



BARCLAYS BANK PLC

(Incorporated with limited liability in England and Wales)

EUR 50,000,000 Principal Protected Mutual Fund Optimiser Notes due 2018

Issue Price: 100% of par
issued pursuant to the
GLOBAL STRUCTURED SECURITIES PROGRAMME

Prospectus

This document (including the information incorporated by reference herein) constitutes a prospectus (the "**Prospectus**") in respect of EUR 50,000,000 Principal Protected Mutual Fund Optimiser Notes due 2018 (the "**Securities**") to be issued by Barclays Bank PLC (the "**Issuer**" or the "**Bank**") for the purposes of Article 5 of Directive 2003/71/EC (the "**Prospectus Directive**").

Listing and Admission to Trading

This Prospectus has been approved by the UK Financial Services Authority (the "**FSA**"), which is the United Kingdom competent authority for the purposes of the Prospectus Directive and relevant implementing measures in the United Kingdom (the "**UK Regulatory Authority**").

The Issuer has requested the UK Regulatory Authority to notify the approval of this Prospectus in accordance with Article 18 of the Prospectus Directive to the Autorité des marchés financiers ("**AMF**") for the purposes of the Prospectus Directive by providing them, *inter alia*, with a certificate of approval attesting that this Prospectus has been drawn up in accordance with the Prospectus Directive.

Offer and Sale of Securities

Any person (an "**Investor**") intending to acquire or acquiring any Securities from any Distributor should be aware that, in the context of an offer to the public as defined in section 102B of the Financial Services and Markets Act 2000, the Issuer may be responsible to the Investor for this Prospectus under section 90 of the Financial Services and Markets Act 2000 if the Issuer has authorised that Distributor to make the offer to the Investor. Each Investor should therefore enquire whether the Distributor is so authorised by the Issuer. If the Distributor is not so authorised by the Issuer, the Investor should check with the Distributor whether anyone is responsible for this Prospectus for the purposes of section 90 of the Financial Services and Markets Act 2000 in the context of the offer to the public and, if so, who that person is. If the Investor is in doubt about whether it can rely on this Prospectus and/or who is responsible for its contents, it should take legal advice. **Where information relating to the terms of the relevant offer required pursuant to the Prospectus Directive is not contained in this Prospectus, it will be the responsibility of the relevant Distributor at the time of such offer to provide the Investor with such information.** This does not affect any responsibility which the Issuer may otherwise have under applicable laws. The offer and sale of Securities may, in certain circumstances, be restricted by the law. For a further description of certain restrictions on the offer and sale of the Securities, see the

section headed "Purchase and Sale".

Ratings

As of the date of this Prospectus, the short term unsecured obligations of the Issuer are rated A-1+ by Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. ("**Standard & Poor's**"), P-1 by Moody's Investors Service Limited ("**Moody's**"), and F1+ by Fitch Ratings Ltd. ("**Fitch**") and the long-term obligations of the Issuer are rated AA- by Standard & Poor's, Aa3 by Moody's and AA- by Fitch. The Securities are not separately rated.

Definitions

Unless otherwise defined, capitalised terms used in this Prospectus have the meanings set out in the terms and conditions of the Securities.

Investment Risks

Prospective Investors should have regard to the factors described under the sections headed "Risk Factors" herein.

Barclays Capital

Responsibility: The Issuer accepts responsibility for the information contained in this Prospectus. 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 Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

Group: References herein to the “**Group**” are to the Issuer and its subsidiary undertakings.

Independent Investigation: Neither this Prospectus nor any financial statements or any financial information supplied in connection with this Prospectus or the Securities is intended to provide the basis of any credit or other evaluation or should be considered as a recommendation by the Issuer that any recipient of this Prospectus or any financial statements or any other information supplied in connection with this Prospectus or the Securities should purchase any Securities. Investors should conduct their own independent investigations into the financial condition and affairs, and their own appraisal of the creditworthiness, of the Issuer and of the suitability of the Securities as an investment in the light of their own circumstances and financial condition and after due consideration of an investment linked to the Fund (as defined below) and, in deciding whether to purchase Securities, Investors should form their own views of the merits of such an investment based upon such investigations and not in reliance solely upon any information given in this Prospectus. Prospective Investors should have regard to the factors described in the section headed “Risk Factors”.

Mutual Fund Information: All information relating to the mutual fund to which the securities are linked (“**Mutual Fund Information**”) contained in this Prospectus has been reproduced from publicly available information. The Issuer confirms that this information has been accurately reproduced and that, as far as the Issuer is aware and is able to ascertain from such publicly available information, no facts have been omitted which would render the reproduced information inaccurate or misleading. Accordingly, the Issuer accepts responsibility for the accurate reproduction of such information but does not accept any further responsibility in respect of such information. Investors should conduct their own investigations into the Mutual Fund Information and, in deciding whether to purchase Securities, Investors should form their own views of the merits of such an investment based upon such investigations and not in reliance solely upon any information given in this Prospectus.

Change of Circumstances: The delivery of this Prospectus and any sale of Securities pursuant hereto shall not, in any circumstances, create any impression that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other

information supplied in connection with the Securities or the Programme is correct as of any time subsequent to the date indicated in the document containing the same. Investors should review, *inter alia*, the most recent consolidated financial statements, if any, and any public announcements, if any, of the Issuer when deciding whether to purchase any Securities.

Distribution: The distribution of this Prospectus and the offer or sale of the Securities in certain jurisdictions may be restricted by law. This document does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offering or solicitation and, except as expressly provided in this Prospectus, no action is being taken to permit an offering of the Securities or the distribution of this Prospectus in any jurisdiction where action is required. Persons into whose possession this Prospectus comes are required by the Issuer to inform themselves about and to observe any such restrictions. The Securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States. Details of selling restrictions for certain jurisdictions are set out in the section headed "Purchase and Sale".

Representations: In connection with the issue and sale of the Securities, no person has been authorised to give any information or to make any representation not contained in or consistent with this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, Barclays Bank PLC as manager (the "**Manager**") or the Distributor (as defined below). The Issuer does not accept responsibility for any information not contained in this Prospectus. None of the Issuer, the Manager or the Distributor makes any representation or warranty whatsoever or accepts any responsibility with respect to the Fund. None of the Issuer, the Manager or the Distributor makes any representation or warranty whatsoever or accepts any responsibility as to the effect or possible effect of the linking of any payments due under the Securities to the performance of the Fund or currency.

No Investment Advice: This Prospectus is not, nor does it purport to be, investment advice. None of the Issuer, the Manager or the Distributor is acting as an investment adviser or providing advice of any other nature, or assumes any fiduciary obligation, to any Investor in Securities.

References: In this Prospectus, references to "**EUR**", "**euro**" and "**€**" are to the currency introduced on 1 January 1999 pursuant to the Treaty establishing the European Community as amended by the Treaty on European Union and references to "**GBP**", "**sterling**" and "**£**" are to pounds sterling

and references to "**USD**" and "**U.S. Dollars**" are to United States dollars. In this Prospectus, references to the "**Conditions**" are to the terms and conditions of the Securities and references to the "**Distributor**" are to Barclays Bank France.

Securities Act: The Securities are being offered and sold outside the United States to non-US persons in reliance on Regulation S ("**Regulation S**") under the Securities Act. Prospective Investors are hereby notified that sellers of the Securities may be relying on the exemption from the provisions of section 5 of the Securities Act. Furthermore, by agreeing to purchase the Securities, the Investor is deemed to represent and warrant to the Issuer that it is neither a "United States person" nor a "foreign person controlled by a United States person" as such terms are defined in Regulation X of the Board of Governors of the Federal Reserve System, 12 C.F.R. § 224, as amended from time to time. As at the Issue Date, Regulation X defines (1) "United States person" to include "a person which is organised or exists under the laws of any state of the United States of America or, in the case of a natural person, a citizen or resident of the United States; a domestic estate; or a trust in which one or more of the foregoing persons has a cumulative direct or indirect beneficial interest in excess of 50% of the value of the trust" and (2) "foreign person controlled by a United States person" to include "any non corporate entity in which United States persons directly or indirectly have more than a 50% beneficial interest, and any corporation in which one or more United States persons, directly or indirectly, own stock possessing more than 50% of the total combined voting power of all classes of stock entitled to vote, or more than 50% of the total value of Fund Shares of all classes of stock.

THE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE US SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER US REGULATORY AUTHORITY, NOR HAS ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OF SECURITIES OR THE ACCURACY OR THE ADEQUACY OF THE OFFERING DOCUMENTS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

Verification: The Manager has not separately verified the information contained in this Prospectus. To the fullest extent permitted by law, the Manager makes no representation, express or implied, or accepts any responsibility for the contents of this Prospectus or for any other statement made or purported to be made by the Manager or on its behalf in connection with the issue and offering of the Securities. The Manager accordingly disclaims all and any liability, whether arising in tort, contract, or otherwise (save as referred to above), which it might otherwise have in respect of this

Prospectus or any such statement. Neither this Prospectus nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by either the Issuer and/or the Manager that any recipient of this Prospectus or any other financial statements should purchase the Securities. Each prospective Investor should determine for itself the relevance of the information contained in this Prospectus and its purchase of Securities should be based upon such investigation as it deems necessary. The Manager does not undertake to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Prospectus or to advise any Investor or prospective Investor in the Securities of any information coming to its attention.

No Regulatory Review: The contents of this Prospectus have not been reviewed or approved by any regulatory authority (other than the approval of this Prospectus for the purposes of the Prospectus Directive by the UK Regulatory Authority and the provision of a certificate of approval attesting that this Prospectus has been drawn up in accordance with the Prospectus Directive to the AMF).

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SUMMARY

This summary has been prepared in accordance with Article 5(2) of the Prospectus Directive and must be read as an introduction to this Prospectus relating to the Securities. Any decision to invest in the Securities should be based on a consideration of this Prospectus as a whole, including the documents incorporated by reference.

*Following implementation of the relevant provisions of the Prospectus Directive in a Member State of the European Economic Area ("**EEA Member State**"), no civil liability in such EEA Member State will attach to the responsible persons in any Member State solely on the basis of this summary, including any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus. Where a claim relating to the information contained in this Prospectus is brought before a court in an EEA Member State, the plaintiff may, under the national legislation of the EEA Member State where the claim is brought, be required to bear the costs of translating this Prospectus before the legal proceedings are initiated. Unless otherwise defined, capitalised terms used in this Summary shall have the meaning given to them in the Conditions set out in this Prospectus.*

Description of the Issuer

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

Barclays Bank PLC 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. The whole of the issued ordinary share capital of Barclays Bank PLC is beneficially owned by Barclays PLC, which is the ultimate holding company of the Group.

