

**Supplement Number 5 dated 15th April, 2009  
to the Base Prospectus dated 9th June, 2008**



**BARCLAYS PLC**  
*(incorporated with limited liability in England)*

**BARCLAYS BANK PLC**  
*(incorporated with limited liability in England and Wales)*

as Issuers

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**£60,000,000,000**  
**Debt Issuance Programme**

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This base prospectus supplement (the "**Supplement**") is supplemental to, forms part of and must be read in conjunction with, the base prospectus dated 9th June, 2008, as supplemented by the base prospectus supplement dated 1st July, 2008, by the base prospectus supplement dated 8th August, 2008, by the base prospectus supplement dated 2nd October, 2008 and by the base prospectus supplement dated 10th February, 2009 (together, the "**Base Prospectus**") prepared by Barclays PLC and Barclays Bank PLC (the "**Issuers**") with respect to their Debt Issuance Programme (the "**Programme**"). This Supplement constitutes a supplementary prospectus in respect of the Base Prospectus for the Issuers for the purposes of Section 87G of the Financial Services and Markets Act 2000.

Terms defined in the Base Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement. The Supplement is supplemental to, and shall be read in conjunction with, the Base Prospectus and other supplements to the Base Prospectus issued by the Issuers.

This Supplement has been approved by the United Kingdom Financial Services Authority (the "**FSA**"), which is the United Kingdom competent authority for the purposes of Directive 2003/71/EC (the "**Prospectus Directive**") and relevant implementing measures in the United Kingdom, as a base prospectus supplement issued in compliance with the Prospectus Directive and relevant implementing measures in the United Kingdom.

## **IMPORTANT NOTICES**

Each of the Issuers accepts responsibility for the information contained in this Supplement and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Supplement is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by this Supplement and (b) any other statement in, or incorporated by reference into, the Base Prospectus, the statements in (a) above will prevail.

Save as disclosed in this Supplement, no significant new factor, material mistake or inaccuracy relating to the information included in the Base Prospectus which is capable of affecting the assessment of the Notes issued under the Programme has arisen or been noted, as the case may be, since the publication of the Base Prospectus.

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

## AMENDMENTS OR ADDITIONS TO THE BASE PROSPECTUS

With effect from the date of this Supplement the information appearing in, or incorporated by reference into, the Base Prospectus shall be amended and/or supplemented in the manner described below.

### 1. Information Incorporated By Reference

By virtue of this Supplement the following amendments shall be deemed to be made to the Base Prospectus:

- 1.1 To amend the section "Information Incorporated by Reference" of the Base Prospectus as set out below:

#### "INFORMATION INCORPORATED BY REFERENCE"

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

- the joint Annual Report of the Company and the Bank, as filed with the SEC on Form 20 F in respect of the years ended 31st December, 2007 and 31st December, 2008 (the "**Joint Annual Report**"), with the exception of the information incorporated by reference in the Joint Annual Report referred to in the Exhibit Index of the Joint Annual Report, which shall not be deemed to be incorporated in this Base Prospectus; and
- the Annual Reports of the Bank containing the audited consolidated accounts of the Bank in respect of the years ended 31st December, 2007 (the "**2007 Bank Annual Report**") and 31st December, 2008 (the "**2008 Bank Annual Report**"), respectively.

The above documents may be inspected as described in paragraph 8 of "*General Information*".

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

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Each of the Company and the Bank has applied International Financial Reporting Standards as issued by the International Accounting Standards Board and as adopted by the European Union ("**IFRS**") in the financial statements incorporated by reference above. A summary of the significant accounting policies for each of the Company and the Bank is included in each of the Joint Annual Report, the 2007 Bank Annual Report and the 2008 Bank Annual Report.

If at any time either of the Issuers shall be required to prepare a supplement to the Base Prospectus pursuant to Section 87 of the Financial Services and Markets Act 2000 ("**FSMA**"), or to give effect to the provisions of Article 16(1) of the Prospectus Directive, such Issuer will prepare and make available an appropriate amendment or supplement to this Base Prospectus or

a further base prospectus which, in respect of any subsequent issue of Notes to be listed on the Official List and admitted to trading on the Regulated Market of the London Stock Exchange, shall constitute a supplemental base prospectus as required by the FSA and Section 87 of the FSMA."

1.2 To amend paragraph 8 of "General Information" on pages 91 and 92 of the Base Prospectus as set out below:

"8. For so long as any of the Notes are admitted to trading on the London Stock Exchange and the rules of the FSA so require, for the life of the Base Prospectus, copies of the following documents may be inspected during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) at Barclays Treasury, 1 Churchill Place, London E14 5HP and at the specified office of the Principal Paying Agent, currently located at One Canada Square, London E14 5AL:

- (i) the Memorandum and Articles of Association of each Issuer;
- (ii) the Joint Annual Report, the 2008 Bank Annual Report and the 2007 Bank Annual Report;
- (iii) the Distribution Agreement;
- (iv) the Trust Deed;
- (v) the Agency Agreement;
- (vi) the current Base Prospectus in respect of the Programme;
- (vii) any supplementary base prospectus published since the most recent base prospectus was published and any documents incorporated therein by reference;
- (viii) any Final Terms issued in respect of Notes admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system since the most recent base prospectus was published; and
- (ix) in the case of a syndicated issue of Notes admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system, the syndication agreement (or equivalent document)."

