

Report Prepared On: 02/02/13

Structured Product Details

Name	Accelerated Return Notes linked to the Russell 2000 Index
Issue Size	\$11.87 million
Issue Price	\$10
Term	14 Months
Annualized Coupon	0.00%
Pricing Date	January 26, 2012
Issue Date	February 2, 2012
Valuation Date	April 1, 2013
Maturity Date	April 1, 2013
Issuer	Barclays
CDS Rate	92.85 bps
Swap Rate	1.00%
Reference Asset	the Russell 2000 Index
Initial Level	792.91
Dividend Rate	1.43%
Implied Volatility	28.51%
Delta¹	0.71
Fair Price at Issue	\$9.33
CUSIP	06741L526
SEC Link	www.sec.gov/Archives/edgar/data/312070/000119312512029411/d291141d424b2.htm

Accelerated Return Notes linked to the Russell 2000 Index

Description

Barclays issued \$11.87 million of Accelerated Return Notes linked to the Russell 2000 Index on February 2, 2012 at \$10 per note.

These notes are Barclays-branded PLUS securities that do not pay periodic coupons, but instead pay a single amount at maturity depending on the Russell 2000 Index level at maturity.

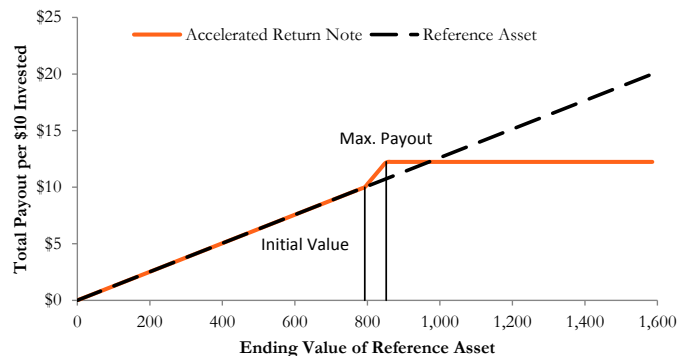
If the Russell 2000 Index level on April 1, 2013 is higher than 792.91, but lower than 851.98, the notes pay a return equal to the percentage increase in the Russell 2000 Index multiplied by 3.0. If on April 1, 2013 the Russell 2000 Index level is above the 851.98, the notes pay the maximum payout of \$12.24. If on April 1, 2013 the Russell 2000 Index level is below 792.91, investors receive the face value per note reduced by the percentage decline in the reference asset. The notes will pay nothing at maturity if the reference asset declines to zero.

Valuation

This note can be valued as a combination of a note from Barclays, a short at-the-money put option, three long at-the-money call options, and three short out-of-the-money call options. The short at-the-money put option exposes investors to any decline in the Russell 2000 Index. The three short out-of-the-money call options has the strike price of 851.98, and limits the maximum return of the notes beyond the cap level. For reasonable valuation inputs this note was worth \$9.33 when it was issued on February 2, 2012 because the value of the options investors gave Barclays plus the interest investors would have received on Barclays's straight debt was worth \$0.67 more than the call options investors received from Barclays.

There is no active secondary market for most structured products. Structured products, including this note, therefore are much less liquid than simple stocks, bonds, notes and mutual funds. Investors are likely to receive less than the structured product's estimated market value if they try to sell the structured product prior to maturity. Our valuations do not incorporate this relative lack of liquidity and therefore should be considered an upper bound on the value of the structured product.

Payoff Curve at Maturity



The payoff diagram shows the final payoff of this note given the Russell 2000 Index level (horizontal axis). For comparison, the dashed line shows the payoff if you invested in the Russell 2000 Index directly.