The short term unsecured obligations of Barclays Bank PLC 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 Barclays Bank PLC are rated AA- by Standard & Poor's, Aa3 by Moody's and AA- by Fitch Ratings Limited.

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

Description of the Securities

The Securities are to be issued by Barclays Bank PLC pursuant to its Global Structured Securities Programme. The Securities will constitute direct, unsubordinated and unsecured obligations of the Issuer ranking equally among themselves and with all other present and future unsecured and unsubordinated obligations of the Issuer (except for obligations preferred by law). The Securities will not evidence deposits, are not insured or guaranteed by any government or agency and are not guaranteed under the UK Government credit guarantee scheme.

The Securities are expected to be issued on 21 May 2010 and are due to mature on 31 August 2018 (subject to certain events that may delay such redemption). The Securities will be denominated in Euro and will have an aggregate nominal amount of EUR 50,000,000 and the denomination of each Security will be EUR 1, 000. The Securities will be issued at an issue price of 100 per cent. of their nominal amount. The Securities represent an investment linked to the performance of a hypothetical investment in a dynamic basket of shares in a mutual fund. The return which will be paid to the Investor at maturity, in addition to the nominal amount, is linked to the performance of a dynamic basket of units or shares of the mutual fund (see below for more information). The mutual fund is Tricolore Rendement Fund (the "**Fund**"). The Securities will not be interest-bearing.

The Securities may be redeemed before the maturity date for reasons of default by the Issuer, the illegality of the Issuer's payment obligations or its hedging arrangements or certain changes affecting the tax treatment of the Issuer or its affiliates in relation to the Securities or such hedging arrangements. In such event the Securities will be redeemed at an amount equal to their early cash settlement amount. The aggregate early cash settlement amount shall be an amount which represents the amount that an Investor in the Fund would have received in respect of a redemption of the dynamic basket of shares of the Fund to which the Securities are linked, as adjusted for associated costs and other factors including the addition of the then present value of the principal protection. The amount payable on an early redemption of the Securities may be less than the nominal amount of the Securities.

When the Securities mature, in respect of each Security, Investors will receive 100 per cent. of the denomination of such Security plus an additional amount equal to a 100 per cent. exposure to the performance of the dynamic basket of shares in the Fund (the "**Dynamic Basket**") subject to a synthetic dividend drain as explained below. In addition, Securityholders must pay all Taxes arising from the ownership, transfer, sale, redemption and cancellation of the Securities and/or receipt or transfer of any final or early redemption amount.

Unless otherwise required by law, all payments on the Securities will be made free and clear of, and without withholding or deduction for, any present or future Taxes. Where such withholding or deduction is required by law, the Issuer will in certain circumstances pay certain additional amounts to Securityholders.

If the performance of the Fund is less than or equal to zero then, at maturity, the Investor will only receive 100 per cent. of the denomination of each Security.

The performance of the Dynamic Basket is determined by reference to the arithmetic average of the levels of the Dynamic Basket on the five business days prior to the final redemption dealing date, on the one hand, compared with the level of the Dynamic Basket on the strike date, on the other. Such performance will also be subject to reduction via a synthetic dividend drain equal to 2.85 per cent. per annum. The performance of the Dynamic Basket may therefore be positive or negative.

Please note that the full terms and conditions contain provisions dealing with non-business days, disruptions and adjustments that may affect the Fund.

Other parties

The Issue and Paying Agent in respect of the Securities is The Bank of New York Mellon. Barclays Bank PLC shall act as Determination Agent in respect of the Securities.

Risk Factors

Set out below are certain factors which may affect the Issuer's ability to fulfil its obligations under the Securities: The Issuer is subject to the same risks as its Group, which include:

- the Group's financial performance may be affected by general business and geopolitical conditions, borrower, customer and counterparty credit quality, and fluctuations in the value or effectiveness of any credit protection it has purchased or any collateral it holds;
- the Group's businesses, earnings and financial condition have been and will continue to be affected by changes in the overall conditions of the global economy and instability and volatility in global financial markets;
- changes in the level and/or volatility of interest rates, foreign exchange rates, credit spreads, debt, equity and commodity prices and other market factors;
- constraints on increasing capital and changes to capital targets and the calculation of capital;
- liquidity risk, legal risk and insurance risk are inherent in the Group's businesses;
- operation and financial crime risks are inherent in the Group's operations;
- governmental policy and regulation may have an adverse effect on the Group's results and operations;
- the Group may be subject to the special resolution regime under The Banking Act 2009;
- the Group's participation in the UK Financial Services Compensation Scheme may have a material impact on the Group's results and financial condition;

- the Group's earnings depend in part on the success of its strategic decisions regarding organic growth and potential acquisitions;
- the Group operates in highly competitive markets and, if unable to perform effectively, its business and results will be adversely affected; and
- the Group is exposed to the risk of changes in tax legislation and its interpretation and to increases in corporate and other tax rates in the jurisdictions in which it operates.

Certain additional factors are material for the purpose of assessing the risks associated with investing in Securities:

- the Securities are complex financial instruments and involve a high degree of risk;
- the return on the Securities is linked to the performance of the Fund. Investing in a Security is not equivalent to investing directly in the Fund or indeed in the assets held by the Fund;
- prior to the maturity of the Securities, an Investor can only realise value from the Securities by selling them in the secondary market;
- there may be no secondary market for and limited liquidity in the Securities;
- the return and value of the Securities will be affected by exchange rate risks, exchange controls, interest rate fluctuations and other rate and price movements as well as the performance of the Fund;
- the market value of the Securities may be affected by the creditworthiness of the Issuer and/or the Group as well as by economic, regulatory, political and other events;
- the Securities may be volatile;
- if the Securities are redeemed prior to scheduled maturity they may return less than originally invested, or zero;
- the return on the Securities is designed to exclude dividends which would be paid if investing directly in the Fund;
- the Securities are not protected by the UK Financial Services Compensation Scheme;

- the Securities combine investment types, which may interact unpredictably;
- potential conflicts of interest may arise relating to the trading activities of the Issuer and its affiliates and the interests of Securityholders and the Issuer and its affiliates have no obligation to consider the interests of Securityholders;
- Securityholders will have no claim against the Fund or rights to assets of the Fund;
- depending on the participation level specified, the Securities may be leveraged (the volatility and losses would be amplified as well as the gains) or have a reduced exposure to the Fund's performance (this would reduce potential gains); and
- small holdings of the Securities may not be transferable.

Prospective Investors must reach an investment decision only after careful consideration, with their advisers, of the suitability of the Securities in light of their particular financial circumstances, the information in this Prospectus and their own investigations into the Issuer, its affiliates and the Indices.

Summary of Offer

The Issuer will issue the Securities on 21 May 2010 to the Distributor. The nominal amount of Securities to be issued is EUR 50,000,000. The Distributor intends to offer the Securities for resale to the public in France from 21 May 2010 to 20 August 2010 (inclusive), although the offer period may be discontinued at any time.

Applications for Securities must be made for a minimum nominal amount of EUR 1,000. Applications for the Securities can be made in France through the Distributor. Distribution will be in accordance with the Distributor's usual procedures.

A distribution fee has been, or will be paid to a third party. The amount of this fee paid, or to be paid, by the Issuer will not exceed 1.00 per cent. per annum of the investment. The fee is not refundable in the event of an early redemption of the Securities or a sale of the Securities to the Issuer. Purchasers of Securities should request details of any such distribution fee from the Distributor before purchase. In addition, the Issue Price may not reflect the potential discount level at which the Securities may have been issued to the

Distributor. Details of the potential discount levels are available on request but will be no more than 4.00 per cent. of the Issue Price.

The Distributor undertakes to purchase from Securityholders, under normal market conditions and on a weekly basis, Securities held by them, on the basis of applications submitted by such Securityholders every Friday before 12.00pm (London time) and at such price as to be published by the Distributor on the third following business day.

RISK FACTORS

Words and expressions defined elsewhere in this Prospectus have the same meanings in this section. Investing in the Securities involves certain risks.

Each of the risks highlighted below could have a material adverse effect on the Issuer's businesses, operations, financial condition or prospects, which, in turn, could have a material adverse effect on the return which Investors will receive in respect of the Securities. In addition, each of the risks highlighted below could adversely affect the trading price of the Securities or the rights of Investors under the Securities and, as a result, Investors could lose some or all of their investment.

Prospective Investors should note that the risks described below are not the only risks that the Issuer faces or that may arise because of the nature of the Securities. The Issuer has described only those risks relating to its operations and to the Securities which it considers to be material. There may be additional risks that the Issuer currently considers not to be material or of which it is not currently aware, and any of these risks could have the negative effects set forth above. Prospective Investors should seek independent financial advice where they do not fully understand the risks relating to the Securities.

Prospective Investors should also have regard to the risk factors set out on pages 15 to 38 of the Base Prospectus (as defined in the section below entitled "Information Incorporated by Reference").

Risks relating to the Issuer and the Group

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 Issuer 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 Issuer'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

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

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

Financial Services Compensation Scheme

Banks, insurance companies and other financial institutions in the UK are subject to the Financial Services Compensation Scheme (the "FSCS") where an authorised firm is unable or is likely to be unable to meet claims made against it because of its financial circumstances. Most deposits made with branches of the Bank within the European Economic Area (EEA) which are denominated in Sterling or other EEA currencies (including the Euro) are covered by the FSCS. Most claims made in respect of investment business will also be protected claims if the business was carried on from the UK or from a branch of the bank or investment firm in another EEA member state. The FSCS is funded by levies on authorised UK firms such as the Bank. In the event that the FSCS raises funds, raises those funds more frequently or significantly increases the levies to be paid by firms, the associated costs to the Group may have a material impact on the Group's results and financial condition.

Legal risk

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

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

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

failure to manage these risks could impact the Group adversely, both financially and by reputation.

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.

Risks Relating to the Securities

General Considerations

The Securities involve a degree of risk, which include corporate, market, foreign exchange, time value and/or political risks, as well as other risks arising from fluctuations in the value or performance of, or events impacting, the Fund to which the return on the Securities is linked, and general risks applicable to the stock market (or markets) and capital markets.