## 2. Summary of the Programme

By virtue of this Supplement, the fourth and fifth paragraphs of the section entitled "Summary of the Programme- Issuer" on page 9 of the Base Prospectus shall be deemed to be replaced with the following paragraphs:

Based on the Group's audited financial information for the year ended 31st December, 2008, the Group had total assets of £2,052,980 million (2007: £1,227,361 million), total net loans and advances<sup>1</sup> of £509,522 million (2007: £385,518 million), total deposits<sup>2</sup> of £450,415 million (2007: £385,533 million), and total shareholders equity of £47,411 million (2007: £32,476 million) (including minority interests of £10,793 million (2007: £9,185 million)). The profit before tax of the Group for the year ended 31st December, 2008 was £6,077 million (2007: £7,076 million) after impairment charges on loans and advances and other credit provisions of £5,419 million (2007: £2,795 million). The financial information in this paragraph is extracted from the Joint Annual Report.

Based on the audited financial information of the Bank and its consolidated subsidiaries for the year ended 31st December, 2008, the Bank and its consolidated subsidiaries had total assets of £2,053,029 million (2007: £1,227,583 million), total net loans and advances<sup>1</sup> of £509,522 million (2007: £385,518 million), total deposits<sup>2</sup> of £450,443 million (2007: £386,395 million), and total shareholders' equity of £43,574 million (2007: £31,821 million) (including minority interests of £2,372 million (2007: £1,949

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<sup>1</sup> Total net loans and advances include balances relating to both banks and customers.

<sup>2</sup> Total deposits include deposits from banks and customer accounts

million)). The profit before tax of the Bank and its consolidated subsidiaries for the year ended 31st December, 2008 was £6,035 million (2007: £7,107 million) after impairment charges on loans and advances and other credit provisions of £5,419 million (2007: £2,795 million). The financial information in this paragraph is extracted from the 2008 Bank Annual Report.

### 3. Risk Factors

By virtue of this Supplement, the section entitled "Risks relating to the Issuers and the Group" on pages 18 to 21 (inclusive) of the Base Prospectus shall be deemed to be replaced with the following:

#### *Business conditions and general economy*

The profitability of the Group's businesses could be adversely affected by the worsening of general economic conditions in the United Kingdom, globally or in certain individual markets such as the United States, Spain or South Africa. Factors such as interest rates, inflation, investor sentiment, the availability and cost of credit, foreign exchange risk, creditworthiness of counterparties, the liquidity of the global financial markets and the level and volatility of equity prices could significantly affect the Group's customers' activity levels and financial position. For example:

- the current economic downturn or significantly higher interest rates or continued lack of credit availability to the Group's customers could adversely affect the credit quality of the Group's on-balance sheet and off-balance sheet assets by increasing the risk that a greater number of the Group's customers and counterparties would be unable to meet their obligations;
- a market downturn or further worsening of the economy could cause the Group to incur further mark to market losses in its trading portfolios;
- a further decline in the value of Sterling relative to other currencies could increase risk weighted assets and therefore the capital requirements of the Group;
- a further market downturn could reduce the fees the Group earns for managing assets. For example, a downturn in trading markets could affect the flows of assets under management; and
- a further market downturn would be likely to lead to a decline in the volume of transactions that the Group executes for its customers and, therefore, lead to a decline in the income it receives from fees and commissions and interest.

#### *Current market volatility and recent market developments*

The global financial system has been experiencing difficulties since August 2007 and financial markets have deteriorated dramatically since the bankruptcy filing of Lehman Brothers in September 2008. Despite measures taken by the United Kingdom and United States governments and the European Central Bank and other central banks to stabilise the financial markets, the volatility and disruption of the capital and credit markets have continued. Together with the significant declines in the property markets in the United Kingdom, the United States, Spain and other countries, these events over the past two years have contributed to significant write-downs of asset values by financial institutions, including government-sponsored entities and major retail, commercial and investment banks. These write-downs have caused many financial institutions to seek additional capital, to merge with larger and stronger institutions, to be nationalised and, in some cases, to fail. Reflecting concern about the stability of the financial markets generally and the strength of counterparties, many lenders and institutional investors have substantially reduced and, in some cases, stopped their funding to borrowers, including other financial institutions.

While the capital and credit markets have been experiencing difficulties for some time, the volatility and disruption reached unprecedented levels in the final months of 2008 and economic activity started to contract in many of the economies in which the Group operates. These conditions have produced downward pressure on stock prices and credit capacity for certain issuers. The resulting lack of credit, lack of confidence in the financial sector, increased volatility in the financial markets and reduced business activity could continue to materially and adversely affect the Group's business, financial condition and results of operations.

### *Credit risk*

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

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

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

### *Market risk*

Market risk is the risk that the Group's earnings or capital, or its ability to meet business objectives, will be adversely affected by changes in the level or volatility of market rates or prices such as interest rates, credit spreads, commodity prices, equity prices and foreign exchange rates. Market risk has increased due to the volatility of the current financial markets. The main market risk arises from trading activities. The Group is also exposed to market risk through non-traded interest rate risk and the pension fund.

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

In 2007 and in 2008, the Group recorded material net losses on certain credit market exposures, including ABS CDO Super Senior exposures. As market conditions change, the fair value of these exposures could fall further and result in additional losses or impairment charges, which could have a material adverse effect on the Group's earnings. Such losses or impairment charges could derive from: a decline in the value of exposures; a decline in the ability of counterparties, including monoline insurers, to meet their obligations as they fall due; or the ineffectiveness of hedging and other risk management strategies in circumstances of severe stress.

### *Liquidity risk*

This is the risk that the Group is unable to meet its obligations when they fall due as a result of customer deposits being withdrawn, cash requirements from contractual commitments, or other cash outflows, such as debt maturities. Such outflows would deplete available cash resources for client lending, trading activities and investments. In extreme circumstances lack of liquidity could result in reductions in balance sheet and sales of assets, or potentially an inability to fulfil lending commitments. This risk is inherent in all banking operations and can be affected by a range of institution-specific and market-wide events including, but not limited to, credit events, merger and acquisition activity, systemic shocks and natural disasters. The Group's liquidity risk management has several components:

- intra-day monitoring to maintain sufficient liquidity to meet all settlement obligations;
- mismatch limits to control expected cash flows from maturing assets and liabilities;
- monitoring of undrawn lending commitments, overdrafts and contingent liabilities; and
- diversification of liquidity sources by geography and provider.

