trust

On 13 January 2009, the Bank commenced an action in the Ontario Superior Court (the "**Court**") seeking an order that its early terminations earlier that day of two credit default swaps under an ISDA Master Agreement with the Devonshire Trust ("**Devonshire**"), an asset-backed commercial paper conduit trust, were valid. On the same day, Devonshire purported to terminate the swaps on the ground that the Bank had failed to provide liquidity support to Devonshire's commercial paper when required to do so. On 7 September 2011, the Court ruled that the Bank's early terminations were invalid, Devonshire's early terminations were valid and, consequently, Devonshire was entitled to receive back from the Bank cash collateral of approximately C$533 million together with accrued interest thereon. The Bank is appealing the Court's decision. If the Court's decision were to be unaffected by future proceedings, the Bank estimates that its loss would be approximately C$500 million, less any impairment provisions taken by the Bank for this matter.

LIBOR Civil Actions

The Bank and other banks have been named as defendants in class action and non-class action lawsuits pending in United States Federal Courts in connection with their roles as contributor panel banks to U.S. Dollar LIBOR, the first of which was filed on 15 April 2011. The complaints are substantially similar and allege, amongst other things, that the Bank and the other banks individually and collectively violated various provisions of the Sherman Act, the U.S. Commodity Exchange Act, the Racketeer Influenced and Corrupt Organizations Act (RICO) and various state laws by suppressing or otherwise manipulating U.S. Dollar LIBOR rates. The lawsuits seek an unspecified amount of damages and trebling of damages under the Sherman and RICO Acts. The proposed class actions purport to be brought on behalf of (amongst others) plaintiffs that (i) engaged in U.S. Dollar LIBOR-linked over-the-counter transactions; (ii) purchased U.S. Dollar LIBOR-linked financial instruments on an exchange; (iii) purchased U.S. Dollar LIBOR-linked debt securities; (iv) purchased adjustable-rate mortgages linked to U.S. Dollar LIBOR; or (v) issued loans linked to U.S. Dollar LIBOR.

An additional class action was commenced on 30 April 2012 in the United States District Court for the Southern District of New York (the "**District Court**") against the Bank and other Japanese Yen LIBOR panel banks by plaintiffs involved in exchange-traded derivatives. The complaint also names members of the Japanese Bankers Association's Euroyen Tokyo Interbank Offered Rate ("**TIBOR**") panel, of which the Bank is not a member. The complaint alleges, amongst other things, manipulation of the Euroyen TIBOR and Yen LIBOR rates and breaches of US antitrust laws between 2006 and 2010.

A further class action was commenced on 6 July 2012 in the District Court against the Bank and other EURIBOR panel banks by plaintiffs that purchased or sold EURIBOR-related financial instruments. The complaint alleges, amongst other things, manipulation of the EURIBOR rate and breaches of the Sherman Act and the U.S. Commodity Exchange Act beginning as early as 1 January 2005 and continuing through to 31 December 2009. On 23 August 2012, the plaintiffs voluntarily dismissed the complaint.

On 12 February 2013, a class action was commenced in the United States District Court for the Northern District of Illinois against the Bank and other EURIBOR panel banks by plaintiffs that purchased or sold a NYSE LIFFE EURIBOR futures contract. The complaint alleges manipulation of the EURIBOR rate and violations of the Sherman Act beginning as early as 1 June 2005 and continuing through 30 June 2010.

In addition, the Bank has been granted conditional leniency from the Antitrust Division of the DOJ in connection with potential U.S. antitrust law violations with respect to financial instruments that reference EURIBOR.

The Bank has also been named as a defendant along with four current and former officers and directors of the Bank in a proposed securities class action pending in the District Court in connection with the Bank's role as a contributor panel bank to LIBOR. The complaint principally alleges that the Bank's Annual Reports for the years 2006 to 2011 contained misstatements and omissions concerning (amongst other things) the Bank's compliance with its operational risk management processes and certain laws and regulations. The complaint also alleges that the Bank's daily U.S. Dollar LIBOR submissions themselves constituted false statements in violation of U.S. securities law. The complaint is brought on behalf of a proposed class consisting of all persons or entities (other than the defendants) that purchased American Depositary Receipts sponsored by the Bank on an American securities exchange between 10 July 2007 and 27 June 2012. The complaint asserts claims under Sections 10(b) and 20(a) of the U.S. Securities Exchange Act 1934.

It is not practicable to provide an estimate of the financial impact of the potential exposure of any of the actions described or what effect, if any, that they might have upon operating results, cash flows or the Bank's or Group's financial position in any particular period.

Other

Barclays PLC, the Bank and the Group are engaged in various other legal 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, including debt collection, consumer claims and contractual disputes. The Bank does not expect the ultimate resolution of any of these proceedings to which the Group is party to have a material adverse effect on its results of operations, cash flows or the financial position of the Group and the Bank has not disclosed the contingent liabilities associated with these claims either because they cannot reliably be estimated or because such disclosure could be prejudicial to the conduct of the claims. Provisions have been recognised for those cases where the Bank is able reliably to estimate the probable loss where the probable loss is not de minimis.

Significant Change Statement

There has been no significant change in the financial or trading position of the Bank or the Group since 31 December 2012.

Material Adverse Change Statement

There has been no material adverse change in the prospects of the Bank or the Group since 31 December 2012.

Legal Proceedings

Save as disclosed under "The Bank and the Group — Competition and Regulatory Matters" (other than under the headings "— Regulatory change" and "— Interchange") and "The Bank and the Group — Legal Proceedings" above (other than under the heading "— Other"), 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.

Auditors

The annual consolidated and unconsolidated financial statements of the Bank for the two years ended 31 December 2011 and 31 December 2012 have been audited without qualification by PricewaterhouseCoopers of Southwark Towers, 32 London Bridge Street, London SE1 9SY, chartered accountants and registered auditors (authorised and regulated by the Financial Services Authority for designated investment business), who are members of the Institute of Chartered Accountants of England and Wales.

Related Parties

In the ordinary course of business, the Issuer participates in transactions with parent and fellow subsidiary companies. Such transactions are disclosed in the consolidated audited financial statements of Barclays PLC, which are publicly available and incorporated by reference into this Base Prospectus.

Amendments to “Description of the Sellers-Barclays Capital Securities Limited “

The text of the section entitled “Description of the Sellers-Barclays Capital Securities Limited” on page 50 of the Base Prospectus shall be amended by the deletion of the first sentence of the third paragraph of the section and it replacement with the following wording:

BCSL was incorporated on 9 July 1985. It is regulated by the PRA and the FCA in the United Kingdom and its permissions are set out on the FCA website (http://www.fsa.gov.uk/register/home.do).

Amendments to “Pro Forma Final Terms For Global Collateralised Medium Term Notes“

Part A, item 4(i) of the Pro Forma Final Terms For Global Collateralised Medium Term Notes on page 89 of the Base Prospectus shall be amended by the addition of “[Temporary Global Note Exchangeable for Permanent Global Note]” after “[Permanent Global Note]”.

Amendments to “Index of Defined Terms”

The **Index of Defined Terms** on page I-2 of the Base Prospectus shall be amended by the deletion of the reference to “FSA”.