The Securities have a different risk profile from ordinary unsecured debt securities. The return on the Securities is linked to the performance of the Fund underlying the Securities. Investing in a Security is not equivalent to investing directly in the Fund or the assets held by the Fund.

Securityholders will not receive any periodic interest payments on the Securities. Securityholders will not have rights that investors in the Fund may have. The Securities will be redeemed in cash and Securityholders will have no right to receive delivery of the Fund.

In order to realise a return upon an investment in a Security linked to the Fund, an Investor must have correctly anticipated the direction, timing and magnitude of an anticipated change in the value of the Fund relative to the Issue Price. If the value of the Fund does not increase, or decreases, as the case may be, an Investor may, upon such redemption, fail to receive any further return in addition to its original investment in such Security.

The only means through which a Securityholder can realise value from a Security prior to its Scheduled Redemption Date is to sell it at its then market price in an available secondary market. See "Possible Illiquidity of the Securities in the Secondary Market" below. There can be no assurance that a Securityholder will be able to sell any Securities prior to their Scheduled Redemption Date, at a price equal to or greater than the market value of the Securities on the Issue Date and such holder may only be able to sell Securities at a discount, which may be substantial, to the Issue Price. Furthermore, if any Securityholder sells its Securities, the purchaser will likely be charged a commission for secondary market transactions, or the price will likely reflect a dealer discount.

The Securities may not be a suitable investment for all Investors

Each prospective Investor in the Securities must determine the suitability of that investment in light of its own circumstances. In particular, each prospective Investor should:

- (i) have sufficient knowledge and experience to evaluate the Securities, the merits and risks of investing in the Securities and the information contained or incorporated by reference in this Prospectus or any applicable supplement;

- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Securities and the impact the Securities will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Securities;
- (iv) understand thoroughly the terms of the Securities, and be familiar with the Indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Securities are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A prospective Investor should not invest in the Securities unless it has the expertise (either alone or with a financial adviser) to evaluate how the Securities will perform under changing conditions, the resulting effects on the value of the Securities and the impact this investment will have on the prospective Investor's overall investment portfolio.

Certain Factors Affecting the Value and Trading Price of the Securities

Generally, the Securities offer investment diversification opportunities, but also pose some additional risks with regard to interim value during the term of the Securities. The interim value of the Securities may be affected by a number of factors, including but not limited to:

- (i) market interest rates;
- (ii) fluctuations in currency exchange rates;
- (iii) fluctuations in equity prices;
- (iv) the liquidity of the Securities in the secondary market;
- (v) the time remaining to any redemption date; and

- (vi) economic, financial, regulatory, political, terrorist, military or other events in one or more jurisdictions, including factors affecting capital markets generally.

In addition to the factors above, the interim value of the Securities will also vary with the value of the Fund and is affected by a number of other factors, including but not limited to the value and volatility of the Fund and economic, financial, regulatory, political, terrorist, military or other events in one or more jurisdictions.

Due to the additional risk characteristics of the Securities, prospective Investors in the Securities should understand the risks of transactions involving the Securities and should reach an investment decision only after careful consideration, with their advisers when appropriate, of the suitability of the Securities in light of their particular financial circumstances, the information set forth herein and the information regarding the Securities and the Fund.

Before selling Securities, holders of the Securities should carefully consider, among other things, (a) the trading price of the Securities, (b) the value and volatility of the Fund, (c) the time remaining to redemption, (d) any change(s) in interim interest rates and dividend yields, if applicable, (e) any change(s) in currency exchange rates, (f) any related transaction costs and (g) any correlation between the Indices.

A credit rating reduction may result in a reduction in the trading value of the Securities

The value of the Securities may be expected to be affected, in part, by Investors' general appraisal of the creditworthiness of the Issuer and/or the Group. Such perceptions are generally influenced by the ratings accorded to the outstanding securities of the Issuer by standard statistical rating services, such as Moody's, Standard & Poor's and Fitch. A reduction in the rating, if any, accorded to outstanding debt securities of the Issuer by one of these or other rating agencies could result in a reduction in the trading value of the Securities.

Risks relating to securities generally

- *Market Disruption.* Markets may become disrupted. Local market disruptions can have a global effect. Market disruption can adversely affect the performance of the Securities.

- *Credit Risk.* The Securities bear the Issuer's credit risk. A decline in the Issuers' creditworthiness may reduce the market value of the Securities. If the Issuer becomes insolvent it will not be able to meet its payment obligations under the Securities.
- *Credit Ratings.* Credit ratings may be lowered or withdrawn without notice. A rating is not a recommendation as to the Issuers' creditworthiness or the risks, returns or suitability of the Securities.
- *Volatility.* These Securities may be volatile. The level of change in value of the Securities is their "volatility". The Securities' volatility may be affected by the performance of the underlying assets, along with financial, political, and economic events and other market conditions.
- *Structured Products.* This is a structured product. Its return may differ from those of the underlying financial assets it references.
- *Interest Rate Risk.* The Securities carry interest rate risk. Changes in interest rates will impact the performance of the Securities. Interest rates tend to change suddenly and unpredictably.
- *No Direct Claim in Underlying Assets.* You have no claim to the underlying assets. Buying the Securities is not the same as a direct investment in the underlying assets. The market value of the Securities may not reflect movements in the price of the constituents of the underlying assets.
- *Principal Protection.* The Securities are principal protected only at maturity. If the Securities redeem before scheduled maturity, it may return less than the principal protected amount or even zero.
- *Interaction Risk.* The Securities combine investment types. Different types of financial risk may interact unpredictably, particularly in times of market stress.
- *Synthetic Dividend Drain.* The return on the Securities is designed to exclude dividends which would be paid if investing directly in the Fund.
- *Other Risks.* This document cannot disclose all possible risks of the Securities. Before investing, you must satisfy yourself that you fully understand the risks of investment.

- *No Government Protection.* The Securities are not protected by the financial services compensation scheme or similar government protection scheme.
- *Determination Agent Acts in its Own Best Interests.* The Determination Agent is not required to and shall not take into account the interests of any party (including that of any Investors or prospective Investors in the Securities) but is permitted to, and shall, act in its own best interests. Certain factual circumstances could be Termination Events and/or Additional Disruption Events depending on whether the Determination Agent determines that such factual circumstances have a material adverse effect on the Securities and/or the Issuer (as applicable).
- *No Fiduciary Duty.* Neither the Issuer nor the Determination Agent assumes any fiduciary duty or responsibility to, or has any relationship of agency or trust with, any party, including any Investors or prospective Investors in the Transaction described in this document. Each of the Issuer and the Determination Agent is acting solely as principal and not as a fiduciary or agent for, or as an advisor to, any party in respect of its duties contained in this document and any document prepared in connection with the Securities.

This document is not, nor does it purport to be, investment advice. Neither the Issuer nor the Determination Agent is acting as an investment advisor nor providing advice of any other nature to any party, including Investors or prospective Investors in the Securities. Neither the Issuer nor the Determination Agent provides and have not provided, any investment advice or recommendation to any party in relation to the Securities. No party may rely on any communication (written or oral) from either the Issuer or the Determination Agent, as the case may be, as investment advice or as a recommendation to enter into any transaction. Accordingly, neither the Issuer nor the Determination Agent is under any obligation to, and shall not, determine the suitability for any party of any transaction or the Securities. Prospective Investors in the Securities must determine, on their own behalf (or through independent professional advice) the merits, terms, conditions and risks of the Securities. Prospective Investors must also satisfy themselves that they are capable of assuming, and do assume, the risks of the Securities. Neither the Issuer nor the Determination Agent accept any liability

whatsoever for any consequential losses arising from the use of this document or reliance on the information contained herein.

- *Indicative Valuations.* Valuations are indicative only. Valuations provided by the Issuer in connection with the Securities are not binding, may differ from third party valuations and may not reflect actually realised early redemption values. Valuations are not advice. The Issuer specifically disclaims liability for any use which an Investor in the Securities may make of any valuation including, without limitation, use of such valuation in preparation of its own financial books and records. If valuations are provided to an Investor in the Securities, they are provided solely for such Investor's information and should not be disclosed to any third party. The Issuer is not obligated to inform any Investor in the Securities of a change to any valuation.
- *Fund Offering Memoranda.* The Issuer does not take any responsibility for the Fund Documents. The Fund Documents may include more complete descriptions of the risks associated with investments that the Fund Manager intends to make.
- *Due Diligence Performed by the Issuer or Determination Agent is for Their Benefit Only.* No representations or warranties have been or are given by either the Issuer or the determination agent in respect of the Fund, Fund Manager, Custodian, Administrator and/or any other Fund Service Provider. You should place no reliance on either the Issuer or the Determination Agent having conducted any investigations, due diligence, searches or other enquiries, any such investigations, due diligence, searches or other enquiries made thereby would be made by such party for its own benefit and for its own purposes in accordance with its own criteria and neither party assumes any responsibility to conduct any such investigations, due diligence, searches or other enquiries or if it does conduct any such investigations, due diligence, searches or other enquiries to notify Investors of the content or results thereof of any such due diligence.
- *No Control, Sponsorship, Endorsement or Promotion of the Fund.* The Fund is not in any way controlled, sponsored, endorsed or promoted by the Issuer. The Issuer does not take responsibility for the management or administration of the Fund or for monitoring the activities of the Fund and makes no warranty, express or implied, as to how the Fund, Fund Manager, Custodian, Administrator and/or any

other Fund Service Provider, as the case may be, will manage or administer the Fund or the results of the Fund.

- *No Assurances that the Fund or any Related Party Will Not Act in a Manner which is Damaging to the Fund.* Neither the Issuer nor the Determination Agent gives any assurance that the activities and operations of the Fund, Fund Manager, Custodian, Administrator and/or any other Fund Service Provider are free from fraud or other conduct that could be damaging to the performance of the Fund. The Issuer shall not be liable, in negligence or otherwise, to any party for any costs or losses arising either directly or indirectly from any acts and/or omissions (including, but not limited to, fraud, negligence or wilful default) of the Fund, Fund Manager, Custodian, Administrator and/or any other Fund Service Provider or any of their delegates or assignees.
- *Fund and/or Fund Manager Action.* Neither the Fund nor the Fund Manager is involved in the securities. They may take actions that adversely affect the value and performance of the Securities.
- *Leverage.* If the participation is set above 100% then the Securities shall be leveraged. Leverage increases volatility and amplifies losses and gains.
- *Foreign Exchange Risk.* This product carries foreign exchange risk. Foreign exchange (FX) rates tend to change suddenly and unpredictably. Changes in FX rates relative to your home currency will impact the value of the Securities to you.
- *Small Holdings.* Small holdings may not be transferable. Where Securities have a minimum specified denomination or settlement amount and you hold less than that minimum, you will not be able to transfer such Securities unless you increase your holding to at least that minimum amount.
- *No Collateral.* The Securities are not secured.