Related Research

Research Papers:

www.slcg.com/research.php

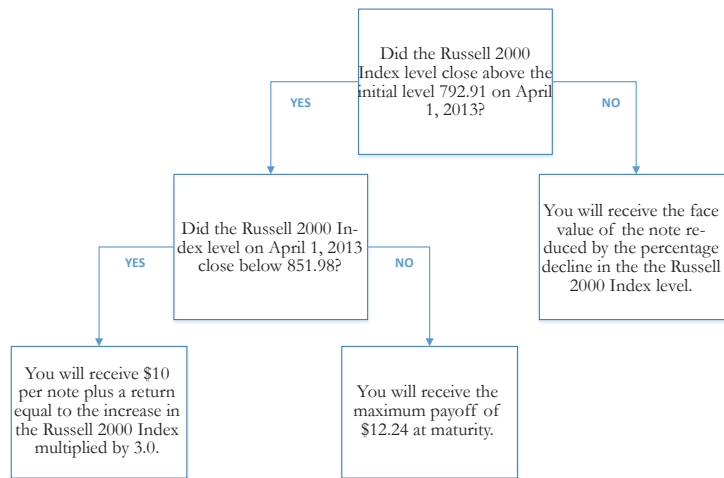
- "Are Structured Products Suitable for Retail Investors?" December 2006.
- "Structured Products in the Aftermath of Lehman Brothers," November 2009.
- "What TiVo and JP Morgan Teach Us about Reverse Convertibles," June 2010.

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Principal Payback Table

The Russell 2000 Index	Note Payoff
0.00	\$0.00
79.29	\$1.00
158.58	\$2.00
237.87	\$3.00
317.16	\$4.00
396.46	\$5.00
475.75	\$6.00
555.04	\$7.00
634.33	\$8.00
713.62	\$9.00
792.91	\$10.00
872.20	\$12.24
951.49	\$12.24
1,030.78	\$12.24
1,110.07	\$12.24
1,189.37	\$12.24

Maturity Payoff Diagram

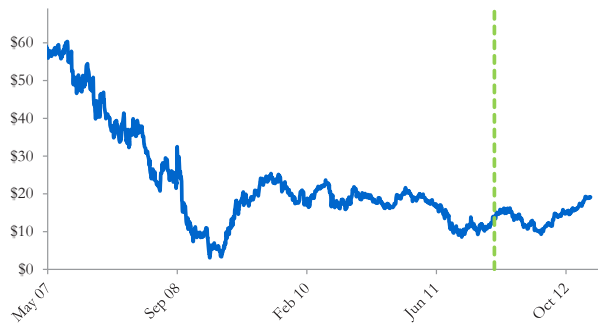


The contingent payoffs of this Accelerated Return Note.

Analysis

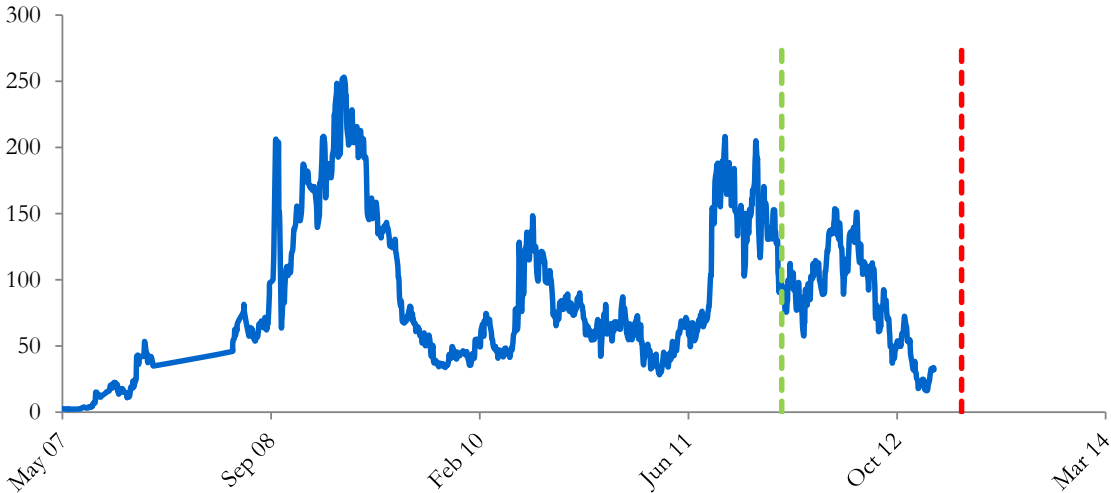
This Accelerated Return Note pays investors the increase in the Russell 2000 Index multiplied by 3.0 capped at 22.35%, but if the Russell 2000 Index declines over the term of the note, investors will suffer losses equal to the percentage decline in the Russell 2000 Index. In addition, investors bear the credit risk of Barclays. Investors purchasing this Accelerated Return Note effectively sell at-the-money put and out-of-the-money call options to Barclays, buy at-the-money call options, and a zero-coupon note from Barclays. This Accelerated Return Note is fairly priced if and only if the market value of the options investors received from Barclays equals the market value of the options investors gave Barclays plus the interest investors would have received on Barclays's straight debt.