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

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

#### *Capital risk*

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

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

During periods of market dislocation, increasing the Group's capital resources may prove more difficult or costly. Regulators have also recently increased the Group's capital targets and amended the way in which capital targets are calculated and may further do so in future. This would constrain the Group's planned activities and contribute to adverse impacts on the Group's earnings.

#### *Operational risk*

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

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

#### *Financial crime risk*

Financial crime risk is a category of operational risk. It arises from the risk that the Group might fail to comply with financial crime legislation and industry laws on anti-money laundering or might suffer losses as a result of internal or external fraud, or might fail to ensure the security of personnel, physical premises and the Bank's assets.

#### *Regulatory compliance risk*

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

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

In addition, the Group's businesses and earnings can be affected by the fiscal or other policies and other actions of various governmental and regulatory authorities in the United Kingdom, the EU, the United States, South Africa and elsewhere. All these are subject to change, particularly in the current market environment where recent developments in the global markets have led to an increase in the involvement of various governmental and regulatory authorities in the financial sector and in the operations of financial institutions. In particular, governmental and regulatory authorities in the United Kingdom, the United States and elsewhere are implementing measures to increase regulatory control in their respective banking sectors, including by imposing enhanced capital requirements or by imposing conditions on direct capital injections and funding. Any future regulatory changes may potentially restrict the Group's operations, mandate certain lending activity and impose other compliance costs. It is uncertain how the more rigorous regulatory climate will impact financial institutions, including the Group.

Areas where changes could have an impact include:

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

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

#### *Banking Act 2009*

On 21 February 2009, the Banking Act 2009 came into force which provides a permanent regime to allow the FSA, the UK Treasury and the Bank of England (the "**Tripartite Authorities**") to resolve failing banks in the UK. The Banking Act aims to balance the need to protect depositors and prevent systematic failure with the potentially adverse consequences that using powers to deal with those events could have on private law rights, and, as a consequence, wider markets and investor confidence.

These powers, which apply regardless of any contractual restrictions, include (a) power to issue share transfer orders pursuant to which there may be transferred to a commercial purchaser or Bank of England entity, all or some of the securities issued by a bank. The 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, the Company, and warrants for such and (b) the power to transfer all or some of the property, rights and liabilities of the UK bank to a purchaser or Bank of England entity. In certain circumstances encumbrances and trusts can be over-reached. Power also exists to over-ride any default provisions in transactions otherwise affected by these powers. Compensation may be payable in the context of both share transfer orders and property appropriation. In the case of share transfer orders any compensation will be paid to the person who held the security immediately before the transfer, who may not be the encumbrancer.

The Banking Act also vests power in the Bank of England to over-ride, vary or impose contractual obligations between a UK bank or its holding company and its former group undertakings (as defined in the Banking Act), for reasonable consideration, in order to enable any transferee or successor bank

of the UK bank to operate effectively. There is also power for the Treasury to amend the law (save for a provision made by or under the Banking Act) by order for the purpose of enabling it to use the special resolution regime powers effectively, potentially with retrospective effect.

#### *Financial Services Compensation Scheme*

The Financial Services Compensation Scheme (the "FSCS") was created under the Financial Services and Markets Act 2000 and is the UK's statutory fund of last resort for customers of authorised financial services firms. The FSCS can pay compensation to customers if a firm is unable, or likely to be unable, to pay claims against it.

During 2008, a number of institutions failed, including Bradford & Bingley plc, Heritable Bank plc, Kaupthing Singer & Friedlander Limited, Landsbanki 'Icesave', and London Scottish Bank plc. In order to meet its obligations to the depositors of these institutions, the FSCS has borrowed £19.7 billion from HM Treasury, which is on an interest only basis until September 2011. These borrowings are anticipated to be repaid wholly or substantially from the realisation of the assets of the above named institutions. The FSCS raises annual levies from the banking industry to meet its management expenses and compensation costs. Individual institutions make payments based on their level of market participation (in the case of deposits, the proportion that their protected deposits represent of total market protected deposits) at 31st December each year. If an institution is a market participant on this date it is obligated to pay a levy. The Bank was a market participant at 31st December, 2007 and 2008. The Group has accrued £101m for its share of levies that will be raised by the FSCS including the interest on the loan from HM Treasury in respect of the levy years to 31st March 2010. The accrual includes estimates for the interest FSCS will pay on the loan and estimates of the Group's market participation in the relevant periods. Interest will continue to accrue on the HM Treasury loan to the FSCS until September 2011 and will form part of future FSCS management expenses levies. If the assets of the failed institutions are insufficient to repay the HM Treasury loan in 2011, the FSCS will agree a schedule of repayments with HM Treasury, which will be recouped from the industry in the form of additional levies.

In the event that the FSCS raises funds from the authorised firms, raises those funds more frequently or significantly increases the levies to be paid by such firms, the associated costs to the Group may have a material impact on the Group's results of operations and financial condition.

#### *Legal risk*

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

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

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

#### *Insurance risk*

Insurance risk is the risk that the Group will have to make higher than anticipated payments to settle claims arising from its long-term and short-term insurance businesses.

### *Business risk*

The Group devotes substantial management and planning resources to the development of strategic plans for organic growth and identification of possible acquisitions, supported by substantial expenditure to generate growth in customer business. If these strategic plans are not delivered as anticipated, the Group's earnings could grow more slowly or decline. In addition, potential sources of business risk include revenue volatility due to factors such as macroeconomic conditions, inflexible cost structures, uncompetitive products or pricing and structural inefficiencies.