Possible Illiquidity of the Secondary Market

There can be no assurance as to how Securities will trade in the secondary market or whether such market will be liquid or illiquid, which may adversely affect the value of the Securities and/or the ability of a Securityholder to dispose of them.

If additional and competing products are introduced in the markets, this may adversely affect the value of the Securities. Also, to the extent that Securities are redeemed or purchased or cancelled in part, the number of Securities outstanding will decrease, resulting in diminished liquidity for the remaining Securities. A decrease in the liquidity of Securities may cause, in turn, an increase in the volatility associated with the price of the Securities.

Issuer and Conflicts of Interest

The Issuer and its Affiliates may engage in trading and market-making activities and may hold long or short positions in the Fund and other instruments or derivative products based on or related to the Fund for their proprietary accounts or for other accounts under their management. The Issuer and its Affiliates may also issue other securities in respect of the Fund, or issue derivative instruments in respect thereof. To the extent that the Issuer, directly or through its Affiliates, serves as issuer, agent, manager, sponsor or underwriter of such securities or other instruments, its interests with respect to such products may be adverse to those of the Securityholders. The Issuer or its Affiliates may also act as underwriter in connection with future offerings of securities which comprise the Fund. Such activities could present certain conflicts of interest, could influence the prices of the Fund and could adversely affect the value of the Securities.

Certain Affiliates of the Issuer may from time to time, by virtue of their status as underwriter, adviser or otherwise, possess or have access to information relating to the Securities, the Fund and any derivative instruments referencing them. Such Affiliates will not be obliged to and will not disclose any such information to a purchaser of the Securities.

In connection with the offering of the Securities, the Issuer and/or any of its Affiliates may enter into one or more hedging transactions with respect to the Fund or related derivatives. In connection with such hedging activities or with respect to proprietary or other trading activities by the Issuer and/or any of its Affiliates, the Issuer and/or any of its Affiliates may enter into transactions referencing the Fund or related derivatives which may, but are not intended to, affect the market price, liquidity or value of the Securities and which could be deemed to be adverse to the interest of the relevant Securityholders.

Determination Agent and Conflicts of Interest

As the Determination Agent is the same legal entity as the Issuer, potential conflicts of interest may exist between the Determination Agent and the Securityholders, including with respect to the exercise of the very broad discretionary powers of the Determination Agent. The Determination Agent has the authority (i) to determine whether certain specified events and/or matters so specified in the conditions relating to the Securities have occurred, and (ii) to determine any resulting adjustments and calculations as described in such conditions. Prospective Investors should be aware that any determination made by the Determination Agent may have an impact on the value and financial return of the Securities. Any such discretion exercised by, or any calculation made by, the Determination Agent (in the absence of manifest or proven error) shall be binding on the Issuer and all Securityholders.

Status of the Securities

The Securities are unsecured and unsubordinated obligations of the Issuer and will rank equally among themselves and, with the exception of certain obligations given priority by applicable law, will rank *pari passu* with all other present and future outstanding unsecured and unsubordinated obligations of the Issuer.

Nominee Arrangements

Where the Distributor and/or a nominee service provider is used by an Investor to invest in the Securities, such Investor will only receive payments on the basis of arrangements entered into by the Investors with the Distributor or nominee service provider as the case may be. Such Investors must look exclusively to the Distributor or nominee service provider for all payments in respect of the Securities. Neither the Issuer nor the Determination Agent nor any other person will be responsible for the acts or omissions of the Distributor or nominee service provider, nor makes any representation or warranty, express or implied, as to the services provided by the Distributor or nominee service provider.

Taxation

Potential purchasers of Securities should be aware that duties and other taxes and/or expenses, including any applicable depositary charges, transaction charges, stamp duty

and other charges may be levied in accordance with the laws and practices of the countries where the Securities are transferred.

A holder of Securities must pay all Taxes and expenses (other than in relation to Taxes) payable on or in respect of, or in connection with the redemption of, Securities and **"Taxes"** means any tax, duty, impost, levy, charge or contribution in the nature of taxation or any withholding or deduction for or on account thereof, including any applicable turnover tax, stamp duty, stamp duty reserve tax and/or other taxes, duties, assessments or governmental charges of whatever nature chargeable or payable and includes any interest and penalties in respect thereof.

The Issuer is not liable for or otherwise obliged to pay any Taxes or such expenses and all payments made by the Issuer will be made subject to any such Taxes or expenses which may be required to be made, paid withheld or deducted.

Potential purchasers of Securities should consult their own independent tax advisers. In addition, potential purchasers should be aware that tax regulations and their application by the relevant taxation authorities change from time to time. Accordingly, it is not possible to predict the precise tax treatment which will apply at any given time.

Non-registration under the Securities Act and Restrictions on Transfer

The Securities have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. The Securities are being issued and sold in reliance upon exemptions from registration provided by such laws. Consequently, the transfer of the Securities will be subject to satisfaction of legal requirements applicable to transfers that do not require registration under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. In addition, the Securities are subject to certain transfer restrictions as described herein under "Purchase and Sale", which may further limit the liquidity of the Securities.

Substitution of Issuer

The Issuer is entitled to substitute any other entity in place of the Issuer to act as issuer (the **"New Bank Issuer"**) in respect of the Securities, provided that the New Bank Issuer's long-term unsecured, unsubordinated and unguaranteed debt obligations are rated at least the same as those of Barclays Bank PLC at the date on which the substitution is to

take effect or the New Bank Issuer has an equivalent long-term rating from another internationally recognised rating agency. Following any substitution of a New Bank Issuer, the Securityholders will be exposed to such New Bank Issuer's credit risk and not that of the Issuer.

INFORMATION INCORPORATED BY REFERENCE

The following information (unless otherwise expressly stated below) has been filed with the FSA and shall be deemed to be incorporated in, and to form part of, this Prospectus:

- the base prospectus approved by the UK Listing Authority on 5 August 2009 relating to the Issuer's Global Structured Securities Programme (the "**Base Prospectus**") except for the documents incorporated by reference therein, the section entitled "Relevant Annexes", and the sections entitled "Summary" and "General Information", which shall not be deemed to be incorporated into this Prospectus;
 - the joint Annual Report of the Bank and Barclays PLC, as filed with the U.S. Securities and Exchange Commission ("**SEC**") on Form 20-F in respect of the years ended 31 December 2008 and 31 December 2009 (the "**Joint Annual Report**"), with the exception of the information incorporated by reference in the Joint Annual Report referred to in the Exhibit Index of the Joint Annual Report, which shall not be deemed to be incorporated in this Prospectus;
 - the Annual Reports of the Bank containing the audited consolidated accounts of the Bank in respect of the years ended 31 December 2008 (the "**2008 Bank Annual Report**") and 31 December 2009 (the "**2009 Bank Annual Report**"), respectively;
- the Base Prospectus Supplement dated 24 March 2010 (the "**Combined Supplement 2/2010**") that has been approved by the UK Listing Authority except for section (A) in respect of information incorporated therein by reference, which shall not form part of this Prospectus; and
- the Interim Management Statement of Barclays PLC for the three months ended 31 March 2010 issued on 30 April 2010, with the exception of the Chief Executive's comments shown in italics on page one of the statement (the "**Interim Management Statement**").

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

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

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

Significant Change Statement

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

Material Adverse Change Statement

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

Litigation Statement

Save as disclosed in paragraphs 2 and 3 of the section Litigation appearing on pages 12 and 13 of the Combined Supplement 2/2010 incorporated herein by reference, as of the date of this Prospectus 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 Prospectus, a significant effect on the financial position or profitability of the Bank and/or the Group.

TERMS AND CONDITIONS OF THE SECURITIES

The Securities shall have the following terms and conditions, which shall complete, modify and/or amend the Base Conditions and/or any applicable Relevant Annex(es) set out in the Base Prospectus dated 5 August 2009.

Parties

Issuer:	Barclays Bank PLC
Guarantor:	N/A
Manager:	Barclays Bank PLC
Determination Agent:	Barclays Bank PLC
Issue and Paying Agent:	The Bank of New York Mellon
Stabilising Manager:	N/A
Registrar:	N/A
Transfer Agent:	N/A
Exchange Agent:	N/A
Additional Agents:	N/A

THE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE SECURITIES ACT) AND THE SECURITIES COMPRISE BEARER SECURITIES THAT ARE SUBJECT TO US TAX LAW REQUIREMENTS. SUBJECT TO CERTAIN EXCEPTIONS, THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, US PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("REGULATION S")). THIS PROSPECTUS HAS BEEN PREPARED BY THE ISSUER FOR USE IN CONNECTION WITH THE OFFER AND SALE OF THE SECURITIES OUTSIDE THE UNITED STATES TO NON-US PERSONS IN RELIANCE ON REGULATION S. FOR A DESCRIPTION OF THESE AND CERTAIN FURTHER RESTRICTIONS ON OFFERS AND SALES OF THE SECURITIES AND DISTRIBUTION OF THIS PROSPECTUS AND THE BASE PROSPECTUS SEE "PURCHASE AND SALE" IN THE BASE PROSPECTUS.

ANY UNITED STATES PERSON WHO HOLDS SECURITIES WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE

LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED.

THE DETERMINATION AGENT SHALL NOT, UNDER ANY CIRCUMSTANCES, BE LIABLE TO SECURITYHOLDERS. IN ANY EVENT, THE DETERMINATION AGENT SHALL NOT BE RESPONSIBLE FOR ANY CONSEQUENTIAL OR INDIRECT LOSS, NOTWITHSTANDING IT HAVING BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSS. ANY CALCULATION OR DETERMINATION MADE BY THE DETERMINATION AGENT IN RESPECT OF THE SECURITIES SHALL BE BINDING EXCEPT IN THE CASE OF MANIFEST ERROR.