Barclays's Stock Price



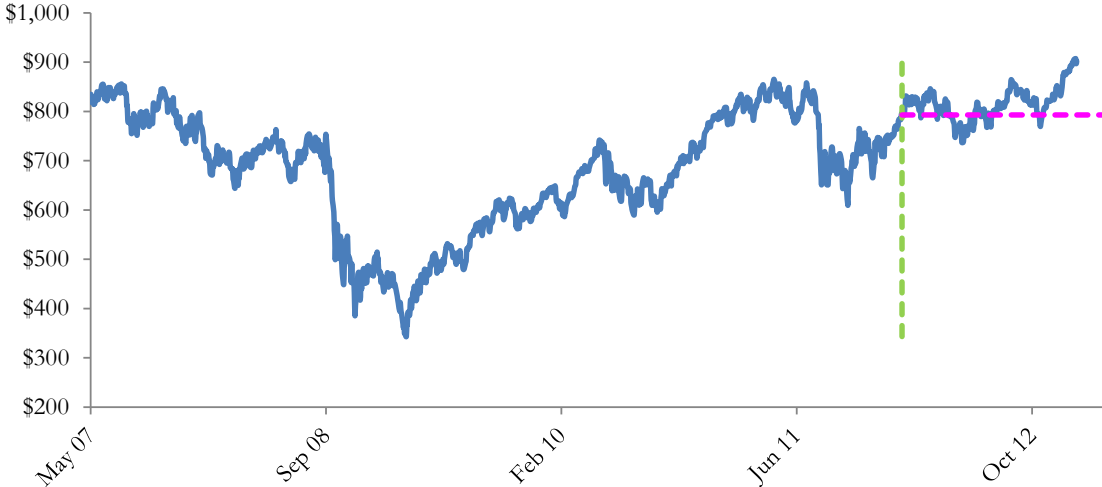
The graph above shows the adjusted closing price of the issuer Barclays for the past several years. The stock price of the issuer is an indication of the financial strength of Barclays. The adjusted price shown above incorporates any stock split, reverse stock split, etc.

Barclays's CDS Rate



Credit default swap (CDS) rates are the market price that investors require to bear credit risk of an issuer such as Barclays. CDS rates are usually given in basis points (bps). One basis point equals 0.01%. Higher CDS rates reflect higher perceived credit risk, higher required yields, and therefore lower market value of Barclays's debt, including outstanding Accelerated Return Note. Fluctuations in Barclays's CDS rate impact the market value of the notes in the secondary market.

The Russell 2000 Index Level

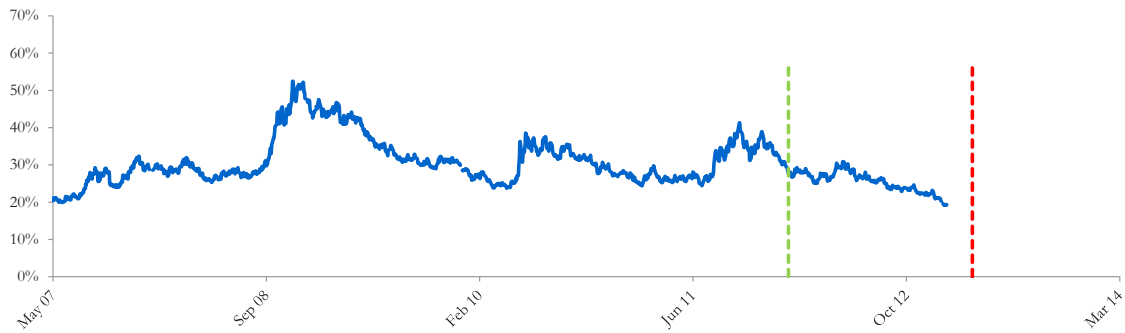


The graph above shows the historical levels of the Russell 2000 Index for the past several years. The final payoff of this note is determined by the Russell 2000 Index level at maturity. Higher fluctuations in the Russell 2000 Index level correspond to a greater uncertainty in the final payout of this Accelerated Return Note.