### *Competition*

The global financial services markets in which the Group operates are highly competitive. Innovative competition for corporate, institutional and retail clients and customers comes both from incumbent players and a steady stream of new market entrants, as well as recent consolidation among banking institutions in the United Kingdom, the United States and throughout Europe. The landscape is expected to remain highly competitive in all areas, which could adversely affect the Group's profitability if the Group fails to retain and attract clients and customers.

### *Tax risk*

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

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

- tax risks are assessed as part of the Group's formal governance processes and are reviewed by the Executive Committee, Group Finance Director and the Board Risk Committee;
- the tax charge is also reviewed by the Board Audit Committee;
- the tax risks of proposed transactions or new areas of business are fully considered before proceeding;
- the Group takes appropriate advice from reputable professional firms;
- the Group employs high-quality tax professionals and provides ongoing technical training;
- the tax professionals understand and work closely with the different areas of the business;
- the Group uses effective, well-documented and controlled processes to ensure compliance with tax disclosure and filing obligations; and
- where disputes arise with tax authorities with regard to the interpretation and application of tax law, the Group is committed to addressing the matter promptly and resolving the matter with the tax authority in an open and constructive manner.

#### **4. The Issuers and the Group**

By virtue of this Supplement the section entitled "The Issuers and the Group" on page 68 shall be deemed to be replaced with the following:

The Company is a public limited company registered in England under number 48839. The liability of the members of the Company is limited. It has its registered head office at 1 Churchill Place, London E14 5HP (telephone number +44 (0) 20 7116 1000). Tracing its origins to seventeenth century London, the Company has evolved from a group of English partnerships into a global bank. The Company was incorporated on 20th July, 1896 under the Companies Acts 1862 to 1890.

The Bank is a public limited company registered in England and Wales under number 1026167. The liability of the members of the Bank is limited. It has its registered and head office at 1 Churchill Place, London, E14 5HP, telephone number +44 (0)20 7116 1000. The Bank was incorporated on 7th August, 1925 under the Colonial Bank Act 1925 and on 4th October, 1971 was registered as a company limited by shares under the Companies Act 1948 to 1967. Pursuant to The Barclays Bank Act 1984, on 1st 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 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 the Company, which is the ultimate holding company of the Group.

The short term unsecured obligations of the Company are rated A-1 by Standard & Poor's P-1 by Moody's and F1+ by Fitch Ratings Limited and the long-term obligations of the Company are rated A+ by Standard & Poor's, A1 by Moody's and AA- by Fitch Ratings Limited.

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

Based on the Group's audited financial information for the year ended 31st December, 2008, the Group had total assets of £2,052,980 million (2007: £1,227,361 million), total net loans and advances<sup>3</sup> of £509,522 million (2007: £385,518 million), total deposits<sup>4</sup> of £450,415 million (2007: £385,533 million), and total shareholders equity of £47,411 million (2007: £32,476 million) (including minority interests of £10,793 million (2007: £9,185 million)). The profit before tax of the Group for the year ended 31st December, 2008 was £6,077 million (2007: £7,076 million) after impairment charges on loans and advances and other credit provisions of £5,419 million (2007: £2,795 million). The financial information in this paragraph is extracted from the Joint Annual Report.

Based on the audited financial information of the Bank and its consolidated subsidiaries for the year ended 31st December, 2008, the Bank and its consolidated subsidiaries had total assets of £2,053,029 million (2007: £1,227,583 million), total net loans and advances<sup>3</sup> of £509,522 million (2007: £385,518 million), total deposits<sup>4</sup> of £450,443 million (2007: £386,395 million), and total shareholders' equity of £43,574 million (2007: £31,821 million) (including minority interests of £2,372 million (2007: £1,949 million)). The profit before tax of the Bank and its consolidated subsidiaries for the year ended 31st December, 2008 was £6,035 million (2007: £7,107 million) after impairment charges on loans and advances and other credit provisions of £5,419 million (2007: £2,795 million). The financial information in this paragraph is extracted from the 2008 Bank Annual Report.

## **Acquisitions, Disposals and Recent Developments**

### *Acquisitions*

#### 2009

On 2nd February, 2009, the Bank completed the acquisition of PT Bank Akita, which was announced initially on 17 September, 2008, following the approval of the Central Bank of Indonesia. As at 31st December, 2008, PT Bank Akita had total assets of £53.7 million.

#### 2008

On 6th November, 2008, the Bank purchased the Italian residential mortgage business of Macquarie Bank Limited. The acquired business includes a mortgage portfolio with a total outstanding balance of approximately £813 million as well as Macquarie's operational support functions, including staff. The total consideration paid was £765 million.

On 22nd September, 2008, the Bank completed the acquisition of Lehman Brothers North American business. The Lehman Brothers North American businesses include Lehman Brothers North American

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<sup>3</sup> Total net loans and advances include balances relating to both banks and customers.

<sup>4</sup> Total deposits include deposits from banks and customer accounts

fixed income and equities sales, trading and research and investment banking businesses, Lehman Brothers New York Head Office at 745 Seventh Avenue and two data centres in New Jersey. The total consideration paid was £874 million.

On 1st July, 2008, the Group acquired 100 per cent. of the ordinary shares of Expobank. Expobank is based in Moscow and its main products and services are issuance and servicing of debt and credit cards, mortgages and loans, currency transactions, internet banking, retail discount cards and other services. The total consideration paid was £393 million.

On 31st March, 2008, the Group completed the acquisition of Discover Financial Services' UK credit card business, Goldfish. The total consideration paid was £38 million.

#### *Disposals*

2008

On 31st October, 2008, the Group completed the sale of Barclays Life Assurance Company Limited to Swiss Reinsurance Company for a net consideration of £726 million.