FINAL TERMS

Provisions relating to the Securities

- | | | |
|---|---|--|
| 1 | Title: | EUR 50,000,000 Principal Protected Mutual Fund Optimiser
Notes due 2018 |
| 2 | Series: | GSN25390 |
| 3 | Currency: | Euro (" EUR ") |
| 4 | Notes: | Applicable |
| | (i) Aggregate
Nominal
Amount as at
the Issue Date: | EUR 50,000,000. |
| | (ii) Specified
Denomination: | EUR 1,000 |
| 5 | Certificates: | N/A |
| 6 | Form: | |
| | (i) Global/
Definitive/Unc
ertificated and
dematerialised
: | Temporary Global Security, exchangeable for a Permanent
Global Security |
| | (ii) NGN Form: | N/A |
| | (iii) CGN Form: | N/A |
| 7 | Trade Date: | 22 April 2010 |
| 8 | Issue Date: | 21 May 2010 |
| 9 | Issue Price: | 100 per cent. of the Aggregate Nominal Amount |
| 1 | Relevant Stock | N/A |
| 0 | Exchange: | |
| 1 | The following | No Relevant Annex shall apply to the Securities |
| 1 | Relevant Annex(es)

shall apply to the
Securities (<i>specify
each applicable</i> | |

Relevant Annex):

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

1 Interest: N/A

2

1 Calculation Amount N/A

3 per Security as at the
Issue Date:

1 Interest Amount: N/A

4

1 Interest Basis: N/A

5

1 Interest Rate[s]:

6

(i) Fixed Rate: N/A

(ii) Floating Rate: N/A

(iii) Variable Rate: N/A

(a) Credit N/A

Event

Accrued

Interest:

(b) Extension N/A

Interest:

(iv) Zero Coupon: N/A

1 Screen Rate N/A

7 Determination:

1 ISDA Determination: N/A

8

1 Margin: N/A

9

2 Minimum/Maximum N/A

0 Interest Rate:

2 Interest N/A

	Commencement Date:	
2	Interest Determination	N/A
2	Date:	
2	Interest Calculation	N/A
3	Periods:	
	(i) Interest Period	N/A
	End Dates:	
	(ii) Interest	N/A
	calculation	
	method for	
	short or long	
	Interest	
	Calculation	
	Periods:	
2	Interest Payment	N/A
4	Dates:	
2	Day Count Fraction:	N/A
5		
2	Fall back provisions,	N/A
6	rounding provisions,	
	denominator and any	
	other terms relating	
	to the method of	
	calculating interest, if	
	different from those	
	set out in the Base	
	Conditions:	

Provisions relating to

Redemption

2	Redemption Date:	Subject to the early redemption provisions set out in
7		paragraph 49 below, the later of the Expected Redemption
		Date (as defined in paragraph 45(iv)) and the Adjusted
		Redemption Date.

For the purposes of these Final Terms:

"Adjusted Redemption Date" means the Business Day that falls ten Business Days after the Proceeds Receipt Date, provided that, where a Hypothetical Investor would not have received payment in full in respect of a redemption of Fund Shares by the Receipt Deadline, then the Business Day falling ten Business Days after the Receipt Deadline shall be deemed to be the Adjusted Redemption Date.

"Proceeds Receipt Date" means the date on which a Hypothetical Investor would have received in full the proceeds of a redemption of the Fund Shares in respect of the Fund (a) had such Hypothetical Investor validly requested redemption of such Fund Shares on either an Early Redemption Notice Date or the Final Redemption Dealing Date, as the case may be, (each as defined below); or (b) following receipt of a notice from the Fund or the related Fund Services Provider that the Fund or the Fund Services Provider, as the case may be, will be paying redemption amounts in respect of Fund Shares.

"Receipt Deadline" means the Business Day falling 180 calendar days after (i) the Final Redemption Dealing Date or (ii) the Early Redemption Notice Date, subject to adjustment in accordance with the Business Day Convention.

2	Settlement Method:	Cash
8		
2	Settlement Currency:	EUR
9		
3	Calculation Amount	EUR 1,000
0	per Security as at the	
	Issue Date:	
3	Terms relating to	
1	Cash Settled	

Securities:

- (i) Final Cash Settlement Amount: Subject as set out in paragraph 49 below, the amount in EUR, calculated by the Determination Agent and payable in respect of each Security, as equal to:

Calculation Amount

$$\times \left[100\% + 100\% \times \max \left\{ 0, \frac{DB(T)}{DB(t_0)} \times SD - 1 \right\} \right],$$

where:

"**DB(t₀)**" is the level of the Dynamic Basket in respect of the Strike Date;

"**DB(T)**" is the arithmetic average of the levels of the Dynamic Basket on the five (5) Business Days prior to the Final Redemption Dealing Date; and

"**SD**" is a synthetic dividend drain on the performance of the Dynamic Basket of 2.85% p.a. and is calculated as $(1 - 2.85\%)^8$. As such, SD shall be 79.3492%.

Dynamic Basket: The level of the Dynamic Basket is defined for each Rebalancing Date, $t > t_0$, by the formula

$$DB_t = DB_{t-1} \times \left[TE_{t-2} \times \frac{NAV_t}{NAV_{t-1}} + (1 - TE_{t-2}) \times (1 + Cash_t \times ACT / 360) \right]$$

Where:

DB(t₀) shall equal 1.0000

"**NAV_t**" means in respect of Rebalancing Date(t), the Net Asset Value of the Fund Share in respect of the Dealing Date(t-2) (for the avoidance of doubt, the NAV of the Fund falling two Dealing Dates prior to Rebalancing Date(t)),

provided that should a Hypothetical Investor seek to subscribe or redeem any holding of such Fund Share (such subscription or redemption targeted to be effected on such Dealing Date (t-2) and the realisable value per Fund Share differs from such Net Asset Value then the Determination Agent in its sole discretion may adjust such value for the purposes of the calculation of the "Dynamic Basket" in order to take into account such difference;

"NAV₀" is the Net Asset Value of the Fund Share in respect of the Strike Date, provided that should the actual subscription value per Fund Share differ from the Net Asset Value per Fund Share in respect of a subscription of Fund Shares targeted to be effected on the Strike Date then the Determination Agent in its sole discretion may adjust such value for the purposes of the calculation of the "Dynamic Basket" in order to take into account such difference;

ACT is the actual number of days between Rebalancing Date_t and Rebalancing Date_{t-1};

$\text{Cash}_t = \text{EONIA}_t + 1.00\%$ if TE_{t-2} is greater than or equal to 100.00%;

$\text{Cash}_t = \text{EONIA}_t - 0.10\%$ if TE_{t-2} is less than 100.00%.

"Eonia_t" means the Effective Overnight Index Average as published on Bloomberg (Bloomberg Code: EONIA <INDEX>) at 4 pm London time in respect of Rebalancing Date t.

"Rebalancing Date" means any Dealing Date from and including the Strike Date to and including the Valuation Date.

Rebalancing Event: If on Rebalancing Date t ,

$$\left| \min \left[CAP, \frac{\sigma_0}{\text{Max} (RV_{t-1}^{20d}, RV_{t-1}^{40d})} \right] - TE_{t-1} \right| > TL$$

Where,

RV_{t-1}^{20d} means the 20-day Realised Volatility calculated from the immediately preceding Rebalancing Date t ;

RV_{t-1}^{40d} means the 40-day Realised Volatility calculated from the immediately preceding Rebalancing Date t ;

and

TE_{t-1} means the Target Exposure calculated in respect of the immediately preceding Rebalancing Date t .

Target Volatility ("θ₀") is 10.00%.

Max Exposure ("CAP") is 200.00%

Threshold Level ("TL") is 10%.

Realised Volatility (RV_t^{20d}) is the 20-day realised volatility, calculated as follows:

$$RV_t^{20d} = \sqrt{\frac{252}{19} \times \sum_{t=0}^{19} [LR_t - \overline{LR_t}]^2}$$

Where,

$$LR_t \text{ means, } \ln\left(\frac{NAV_t}{NAV_{t-1}}\right)$$

$$\overline{LR_t} \text{ means, } \frac{1}{20} \sum_{t=0}^{19} LR_t$$

Realised Volatility (RV_{t-1}^{40d}) is The 40-day realised volatility, calculated as follows:

$$RV_{t-1}^{40d} = \sqrt{\frac{252}{39} \times \sum_{t=0}^{39} [LR_t - \overline{LR_t}]^2}$$

Where,

$$LR_t \text{ means, } \ln\left(\frac{NAV_t}{NAV_{t-1}}\right)$$

$$\overline{LR_t} \text{ means, } \frac{1}{40} \sum_{t=0}^{39} LR_t$$

Target Exposure: If, on Rebalancing Date t, a Rebalancing Event has occurred, the Target Exposure should be adjusted according to the following formula:

$$TE_t = \min\left[CAP, \frac{\sigma_0}{Mlx(RV_{t-1}^{20d}, RV_{t-1}^{40d})}\right]$$

If, on the contrary, a Rebalancing Event has not occurred then Target Exposure is set to its previous day value, i.e.

$$TE_t = TE_{t-1}$$

(ii) Early Cash Subject to the Potential Adjustment of Payment provisions

Settlement Amount: below, an amount per Security, calculated by the Determination Agent in respect of the Valuation Date by reference to:

(a) the realisable value per Fund Share at which the Determination Agent determines that a Hypothetical Investor would have been able to sell or otherwise realise its holding of Fund Shares in respect of a redemption of such Fund Shares effected as soon as reasonably practicable after the relevant Early Redemption Notice Date,

(b) various market factors which may include, but are not limited to, the prevailing level of market volatility, interest rates and credit spreads; and

(c) any Early Redemption Costs,

provided that, in the calculation of such amount, any portion of the redemption proceeds arising from a redemption of Fund Shares which the Determination Agent determines that a Hypothetical Investor would not have received by the Receipt Deadline shall be regarded as having a zero value.

For the purposes hereof:

"Early Redemption Costs" means an amount per Security equal to the total amount of any and all costs associated or incurred (or expected to be incurred) by (or on behalf of) the Issuer in connection with such early redemption including, without limitation to, any costs associated with liquidating or amending any financial instruments or transactions entered into by the Issuer in connection with the Securities (including, but not limited to, hedge termination costs (if any) or funding breakage costs (if any)), whether actual or notional), together with costs, expenses, fees or taxes incurred by the Issuer in respect of any such financial instruments or transactions and any costs associated with any Market Disruption Event, all as determined by the

Determination Agent.