Realized Payoff

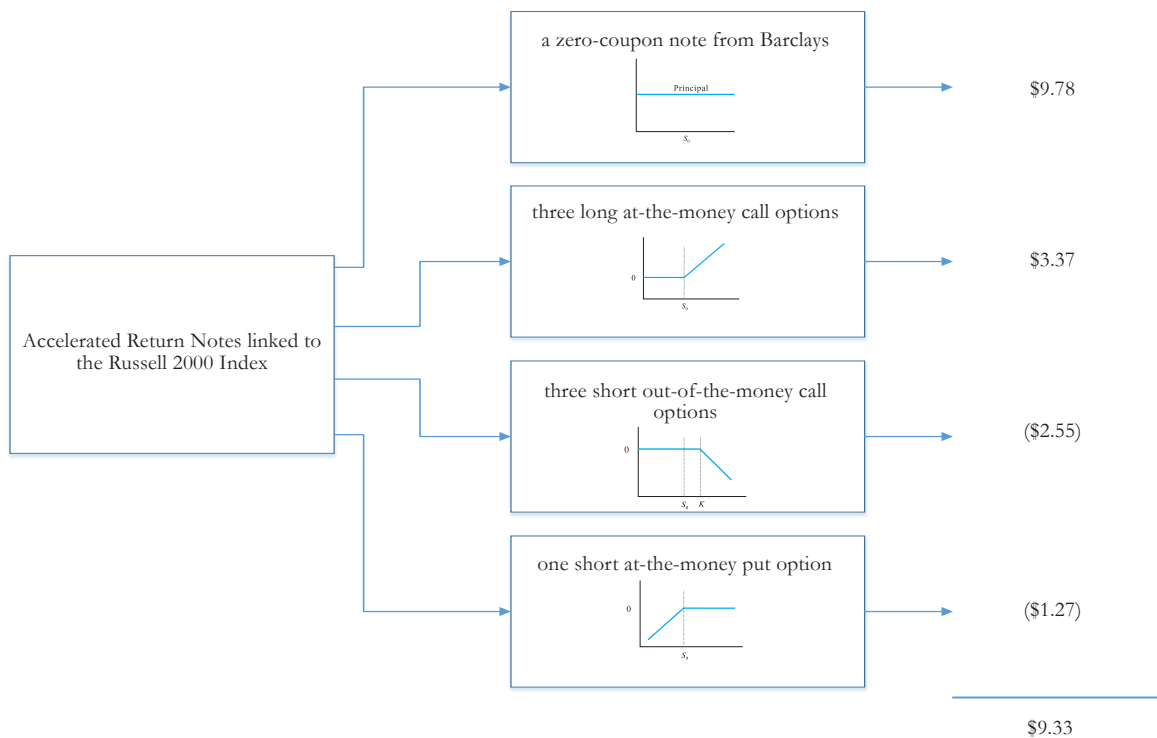
This product will mature on April 1, 2013.

Reference Asset The Russell 2000 Index's Implied Volatility



The annualized implied volatility of the Russell 2000 Index on January 26, 2012 was 28.51%, meaning that options contracts on the Russell 2000 Index were trading at prices that reflect an expected annual volatility of 28.51%. The higher the implied volatility, the larger the expected fluctuations of the Russell 2000 Index level and of the Note's market value during the life of the Notes.

Decomposition of this Accelerated Return Note



This note can be decomposed into different components, and each component can be valued separately. The chart above shows the value of each component of this Accelerated Return Note.

1. Delta measures the sensitivity of the price of the note to the the Russell 2000 Index level on January 26, 2012.
2. CDS rates can be considered a measure of the probability that an issuer will default over a certain period of time and the likely loss given a default. The lower the CDS rate, the lower the default probability. CDS rate is given in basis points (1 basis point equals 0.01%), and is considered as a market premium, on top of the risk-free rate, that investors require to insure against a potential default.
3. Fair price evaluation is based on the Black-Scholes model of the the Russell 2000 Index on January 26, 2012.
4. Calculated payout at maturity is only an approximation, and may differ from actual payouts at maturity.
5. Our evaluation does not include any transaction fees, broker commissions, or liquidity discounts on the notes.