#### *Recent developments*

##### *Sale of iShares*

On 9th April, 2009 the Company announced agreement for the sale of its iShares business ("iShares") to a new limited partnership established by CVC Capital Partners Group SICAV-FIS S.A. for a total consideration of approximately U.S.\$ 4.4 billion (£3.0 billion). Under the transaction agreement, for a period of at least 45 business days from 15th April, 2009, the Company may solicit proposals for iShares and potentially other related businesses from third parties. There can be no assurance that the solicitation of proposals will result in any superior alternative transaction being agreed. The transaction is subject to receipt of regulatory and other approvals.

##### *Asset Protection Scheme and Update on Trading*

On 30th March, 2009, the Company announced that following discussions with major shareholders and careful assessment of the potential benefits and costs of participation in HM Treasury's Asset Protection Scheme, the Board of the Company has determined that it would not be in the interests of its investors, depositors and clients to participate in the Asset Protection Scheme. The Company also announced that the trading performance of the Group in 2009 continues to be strong.

##### *UK Government measures concerning its financial support to the banking sector*

On 8th October, 2008 and 13th October, 2008 the UK Government announced a package of measures and schemes designed to provide financial support to the banking industry. The Group has participated and continues to participate in certain of these schemes, including the credit guarantee scheme. Following these UK Government announcements, the Group conducted the Capital Raising described in more detail below.

On 19th January, 2009 the UK Government announced a further package of measures and schemes designed to inject liquidity in the UK economy and restore confidence in the financial system. These include, among others, the extension of the credit guarantee scheme and the implementation of an asset protection scheme to protect participating banks from credit losses, beyond and up to an agreed point, on eligible assets placed within the scheme. The FSA also published considerations relating to appropriate long-term changes to the bank capital regulatory framework, including a programme of work to reduce the requirement for additional capital resulting from the pro-cyclical effects of the International Basel Accord and a preference for the capital regime to incorporate counter-cyclical measures which would lead to banks building up capital buffers in good years which can be drawn down during economic downturns. However, this continues to be a supervisory framework and not a new set of rules.

## *The Capital Raising*

On 31st October, 2008, the Board made an announcement of a proposal to raise more than £7 billion of additional capital (the "**Capital Raising**") from existing and new strategic and institutional investors. The Capital Raising satisfied the target capital levels agreed with the FSA.

The Capital Raising includes:

- An issue of £3 billion of Reserve Capital Instruments (the "**RCIs**") by the Bank to Qatar Holding LLC and entities representing the beneficial interests of HH Sheikh Mansour Bin Zayed Al Nahyan, a member of the Royal Family of Abu Dhabi ("**HH Sheikh Mansour Bin Zayed Al Nahyan**"). The RCIs will pay an annual coupon of 14 per cent. until June, 2019. In conjunction with this issue, Qatar Holding LLC and HH Sheikh Mansour Bin Zayed Al Nahyan have also subscribed (for a nominal consideration) for warrants (the "**Warrants**") to subscribe at their option for up to 1,516,875,236 new ordinary shares of the Company with an exercise price of 197.775 pence per share or £3 billion in aggregate, representing 18.1 per cent. of the existing issued ordinary share capital. The Warrants are exercisable at any time for a five-year term from the date of issue of the RCIs until 31st October, 2013.
- An issue of £2.8 billion of Mandatorily Convertible Notes (the "**MCNs**") by the Bank to Qatar Holding LLC, Challenger Universal Limited (a company representing the beneficial interests of His Excellency Sheikh Hamad Bin Jassim Bin Jabr Al-Thani, the chairman of Qatar Holding LLC, and his family) ("**Challenger**") and HH Sheikh Mansour Bin Zayed Al Nahyan, and a further issue of £1.25 billion of MCNs to existing institutional shareholders and other institutional investors by way of an accelerated non-underwritten bookbuild placing implemented on 31st October, 2008. The MCNs will pay an annual coupon of 9.75 per cent. until conversion into Barclays PLC ordinary shares, which will occur on or before 30th June, 2009. Assuming no adjustment of the conversion ratio, conversion will result in the issue of 2,642,292,334 new Barclays PLC ordinary shares, representing 31.6 per cent. of the issued ordinary share capital as at 31st October, 2008. The conversion price for the MCNs is 153.276 pence, a discount of 22.5 per cent. of the average closing middle market quotations of a Barclays PLC ordinary share as derived from the Daily Official List on 29th and 30th October, 2008.
- Ordinary shares to be issued upon conversion of the MCNs and, as the case may be, exercise of the Warrants will increase the Company's equity Tier 1 ratio. The equity component of the proceeds from the RCIs and Warrants, representing the fair value of the Warrants, will be included in equity Tier 1 capital and the debt component of the proceeds of the RCIs and the Warrants will be included as innovative Tier 1 capital to the extent it is within the innovative Tier 1 allowance as defined by the FSA.

Qatar Holding LLC agreed to invest £500 million in the MCNs and £1.5 billion in RCIs, and subscribed for Warrants to purchase up to £1.5 billion of Barclays PLC ordinary shares. Challenger agreed to invest £300 million in the MCNs. Assuming the conversion of their MCNs and the full exercise of their Warrants, Qatar Holding LLC would hold approximately 1,607 million ordinary shares, representing 12.8 per cent. of the fully diluted share capital of the Company and Challenger would hold approximately 354 million ordinary shares, representing 2.8 per cent. of the fully diluted share capital of the Company. In addition to any other fees and commissions payable in connection with the issue of the securities, Qatar Holding LLC will receive a fee of £66 million for having arranged certain of the subscriptions in the Capital Raising.