"Early Redemption Notice Date" means, following the date on which the Determination Agent determines that a Fund Event or an Additional Disruption Event has occurred, the first date in respect of which a valid redemption notice could have been given for redemption of the Fund Shares by a Hypothetical Investor.

(iii)	Early Cash Redemption Date:	The earlier of (i) the Business Day falling ten Business Days after the Proceeds Receipt Date, or (ii) where a Hypothetical Investor would not have received payment in full in respect of such redemption of Fund Shares by the Receipt Deadline, then the Business Day falling ten Business Days after the Receipt Deadline.
(iv)	Disruption Cash Settlement Price:	N/A
3	Terms relating to	N/A
2	Physically Delivered Securities:	
3	Nominal Call Event:	N/A
3		
3	Call Option:	N/A
4		
3	Put Option:	N/A
5		
3	Specified Early	N/A
6	Redemption Event:	
3	Maximum and	
7	Minimum	
	Redemption	
	Requirements:	

(i)	Daily Maximum Amount:	N/A
(ii)	Minimum Number/Mini mum Nominal Amount:	N/A
(iii)	Daily Maximum Number/Daily Maximum Amount:	N/A
3 8	Valuation Date(s):	The Proceeds Receipt Date, provided that, where a Hypothetical Investor would not have received payment in full in respect of redemption of Fund Shares by the Receipt Deadline, the Valuation Date shall be deemed to be the Receipt Deadline.
3 9	Valuation Time:	N/A
4 0	Averaging Date(s):	N/A
4 1	Additional Disruption Events in addition to those specified in Condition 24 of the Base Conditions and any applicable Relevant Annex:	Issuer Tax Event and Change in Law shall apply, provided that the definition of "Change in Law" shall be as provided below. "Change in Law" means that, on or after the Trade Date (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Determination Agent determines in its sole and absolute discretion that (X) it has become illegal for the Issuer to hold, acquire or dispose of any Fund Shares or (Y) the Issuer will

incur a materially increased cost in performing its obligations in relation to the Securities (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on their tax position).

For the avoidance of doubt, Increased Cost of Hedging and Hedging Disruption shall not apply.

	(i)	Other Additional Disruption Event:	N/A
	(ii)	Affected Jurisdiction Hedging Disruption:	N/A
	(iii)	Affected Jurisdiction Increased Cost of Hedging:	N/A
	(iv)	Affected Jurisdiction:	N/A
4	Share Linked		N/A
2	Securities:		
4	Index Linked		N/A
3	Securities (<i>Equity indices only</i>):		
4	Inflation Linked		N/A
4	Securities:		
4	Fund Linked		Applicable, provided that the Fund Linked Annex shall not be
5	Securities:		applicable
	(i)	Single fund or portfolio of funds (each a	Single fund: Tricolore Rendement Fund (Bloomberg: TRICREC FP <EQUITY>; ISIN: FR0010588343)
		"Reference	

Asset^{u)}:

- | | | |
|--------|--------------------------------|--|
| (ii) | Calculation | Each Valuation Date |
| | Date: | |
| (iii) | Leverage: | N/A |
| (iv) | Expected Redemption Date: | 31 August 2018, provided that if such date is not a Dealing Date with respect to the Fund Shares then the Final Redemption Dealing Date shall be deemed to be the immediately following Dealing Date |
| (v) | FX Hedging Cost: | N/A |
| (vi) | Final Redemption Dealing Date: | 23 August 2018, provided that if such date is not a Dealing Date with respect to the Fund Shares then the Final Redemption Dealing Date shall be deemed to be the immediately following Dealing Date |
| (vii) | Fund Administrator: | At any time in respect of the Fund, the administrator of the Fund, currently G.I.E. Saint-Honoré, Paris Branch |
| (viii) | Fund Custodian: | At any time in respect of the Fund, the custodian of the Fund, currently LCF Edmond De Rothschild Banque, Paris Branch |
| (ix) | Fund Manager: | At any time in respect of the Fund, the investment manager of the Fund, currently Edmond de Rothschild Asset Management |
| (x) | Fund Service Provider | At any time in respect of the Fund, any person who is appointed to provide services, directly or indirectly, to the Fund, whether or not specified in the Fund Documents, including, but not limited to, the Fund Manager, Fund Administrator, Fund Custodian, any operator, management company, depository, sub-custodian, prime or other broker, trustee, director, registrar and transfer agent or domiciliary agent of the Fund. |

(xi)	Currency for Fund Unit and Fund Unit Value determination:	EUR
(xii)	Minimum Protection:	N/A
(xiii)	NAV Barrier:	N/A
(xiv)	NAV Deadline Date:	N/A
(xv)	Number of NAV Publication Days:	N/A
(xvi)	Strike Date:	The first Dealing Date falling one (1) Business Day after the final day of the Offer Period in respect of which a subscription order for each of the Fund Shares placed on the Trade Date is deemed by the Determination Agent to be filled.
(xvii)	Target Allocation:	N/A
(xviii)	Fund Events:	Those events set out in Schedule 1.
(xx)	Consequences of a Fund Event:	If the Determination Agent determines that a Fund Event has occurred then an Early Redemption Event shall be deemed to have occurred on the Business Day on which the Determination Agent has made such determination. The Determination Agent shall, on behalf of the Issuer, give notice of such determination to the Securityholders.
(xxi)	Potential Adjustment of Payment:	Notwithstanding any term to the contrary, the Settlement Amount calculated on the Valuation Date may be adjusted by the Determination Agent: <ul style="list-style-type: none"> (i) if the Determination Agent determines that the actual amount of the redemption proceeds that would have

arisen from a redemption of each of the Fund Shares by a Hypothetical Investor differs from the amount expected to be payable by the Issuer on the basis of the Determination Agent's determination of the Fund Return on the Valuation Date; and

- (ii) to take into account any changes to the terms of any arrangements relating to rebates received by the Issuer in respect of any holdings in the Fund in connection with the Securities which have occurred at any time following the Issue Date.

(xxii) Fees,

Premiums and
Charges:

A distribution fee has been, or will be paid to a third party. The amount of this fee paid by the Issuer will approximately be 1.00 per cent. per annum of the investment. The fee is not refundable in the event of an early redemption of the Notes or a sale of the Notes to the Issuer. Purchasers of Notes should request details of any such distribution fee from the Distributor before purchase. In addition, the Issue Price may not reflect the potential discount level at which the Notes may have been issued to the Distributor. Details of the potential discount levels are available on request but will be no more than 4.00 per cent. of the Issue Price.

4 FX Linked Securities:

N/A

6

4 Credit Linked
7 Securities:

N/A

4 Commodity Linked
8 Securities:

N/A

4 Additional terms and
9 conditions relating to
the Securities:

If an Early Redemption Event occurs, the Issuer may, subject to Base Conditions 7, 8 and 9, redeem each Security (in whole or in part) at its Early Cash Settlement Amount together with accrued interest on the Early Cash Redemption

		Date.
(i)	Latest Permissible Adjusted Redemption Date:	N/A
(ii)	Consequence of a Modification Event:	N/A
(iii)	Consequence of a Market Disruption Event:	N/A
(iii)	Consequence of an Additional Disruption Event:	If the Determination Agent determines that an Additional Disruption Event has occurred then an Early Redemption Event shall be deemed to have occurred on the Business Day on which the Determination Agent has made such determination. The Determination Agent shall, on behalf of the Issuer, give notice of such determination to the Securityholders.
(iv)	Definitions:	<p>In these Final Terms:</p> <p>"Dealing Date" means, in respect of the Fund, any Business Day on which subscriptions and/or redemptions in the related Fund Shares can be effected, as determined by the Determination Agent, in accordance with the provisions of the Fund Documents, expected to be daily.</p> <p>"Fund Documents" means in relation to the Fund and any class, series or compartment within the Fund, the bye laws and/or memorandum and articles of association and any trust deed, segregated account documentation or other constitutive or fund documents of or relating to the Fund and all other agreements (whether of general application or</p>

otherwise), rules or applicable laws governing and relating to the Fund or any class, series or compartment within the Fund including, without limitation, the version of the Fund's offering memorandum appearing on http://medianet.edmond-de-rothschild.fr/edram/pdf/Prospectus_FR0010176487_fr.pdf on the Trade Date (the "**Fund Offering Memorandum**") investment management agreement, custody agreement or administration agreement and any agreements relating to subscriptions for or redemptions of any Fund Shares or proceeds of redemption thereof and any terms relating to a secondary market in the Fund Shares, all as in force at the Strike Date.

"Hypothetical Investor" means a hypothetical investor in each of the Fund Shares located in the jurisdiction of the Issuer and deemed to have the benefits and obligations, as provided under the Fund Documents (as defined in Annex 1).

"Market Disruption Event" shall occur if the Fund Administrator in respect of the Fund fails to calculate and publish the Net Asset Value in respect of any Dealing Date in respect of the Fund, by the immediately following Dealing Date. Such Market Disruption Event shall be ongoing until the relevant Fund Administrator calculates and publishes a Net Asset Value in respect of such Dealing Date or any following Dealing Date.

"Net Asset Value" or **"NAV"** means:

(a) in respect of any Dealing Date, the net asset value per Fund Share as calculated and published by the Administrator in respect of such Dealing Date, provided that, unless otherwise provided for herein, if the net asset value per Fund Share in respect of any such Dealing Date (the **"Affected Date"**) is not calculated and published by the Administrator

within 2 Business Days of the Affected Date then the Determination Agent may (but shall not be obliged to) determine the net asset value per Fund Share in a commercially reasonable manner based on then available information, and

(b) In respect of any Valuation Date where such date is not a Dealing Date, the net asset value per Fund Share, as determined by the Determination Agent in a commercially reasonable manner based on then available information.

"Fund Shares" means EUR Class C Shares.

Provisions relating to

Settlement

5 Minimum Settlement N/A

0 Amount:

5 Settlement in respect N/A

1 of APK Registered

Securities, Swedish

Registered Securities,

VPS Registered

Securities or Spanish

Securities:

5 Additional provisions N/A

2 relating to Taxes and

Settlement Expenses:

Definitions

5 Business Day: London and Paris

3

5 Additional Business N/A

4 Centre(s):

Selling restrictions and provisions relating to certification

5 Non-US Selling As described in the Base Prospectus.

5 Restrictions:

5 Applicable TEFRA TEFRA D

6 exemption:

General

5 Business Day Following

7 Convention:

5 Relevant Clearing Euroclear Clearstream, Luxembourg

8 Systems:

5 If syndicated, names N/A

9 and addresses of

Managers and

underwriting

commitments:

6 Details relating to N/A

0 Partly Paid Securities:

6 Relevant securities ISIN: XS0505744747

1 codes:

6 Modifications to the N/A

2 Master Subscription

Agreement and/or

Master Agency

Agreement:

6 Additional Conditions N/A

3 and/or modification

to the Conditions of

the Securities:

Part B

Other Information

1 LISTING

The Notes will be unlisted.