HH Sheikh Mansour Bin Zayed Al Nahyan agreed to invest £2 billion in the MCNs and £1.5 billion in RCIs, and subscribed for Warrants to purchase up to £1.5 billion of Barclays PLC ordinary shares. Assuming the conversion of his MCNs and the full exercise of his Warrants, HH Sheikh Mansour Bin Zayed Al Nahyan would be beneficially entitled to approximately 2,063 million ordinary shares, representing 16.5 per cent. of the fully diluted share capital of the Company. HH Sheikh Mansour Bin Zayed Al Nahyan has arranged for his investment in the Warrants, the MCNs and the RCIs to be funded by an Abu Dhabi governmental investment vehicle, which will become the indirect shareholder of the entities which are subscribing for the Warrants, the MCNs and the RCIs.

On 18th November, 2008, the Board announced that Qatar Holding LLC and HH Sheikh Mansour Bin Zayed Al Nahyan had each offered to make available up to £250 million of RCIs for clawback by existing Barclays PLC institutional investors at par. By consequence £500 million of RCIs (excluding

Warrants) were placed with Barclays PLC institutional investors by way of a bookbuild placing on 18th November, 2008.

In addition, the Board also announced that:

- all members of the Board will exceptionally offer themselves for re-election at the Annual General Meeting to be held in April, 2009; and
- no annual bonuses will be paid to executive directors of the Company for 2008, following the offer by the executive directors to waive any annual bonus for 2008.

The necessary shareholder resolutions required in order to effect the Capital Raising were passed by the shareholders of Barclays PLC on 24th November, 2008.

#### *Dividend Policy*

On 13th October, 2008 the Company announced that its Board would not be recommending the payment of a final dividend on the Company's ordinary shares for 2008. This dividend, amounting to c.£2 billion, would otherwise have been payable in April, 2009. The Company intends to resume dividend payments on its ordinary shares in the second half of 2009.

#### *The Placing*

On 18th September, 2008, the Board announced the completion of a placing. A total of 226 million new Barclays PLC ordinary shares of 25 pence each (the "**Placing Shares**") issued by the Company were placed with certain institutions at a price of 310 pence per Placing Share. Based on the placing price, the gross proceeds were £701 million.

#### *The Firm Placing and Placing and Open Offer*

On 25th June, 2008, the Company announced a share issue to raise approximately £4.5 billion through the issue of 1,576 million new Barclays PLC ordinary shares (the "**Firm Placing and Placing and Open Offer**"). The Firm Placing and Placing and Open Offer includes:

- approximately £500 million raised through a firm placing of 169 million new Barclays PLC ordinary shares at 296 pence per new Barclays PLC ordinary share to Sumitomo Mitsui Banking Corporation;
- approximately £4.0 billion raised through a placing of 1,407 million new Barclays PLC ordinary shares at 282 pence per new Barclays PLC ordinary share to Qatar Investment Authority, Challenger, China Development Bank, Temasek Holdings (Private) Limited and certain leading institutional shareholders and other investors, which shares were available for clawback in full by means of an open offer to existing shareholders. Pursuant to such open offer, existing shareholders were offered the opportunity to subscribe for up to a maximum of their pro rata entitlement on the basis of three open offer shares for every 14 existing ordinary shares they held.

The firm placing of 169 million new Barclays PLC ordinary shares was completed on 4th July, 2008 and the placing and open offer was completed on 22nd July, 2008. Valid applications under the open offer were received from qualifying shareholders in respect of approximately 267 million Barclays PLC shares in aggregate, representing 19.0 per cent. of the Barclays PLC shares offered pursuant to the open offer. Accordingly, the remaining 1,140,310,966 Barclays PLC shares were allocated to the various investors with whom they had been conditionally placed.

#### *Other*

On 17th February, 2009 the Group announced that Barclays Capital will discontinue operations at its Equifirst subsidiary.

#### *Competition and regulatory matters*

The scale of regulatory change remains challenging, arising in part from the implementation of some key European Union ("EU") directives. Many changes to financial services legislation and regulation have come into force in recent years and further changes will take place in the near future.

Concurrently, there is continuing political and regulatory scrutiny of the operation of the retail banking and consumer credit industries in the UK and elsewhere. The nature and impact of future changes in policies and regulatory action are not predictable and beyond the Group's control but could have an impact on the Group's businesses and earnings.

In September 2005, the Office of Fair Trading ("**OFT**") received a super-complaint from the Citizens Advice Bureau relating to payment protection insurance ("**PPI**"). As a result, the OFT commenced a market study on PPI in April 2006. In October 2006 the OFT announced the outcome of the market study and the OFT referred the PPI market to the UK Competition Commission ("**CC**") for an in-depth inquiry in February 2007. In June 2008, the CC published its provisional findings. The CC published its final report into the PPI market on 29th January 2009. The CC's conclusion is that the businesses which offer PPI alongside credit face little or no competition when selling PPI to their credit customers. The CC has set out a package of measures which it considers will introduce competition into the market (the "**Remedies**"). The Remedies, which are expected to be implemented (following consultation) in 2010, are: a ban on sale of PPI at the point of sale; a prohibition on the sale of single premium PPI; mandatory personal PPI quotes to customers; annual statements for all regular premium policies, including the back book (for example credit card and mortgage protection policies); measures to ensure that improved information is available to customers; obliging providers to give information to the OFT to monitor the Remedies and to provide claims ratios to any person on request. The Group is reviewing the report and considering the next steps, including how this might affect the Group's different products.

In October 2006, the FSA published the outcome of its broad industry thematic review of PPI sales practices in which it concluded that some firms fail to treat customers fairly and that the FSA would strengthen its actions against such firms. Tackling poor PPI sales practices remains a priority for the FSA, with their most recent update on their thematic work published in September 2008. The Group voluntarily complied with the FSA's request to cease selling single premium PPI by the end of January 2009. There has been no enforcement action against the Group in respect of its PPI products. The Group has cooperated fully with these investigations into PPI and will continue to do so.

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

In September 2006, the OFT announced that it had decided to undertake a fact find on the application of its statement on credit card fees to current account unauthorised overdraft fees. The fact find was completed in March 2007. On 29th March 2007, the OFT announced its decision to conduct a formal investigation into the fairness of bank current account charges. The OFT initiated a market study into personal current accounts ("**PCAs**") in the UK on 26th April, 2007. The study's focus was PCAs but it also included an examination of other retail banking products, in particular savings accounts, credit cards, personal loans and mortgages in order to take into account the competitive dynamics of UK retail banking. On 16 July, 2008, the OFT published its market study report, in which it concluded that certain features of the UK PCA market were not working well for consumers. The OFT reached the provisional view that some form of regulatory intervention is necessary in the UK PCA market. On 16th July, 2008, the OFT also announced a consultation to seek views on the findings and possible measures to address the issues raised in its report. The consultation period closed on 31st October, 2008. The Group has participated fully in the market study process and will continue to do so.

US laws and regulations require compliance with US economic sanctions, administered by the Office of Foreign Assets Control, against designated foreign countries, nationals and others. HM Treasury regulations similarly require compliance with sanctions adopted by the UK government. The Group has been conducting an internal review of its conduct with respect to US Dollar payments involving countries, persons and entities subject to these sanctions and has been reporting to governmental authorities about the results of that review. The Group received inquiries relating to these sanctions and certain US Dollar payments processed by its New York branch from the New York County District Attorney's Office and the US Department of Justice, which along with other authorities, has been reported to be conducting investigations of sanctions compliance by non-US financial institutions. The Group has responded to those inquiries and is cooperating with the regulators, the Department of

Justice and the District Attorney's Office in connection with their investigations of the Group's conduct with respect to sanctions compliance. The Group has also received a formal notice of investigation from the FSA, and has been keeping the FSA informed of the progress of the US investigations and the Group's internal review. The Group's review is ongoing. It is currently not possible to predict the ultimate resolution of the issues covered by the Group's review and the investigations, including the timing and potential financial impact of any resolution, which could be substantial.

The Financial Services Compensation Scheme (the "FSCS") provides compensation to customers of financial institutions in the event that an institution is unable, or is likely to be unable, to pay claims against it. During 2008, a number of institutions failed, including Bradford & Bingley plc, Heritable Bank plc, Kaupthing Singer & Friedlander Limited, Landsbanki 'Icesave' and London Scottish Bank plc. In order to meet its obligations to the depositors of these institutions, the FSCS has borrowed £19.7 billion from HM Treasury, which is on an interest only basis until September 2011. These borrowings are anticipated to be repaid wholly or substantially from the realisation of the assets of the above named institutions. The FSCS raises annual levies from the banking industry to meet its management expenses and compensation costs. Individual institutions make payments based on their level of market participation (in the case of deposits, the proportion that their protected deposits represent of total market protected deposits) at 31st December each year. If an institution is a market participant on this date it is obligated to pay a levy. The Bank was a market participant at 31st December, 2007 and 2008. The Group has accrued £101m for its share of levies that will be raised by the FSCS including the interest on the loan from HM Treasury in respect of the levy years to 31st March 2010. The accrual includes estimates for the interest FSCS will pay on the loan and estimates of the Group's market participation in the relevant periods. Interest will continue to accrue on the HM Treasury loan to the FSCS until September 2011 and will form part of future FSCS management expenses levies. If the assets of the failed institutions are insufficient to repay the HM Treasury loan in 2011, the FSCS will agree a schedule of repayments with HM Treasury, which will be recouped from the industry in the form of additional levies. It is not currently possible to estimate whether there will ultimately be additional levies on the industry, the level of the Group's market participation or other factors that may affect the amounts or timing of amounts that may ultimately become payable, nor the effect that such levies may have upon operating results in any particular financial period.

## Directors

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

<i>Name</i>	<i>Function(s) within the Group</i>	<i>Principal outside activities</i>
Marcus Agius	Group Chairman	Non-Executive Director, British Broadcasting Corporation
John Varley	Group Chief Executive	Non-Executive Director, AstraZeneca PLC
Chris Lucas	Group Finance Director	—
Robert E Diamond Jr	President, Barclays PLC, Chief Executive, Investment Banking and Investment Management	Chairman, Old Vic Productions PLC
Frederik (Frits) Seegers	Chief Executive, Global Retail and Commercial Banking	—
Sir Nigel Rudd DL <sup>5</sup>	Deputy Chairman, Non-Executive Director	Chairman, Pendragon PLC, Non-Executive Director, BAE Systems plc, Chairman, BAA Limited, Deputy Chairman, Ivensys plc

<sup>5</sup> Sir Nigel Rudd will retire from the Boards at the AGM in April, 2009.

<i>Name</i>	<i>Function(s) within the Group</i>	<i>Principal outside activities</i>
Sir Richard Broadbent	Senior Independent Director and Non-Executive Director	Chairman, Arriva plc
David Booth	Non-Executive Director	—
Leigh Clifford	Non-Executive Director	Chairman, Qantas Airways Limited
Fulvio Conti	Non-Executive Director	Chief Executive Officer, Enel SpA, Director, AON Corporation
Professor Dame Sandra Dawson <sup>6</sup>	Non-Executive Director	KPMG Professor of Management Studies at the University of Cambridge
Simon Fraser	Non-Executive Director	Non-Executive Director, Fidelity Japanese Values Plc and Fidelity European Values Plc
Sir Andrew Likierman	Non-Executive Director	Professor of Management Practice in Accounting, London Business School, Chairman, National Audit Office
Sir Michael Rake	Non-Executive Director	Chairman, BT Group PLC, Director, McGraw-Hill Companies, Director, Financial Reporting Council, Chairman, UK Commission for Employment and Skills
Stephen Russell	Non-Executive Director	Non-Executive Director, Network Rail Limited
Sir John Sunderland	Non-Executive Director	Director, Financial Reporting Council
Patience Wheatcroft	Non-Executive Director	Non-Executive Director, Shaftesbury PLC

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

## **Employees**

The average number of persons employed by the Group worldwide during 2008, excluding agency staff, was 151,500 (2007: 128,900).