2 RATINGS

Ratings: N/A

3 NOTIFICATION

The Financial Services Authority has provided the Autorité des marchés financiers with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive.

4 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save with respect to the Manager and the Distributor as set out in the section headed "Purchase and Sale", so far as the Issuer is aware, no person involved in the offer of the Securities has an interest material to such offer.

5 REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- | | |
|---------------------------------|-----------------|
| (i) Reasons for the offer: | General funding |
| (ii) Estimated net proceeds: | N/A |
| (iii) Estimated total expenses: | N/A |

6 PERFORMANCE OF REFERENCE ASSET(S) OR OTHER VARIABLE, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE REFERENCE ASSET(S) AND/OR OTHER UNDERLYING

The Securities are linked to the performance of the Tricolore Rendement Fund (Bloomberg: TRICREC FP <EQUITY>; ISIN: FR0010588343).

The Issuer does not intend to provide post-issuance information.

7 OPERATIONAL INFORMATION

Any clearing system(s) other than N/A

Euroclear Bank S.A./N.V. and Clearstream

Banking Société Anonyme (together with

their addresses) and the relevant

identification number(s):

Delivery: Delivery against payment

Names and addresses of additional Paying N/A

Agents(s) (if any):

Intended to be held in a manner which No

would allow Eurosystem eligibility:

8 OFFER AND RESALE

The terms of the offer and sale are as follows:

- (a) Offer Price: The offer price for the resale of the Securities will be determined by the Distributor in accordance with the following offer schedule.

OFFER SCHEDULE

Week Ending	Offer Price (% of Issue Price)
Fri 21-May-10	99.92%
Fri 28-May-10	99.93%
Fri 04-Jun-10	99.93%
Fri 11-Jun-10	99.94%
Fri 18-Jun-10	99.94%
Fri 25-Jun-10	99.95%
Fri 02-Jul-10	99.95%
Fri 09-Jul-10	99.96%

		Fri 16-Jul-10	99.97%
		Fri 23-Jul-10	99.97%
		Fri 30-Jul-10	99.98%
		Fri 06-Aug-10	99.98%
		Fri 13-Aug-10	99.99%
		Fri 20-Aug-10	100.00%
(b)	Offer Period:	The Securities will be publicly offered by the Distributor during the period commencing on 21 May 2010 to 20 August 2010 (inclusive). The Distributor may change the dates of the offer period.	
(c)	Conditions to which the offer is subject:	Offers of the Securities made prior to the Issue Date are conditional on their issue.	
(d)	Description of the application process:	Applications for the Securities can be made in France to the Distributor. Information with respect to the application process will be available from the Distributor upon request.	
(e)	Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:	N/A	
(f)	Details of the minimum and/or maximum amount of application:	The minimum amount of application per Investor will be EUR 1,000 in nominal amount of the Securities.	
(g)	Manner in and date on which results of the offer are to be	Results of the offer will be made public via the Distributor within 5 Business Days after the end of the Offer Period.	

- made public:
- (h) Details of the method and time limits for paying up and delivering the Securities: The total payment of the Offer Price of the Securities must occur by 24 August 2010 to the Distributor's office having received the subscription.
- (i) Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: N/A
- (j) Categories of potential investors to which the Securities are offered and whether tranche(s) have been reserved for certain countries: Offers may be made by the Distributor in France to any person. Offers (if any) in other EEA countries will only be made by the Distributor pursuant to an exemption from the obligation under the Prospectus Directive as implemented in such countries to publish a prospectus.
- (k) Process for notification to applicants of the amount allotted and the indication: Applicants will be notified directly by the Distributor of the success of their application. No dealings in the Securities may take place prior to the Issue Date.

whether dealing
may begin before
notification is
made:

- | | | |
|-----|---|--|
| (l) | Amount of any
expenses and
taxes specifically
charged to the
subscriber or
purchaser: | N/A |
| (m) | Name(s) and
address(es), to
the extent known
to the Issuer, of
the placers in the
various countries
where the offer
takes place. | Barclays Bank France

183 avenue Daumesnil

75012 Paris

France |
| (n) | Amount of the
offer: | EUR 50,000,000. |
| (o) | Participation: | N/A |
| (p) | Payment and
delivery: | Payment for Securities shall be made to the Distributor in accordance with the instructions provided by the Distributor. Payment for the Securities must be made for the full amount. Delivery of the Securities will be made in accordance with the Distributor's usual procedures. |
| (q) | Commission: | A distribution fee has been, or will be paid to a third party. The amount of this fee paid, or to be paid, by the Issuer will approximately be 1.00 per cent. p.a. of the investment. The fee is not refundable in the event of an early redemption of the Securities or a sale of the Securities to the Issuer. Purchasers of Securities should request details of any such distribution fee from the Distributor before purchase. In |

addition, the Issue Price may not reflect the potential discount level at which the Securities may have been issued to the Distributor. Details of the potential discount levels are available on request but will be no more than 4.00 per cent. of the Issue Price.

- | | | |
|-----|--|--|
| (r) | Publication of a Prospectus Supplement: | <p>If the Issuer publishes a supplement to this Prospectus pursuant to Article 16 of the Prospectus Directive other than a supplement which does not relate to the Securities, Investors who have already agreed to purchase but have not taken delivery of Securities before the supplement is published shall have the right to withdraw their acceptances by informing the Distributor in writing thereof within two working days (or such other longer period as may mandatorily apply in the relevant country) of publication of the supplement.</p> <p>The Conditions of the Securities and the terms on which they are offered and issued will be subject to the provisions of any such supplement.</p> |
| (s) | Liability for the offer: | <p>Any Investor purchasing the Securities is solely responsible for ensuring that any offer or resale of the Securities by such Investor occurs in compliance with applicable French laws and regulations. The information contained in this Prospectus is intended only for the use of its recipient. No person other than the original recipients of this Prospectus may rely on it or its contents.</p> |
| (t) | Governing law of the offer and jurisdiction: | <p>The terms and conditions of the public offer in France made through the Distributor are governed by French law.</p> |

SCHEDULE 1

Fund Events

The occurrence of any one or more of the events listed below at any time after the Trade Date shall constitute a Fund Event if, as determined by the Determination Agent, such event or combination of events has had, or can be expected to have, a material adverse effect on these Securities or on the Issuer (including, without limitation, any adverse change to the Issuer's hedging risk profile or ability to effectively hedge its liability under the Securities).

The Fund Events are intended to preserve the risk profile of the Issuer in respect of the Securities hedging arrangements (if any) entered into by the Issuer in respect of the Securities, but are not intended to protect any performance of the Securities. The Determination Agent has no obligation to actively monitor whether or not any of the Fund Events has occurred or is likely to occur and accepts no liability therefor.

(1) Risks on Services Providers/Corporate Governance

- (a) The Fund, Fund Manager, Administrator, Custodian or prime broker of the Fund ceases to exist or is subject to an Insolvency Event (as defined in Schedule 2).
- (b) Any change, amendment, modification or variation made after the Trade Date to, or breach of, (i) the terms of the Fund Documents, (ii) the operation, organisation or management of the Fund or (iii) the organisation, management or ownership of any Fund Manager and, in the case of a breach, such breach is not cured to the satisfaction of the Determination Agent within 5 Business Days following the occurrence of such breach.
- (c) The Fund Manager, Administrator or Custodian ceases to act in such capacity in relation to the Fund and in the case of the Administrator and the Custodian no replacement administrator or custodian satisfactory to the Determination Agent is appointed following the occurrence of such event.
- (d) Any or both of (i) Standard and Poor's Rating Group (a division of McGraw-Hill, Inc.), or any successor thereto ("S&P") and/or (ii) Moody's Investors Service Inc., or any successor thereto ("Moody's") downgrades:

- (1) the long-term unsecured, unsubordinated and unguaranteed debt rating assigned to a Custodian or any prime broker of the Fund below A by S&P and/or A2 Moody's; and/or
- (2) the short-term unsecured, unsubordinated and unguaranteed debt rating) assigned to a Custodian or any prime broker of the Fund below A-1 (S&P) or P-1 (Moody's).

(2) Risks on Strategy Profile/Hedging Implementation/Valuation/Information

2.1 Risk Profile

- (a) A change to the type of assets in which the Fund invests or is invested from the Trade Date.
- (b) There is a deviation from the investment objectives or investment process of the Fund since the Trade Date.
- (c) There is any change, amendment, variation or modification of the investment objectives, investment guidelines or investment process set out in the Fund Documents on the Trade Date (including where such change, amendment, variation or modification is permitted under the Fund Documents).
- (d) A breach of the investment guidelines of the Fund as may be detailed in the Fund Documents and such breach is not cured to the satisfaction of the Determination Agent within 10 Business Days following the occurrence of such breach.
- (e) A Fund-Linked Hedging Disruption Event (as defined in Schedule 2) occurs.
- (f) A Fund-Linked Increased Cost of Hedging Event (as defined in Schedule 2) occurs.

2.2 Dealing Terms

- (a) Any change to the dealing terms of the Fund (including, without limitation, the frequency of Dealing Dates, the settlement timeline for subscriptions and redemptions, the Notice Period, any condition on the holding of Fund Shares over a certain period of time and/or any limitation on the size of redemptions and/or subscriptions for Fund Shares).
- (b) The Fund or any Fund Service Provider refuses or suspends redemptions and/or subscriptions for, or transfers of, Fund Shares.
- (c) The Fund or any Fund Service Provider does not execute in full any request for a redemption or any request to subscribe for or transfer Fund Shares placed by an actual

investor in the Fund for any reason including, for the avoidance of a doubt, any non-execution or partial non-execution by the Fund of any validly effected redemption orders following the application of a Gate (as defined in Schedule 2).