## **5. General Information**

### **5.1 Litigation**

By virtue of this Supplement, section 3 of "General Information" on page 90 of the Base Prospectus shall be deemed to be replaced with the following:

The Group has for some time been party to proceedings, including a putative class action, in the United States against a number of defendants following the collapse of Enron; the putative class action claim is commonly known as the Newby litigation. On 19th March, 2007 the

<sup>6</sup> Professor Dame Sandra Dawson will retire from the Boards at the AGM in April, 2009.

United States Court of Appeals for the Fifth Circuit issued a decision that the case could not proceed against the Group as a class action because the plaintiffs had not alleged a proper claim against the Group. On 22nd January, 2008, the United States Supreme Court denied the plaintiffs' request for review of the Fifth Circuit's 19th March, 2007 decision. On 5th March, 2009, the District Court granted summary judgment in the Group's favour on the plaintiffs' claims against the Group. The District Court also denied the plaintiffs' request to amend the complaint to assert revised claims against the Group on behalf of the putative class. The plaintiffs' time in which to file an appeal regarding the District Court's 5th March, 2009 decision has not yet expired. The Group considers that the Enron related claims against it are without merit and is defending them vigorously. It is not possible to estimate the Group's possible loss in relation to these matters, nor the effect that they might have upon operating results in any particular financial period.

Like other UK financial services institutions, the Group faces numerous County Court claims and complaints by customers who allege that its unauthorised overdraft charges either contravene the Unfair Terms in Consumer Contracts Regulations 1999 ("UTCCR") or are unenforceable penalties or both. In July 2007, by agreement with all parties, the OFT commenced proceedings against seven banks and one building society, including the Bank, to resolve the matter by way of a "test case" process. Preliminary issues hearings took place in January, July and December 2008 with judgments handed down in April and October 2008 and January 2009 (a further judgment not concerning the Bank's terms). As to current terms, in April 2008 the Court held in favour of the banks on the issue of the penalty doctrine. The OFT did not appeal that decision. In the same judgment the Court held in favour of the OFT on the issue of the applicability of the UTCCR. The banks appealed that decision. As to past terms, in a judgment on 8th October, 2008, the Court held that the Bank's historic terms, including those of Woolwich, were not capable of being penalties. The OFT indicated at the January 2009 hearing that it was not seeking permission to appeal the Court's findings in relation to the applicability of the penalty doctrine to historic terms. Accordingly, it is now clear that no declarations have or will be made against the Bank that any of its unauthorised overdraft terms assessed in the test case constitute unenforceable penalties and that the OFT will not pursue this aspect of the test case further. The proceedings will now concentrate exclusively on UTCCR issues. The banks' appeal against the decision in relation to the applicability of the UTCCR (to current and historic terms) took place at a hearing in late October 2008. On 26th February, 2009, the Court of Appeal dismissed the banks' appeal, holding, in a judgment of broad application, that the relevant charges were not exempt from the UTCCR. The banks will petition the House of Lords for leave to appeal the decision. It is likely that the proceedings will still take a significant period of time to conclude. Pending resolution of the test case process, existing and new claims in the County Courts remain stayed, and there is an FSA waiver of the complaints handling process (which is reviewable in July 2009) and a standstill of Financial Ombudsman Service decisions. The Group is defending the test case vigorously. It is not practicable to estimate the Group's possible loss in relation to these matters, nor the effect that they may have upon operating results in any particular financial period. The Company will comply with its obligations as a listed company admitted to the Official List in connection with further disclosures in relation to this litigation, including its potential impact on the Group.

The Issuers are engaged in various other litigation proceedings both in the United Kingdom and a number of overseas jurisdictions, including the United States, involving claims by and against them which arise in the ordinary course of business. The Issuers do not expect the ultimate resolution of any of the proceedings to which the Issuers are party to have a significant adverse effect on the financial position of the Group and the Issuers have not disclosed the contingent liabilities associated with these claims either because they cannot reasonably be estimated or because such disclosure could be prejudicial to the conduct of the claims.

Save as disclosed in paragraphs 1 and 2 of this section 3, 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 Company, the Group, the Bank and/or, as the case may be, the Bank and its consolidated subsidiaries.

**5.2 No significant change**

By virtue of this Supplement section 4 of "General Information" on page 91 of the Base Prospectus shall be deemed to be replaced with the following:

There has been no significant change in the financial or trading position of the Company, the Group, the Bank or, as the case may be, the Bank and its consolidated subsidiaries since 31st December, 2008.

**5.3 No material adverse change**

By virtue of this Supplement, section 5 "General Information" on page 91 of the Base Prospectus shall be deemed to be replaced with the following:

There has been no material adverse change in the prospects of the Company, the Group, the Bank or, as the case may be, the Bank and its consolidated subsidiaries since 31st December, 2008.

**5.4 Annual consolidated accounts**

By virtue of this Supplement, section 6 "General Information" on page 91 of the Base Prospectus shall be deemed to be replaced with the following:

The annual consolidated accounts of the Company and the Bank and their respective subsidiaries for the two years ended 31st December, 2008 and 31st December, 2007 have been audited without qualification by PricewaterhouseCoopers LLP, chartered accountants and registered auditors (a member of the Institute of Chartered Accountants in England and Wales).

15th April, 2009