(d) The Fund or any Fund Service Provider imposes in whole or in part any restriction (including, without limitation, any in-specie redemption of Fund Shares), charge, fee or levy in respect of any redemption of and/or subscription for or transfer of Fund Shares placed by an actual investor in the Fund, delays the payment of the proceeds (in case of a redemption) or the making of relevant changes to the register of holders of Fund Shares (in case of a subscription or transfer) or exercises any right to hold back part of the proceeds of any redemption.

(e) The Fund or any Fund Service Provider requires the compulsory redemption of any Fund Shares which may be held by the Issuer (or any of its subsidiaries or agents) to hedge any of the Issuer's obligations in respect of the Securities (despite the fact that the Issuer is under no obligation to hedge its obligations under the Securities).

(f) The Fund or any Fund Service Provider introduces, exercises or seeks to exercise any right to require the return of redemption proceeds remitted to a Hypothetical Investor.

(g) Any fraudulent or negligent entry is made on the register of Fund Shares maintained by or on behalf of the Fund or there is a reduction in the number of Fund Shares held for the account of any actual investor in the Fund for reasons beyond the control of that investor.

(h) The realisable value at which any subscription or redemption order is executed by the Fund on a Dealing Date differs from the Net Asset Value published by the Administrator in respect of such Dealing Date.

2.3 Valuation

(a) A Market Disruption Event has occurred and is ongoing for more than 3 Business Days.

(b) There is a modification of the method of calculating the Net Asset Value in respect of the Fund Shares including, but not limited to, the change in the base currency of the Fund or the denomination currency of the Fund Shares, or the implementation of "series accounting" or an "equalisation method".

(c) The calculation or publication of the Net Asset Value is suspended by the Fund or any Fund Service Provider or there is a change in the frequency or timing of the calculation or publication of the Net Asset Value.

(d) Any information relating to the Fund that was specified to be published in accordance with the Fund Documents as they prevailed on the Trade Date is not published in accordance with the timetable set out therefor in such documents.

(e) Any Additional Disruption Event occurs.

2.4 Information on the underlying assets of the Fund/Fund Manager

(a) The Determination Agent does not obtain within 10 Business Days any information from the Fund Manager, the Administrator or the auditors of the Fund in relation to the business, assets, operations or financial condition of the Fund, the Fund Manager, any prime broker of the Fund or any other Fund Service Provider which the Determination Agent (acting reasonably) deems necessary for its determinations and in the execution of its duties and obligations in respect of the Securities.

(b) On any Business Day the Issuer does not receive such information relating to the underlying investments of the Fund (and/or any investments of such underlying investments) (collectively, "**Fund Underlyings**") from the Fund Manager, the Administrator and/or any other Fund Service Provider as the Determination Agent determines that the Issuer requires on such Business Day to ensure the compliance of the Barclays Group with its United States Federal Reserve reporting obligations pursuant to the United States Bank Holding Company Act of 1956 (as amended), the United States Federal Reserve Act, or any analogous State or Federal laws or regulations of the United States of America which the Determination Agent may from time to time determine would be applicable to any Fund Underlyings.

2.5 Performance/AUM Stability

The total net asset value of the Fund falls below either EUR 50,000,000 (or the equivalent amount in the relevant currency) or 50% of its total net asset value as at the Trade Date.

(3) **Legal/Tax/Regulatory Risks on the overall transaction or hedge implementation**

(a) Any change in the legal, tax, accounting or regulatory treatment of the Fund or any Fund Service Provider that is reasonably likely to have an adverse impact on the value of the Fund Shares or on the rights or remedies of any investor therein.

(b) The taxation, fiscal, regulatory or accounting regime applying to the Issuer or the Determination Agent changes, or there is an introduction or change of law or regulation or the application or interpretation of any law or regulation, to such extent that the continued performance of its obligations hereunder would have an effect on the Issuer (including, but not limited to, the Issuer's balance sheet usage or the maintenance of regulatory capital in relation to the issuance of the Securities) or the Determination Agent or the Securities.

(c) The Issuer (or any of its subsidiaries or agents) deems it necessary or appropriate, in order to comply with or remain within any applicable legal and/or regulatory limits on the amounts of Fund Shares that it may hold, to redeem all or some of any Fund Shares which may be held by the Issuer (or any of its subsidiaries or agents) to hedge any of the Issuer's obligations in respect of the Securities (despite the fact that the Issuer is under no obligation to hedge its obligations under the Securities).

(d) The Issuer and/or or any of its Affiliates deems it necessary or appropriate to redeem all or any Fund Shares which may be held by the Issuer (and/or or any of its Affiliates) to hedge any of the Issuer's obligations in respect of the Securities in order to maintain its exposure (if any) to the Fund in respect of the Securities to below 20% of the total net asset value of the Fund.

(e) The Fund or any Fund Service Provider becomes party to any litigation, dispute or legal proceedings which may have an adverse impact on the value of the Fund Shares or on the rights or remedies of any holder of Fund Shares.

(f) It becomes unlawful in any applicable jurisdiction for the Issuer or the Determination Agent to perform any of its obligations in respect of the Securities.

(4) Reputational Risk

(a) The activities of the Fund, Fund Manager, Administrator or Custodian become subject to any investigation, review, proceeding or litigation by any governmental, legal, administrative or regulatory authority to whose rules they are subject for reasons of any alleged wrongdoing, breach of any rule or regulation or other similar reason.

(b) The Fund, Fund Manager, Administrator or Custodian (i) loses any relevant licence or new conditions are imposed on such licence or (ii) has any regulatory authorisation, registration or approval cancelled, suspended, revoked or removed for whatever reason.

(c) Any representation or statement made or deemed to be made (i) by an Fund Manager within this document or any other document delivered by the Fund Manager or (ii) by the Fund (and/or any directors thereof) in the Fund Documents under or in connection with the Securities is or proves to have been incorrect or misleading in any respect when made or deemed to have been made.

SCHEDULE 2

"Insolvency Event" means that the Fund, Fund Manager, Fund Administrator, Fund Custodian or any Fund prime broker (i) institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to, a proceeding seeking a judgement of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, (ii) a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, (iii) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all of its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within fifteen days thereafter; or (iv) has a resolution passed or an announcement published for its dissolution or termination.

A **"Fund-Linked Hedging Disruption Event"** shall have occurred where the Issuer and/or or any of its Affiliates is unable, or it is impractical for the Issuer and/or or any of its Affiliates, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, redeem, unwind, transfer or dispose of any transaction(s) or asset(s) (including the Fund Shares) it deems necessary to hedge the risk of the Issuer issuing the Securities and/or entering into and/or performing its obligations with respect to the Securities, or (ii) realise, recover, receive, repatriate, remit or transfer the proceeds of any such transaction(s) or asset(s) including, without limitation, where such inability or impracticability has arisen (A) due to any restrictions on the ability of any Hypothetical Investor to redeem or transfer such Fund Shares, in whole or in part, on any Dealing Date or on the ability of any new or existing Hypothetical Investor to make new or additional investments in Fund Shares on any Dealing Date, (B) due to any mandatory redemption, in whole or in part, of Fund Shares imposed by the Fund (in each case other than any restriction in existence on the Trade Date), (C) due to any increase in charges or fees imposed by the Fund in respect of an investment in Fund Shares or (D) except in circumstances contemplated in the Fund Documents, due to any redemption order submitted to the Fund in respect of any Dealing Date following the Issue Date which is not an Valuation Date or the Early

Redemption Dealing Date not being executed in full or redemption proceeds payable to an investor in Fund Shares are otherwise subject to any form of tax or other form of withholding (including, without limitation, where redemption proceeds are withheld pending completion of the Fund's annual audit).

A "**Fund-Linked Increased Cost of Hedging Event**" shall have occurred if the Issuer and/or any of its Affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee, for any reason (including, but not limited to the Fund introducing or applying any form of charge, fee or levy) to (A) acquire, establish, re-establish, substitute, maintain, redeem, unwind or dispose of any transaction(s) or asset(s) (including the Fund Shares) it deems necessary to hedge the risk of the Issuer issuing the Securities and/or entering into and/or performing its obligations with respect to the Securities, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), except in circumstances where such materially increased amount is incurred solely due to the deterioration of the creditworthiness of the Issuer.

"**Gate**" means any form of restriction or limitation on the amount of redemptions that may be effected, or the amount of capital that may be withdrawn, from the Fund in respect of a Dealing Date.

GENERAL INFORMATION

Authorisation and Consents

The issue of the Securities has been duly authorised by resolutions of the Issuer on 4 August 2009 and resolutions of an authorised committee of the Board of Directors of the Issuer on 31 July 2009.

The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue and performance of the Securities.

Use of Proceeds

The Issuer intends to apply the net proceeds from the issue of the Securities for general funding purposes.

Relevant Clearing Systems

The Securities may be accepted for clearance through Euroclear and Clearstream, Luxembourg. The International Securities Identification Number (ISIN) for the Securities is XS0505744747.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg.

Documents available

For as long as any Securities remain outstanding, copies of the following documents will, when available, be made available during usual business hours on a weekday (Saturdays and public holidays excepted) for inspection and, in the case of (b), (c), (h) and (i) below, shall be available for collection free of charge at the registered office of the Issuer and at the specified office of the Issue and Paying Agent:

- (a) the constitutional documents of the Issuer;
- (b) the documents set out in the section "Information Incorporated by Reference" of this Prospectus;
- (c) all future annual reports and semi-annual financial statements of the Issuer;

- (d) the Master Subscription Agreement dated 5 August 2009 as further amended on the Issue Date relating to the Programme;
- (e) the Master Agency Agreement dated 5 August 2009 as further amended on the Issue Date relating to the Programme;
- (f) the Deed of Covenant dated 5 August 2009 as further amended on the Issue Date relating to the Programme;
- (g) this Prospectus and any future supplements thereto;
- (h) the information memoranda in respect of the Fund; and
- (i) any other future documents and/or announcements issued by the Issuer.

ISSUER

Barclays Bank Plc

REGISTERED OFFICE

1 Churchill Place
London E14 5HP
United Kingdom

MANAGER

Barclays Bank PLC

1 Churchill Place
London E14 5HP
United Kingdom

ISSUE AND PAYING AGENT

The Bank of New York Mellon, London Branch

One Canada Square
London E14 5AL
United Kingdom

DETERMINATION AGENT

Barclays Bank PLC

1 Churchill Place
London E14 5HP
United Kingdom

LEGAL ADVISERS TO THE MANAGER

in respect of English law:

Linklaters LLP

One Silk Street
London EC2Y 8HQ
United Kingdom

Document No. 12007141