

BARCLAYS PLC
Form 20-F
March 29, 2006
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SECURITIES AND EXCHANGE COMMISSION
FORM 20-F

- .. **Registration statement pursuant to Section 12(b) or 12(g) of the Securities Exchange Act of 1934**
or
- b **Annual report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934, for the fiscal year ended December 31, 2005**
or
- .. **Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**
For the transition period from _____ to _____.

Commission file numbers:

Barclays PLC 0-13790
Barclays Bank PLC2-71497-01

BARCLAYS PLC

BARCLAYS BANK PLC

(Exact names of registrants as specified in their charters)

ENGLAND

(Jurisdictions of incorporation)

1 CHURCHILL PLACE, LONDON, E14 5HP, ENGLAND

(Address of principal executive offices)

Securities registered pursuant to Section 12(b) of the Act:

	Title of each class	Name of each exchange on which registered
Barclays PLC	25p ordinary shares American Depositary Shares, each representing four 25p ordinary shares	New York Stock Exchange* New York Stock Exchange
Barclays Bank PLC	7.4% Subordinated Notes 2009	New York Stock Exchange

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Callable Floating Rate Notes 2035

New York Stock Exchange

* Not for trading, but only in connection with the registration of American Depositary Shares, pursuant to the requirements of the Securities and Exchange Commission.

Securities registered pursuant to Section 12(g) of the Act: None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: None

Indicate the number of outstanding shares of each of the issuers' classes of capital or common stock as of the close of the period covered by the annual report.

Barclays PLC	25p ordinary shares	6,489,514,368
	£1 staff shares	875,000
Barclays Bank PLC	£1 ordinary shares	2,318,360,515
	£1 preference shares	1,000
	£100 preference shares	75,000
	100 preference shares	240,000
	\$100 preference shares	100,000

Indicate by check mark if each registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

If this report is an annual or transition report, indicate by check mark if each registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes No

Indicate by check mark whether the registrants (1) have filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrants were required to file such reports) and (2) have been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether each registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer

Indicate by check mark which financial statement item the registrants have elected to follow.

Item 17 Item 18

If this is an annual report, indicated by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)

Indicate by check mark whether the registrants have filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

Yes No

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This document comprises the Annual report on Form 20-F for the year ended December 31, 2005 of Barclays PLC and Barclays Bank PLC (the 2005 Form 20-F). Reference is made to the Form 20-F cross reference table on page 268 hereof (the Form 20-F Cross Reference Table). Only (i) the information in this document that is referenced in the Form 20-F Cross Reference Table, and (ii) the Exhibits, shall be deemed to be filed with the Securities and Exchange Commission for any purpose, including incorporation by reference into the Registration Statements on Form F-3 (File No. 333-126811, 333-85646, and 333-12384) which were filed by Barclays Bank PLC and the Registration Statements on Form S-8 (File No. 333-12818, 333-112796 and 333-112797) which were filed by Barclays Bank PLC, and any other documents, including any documents filed by Barclays PLC or Barclays Bank PLC pursuant to the Securities Act of 1933, as amended, which purport to incorporate by reference the 2005 Form 20-F. Any information herein which is not referenced in the Form 20-F Cross Reference Table, or contained in the Exhibits themselves, shall not be deemed to be so incorporated by reference.

Forward-looking statements

This document contains certain forward-looking statements within the meaning of Section 21E of the US Securities Exchange Act of 1934, as amended, and Section 27A of the US Securities Act of 1933, as amended, with respect to certain of the Group's plans and its current goals and expectations relating to its future financial condition and performance. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements sometimes use words such as aim, anticipate, target, expect, estimate, intend, plan, goal, believe, or other words of similar meaning. Forward-looking statements include, among others, statements regarding the Group's future financial position, income growth, impairment charges, business strategy, projected levels of growth in the banking and financial markets, projected costs, estimates of capital expenditures, and plans and objectives for future operations.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances, including, but not limited to, the further development of standards and interpretations under IFRS applicable to past, current and future periods, evolving practices with regard to the interpretation and application of standards under IFRS, as well as UK domestic and global economic and business conditions, market related risks such as changes in interest rates and exchange rates, the policies and actions of governmental and regulatory authorities, changes in legislation, progress in the integration of Absa into the Group's business and the achievement of synergy targets related to Absa, the outcome of pending and future litigation, and the impact of competition a number of which factors are beyond the Group's control. As a result, the Group's actual future results may differ materially from the plans, goals, and expectations set forth in the Group's forward-looking statements. Any forward-looking statements made by or on behalf of Barclays speak only as of the date they are made. Barclays does not undertake to update forward-looking statements to reflect any changes in Barclays expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based. The reader should, however, consult any additional disclosures that Barclays has made or may make in documents it has filed or may file with the SEC.

This document contains information, including statistical data, about certain of Barclays markets and its competitive position. Except as otherwise indicated, this information is taken or derived from Datastream and other external sources. Barclays cannot guarantee the accuracy of information taken from external sources, or that, in respect of internal estimates, a third party using different methods would obtain the same estimates as Barclays.

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Directors and Officers of Barclays PLC and Barclays Bank PLC

Matthew W Barrett

Chairman (age 61) was appointed as Chairman on 1st September 2004. He had been Group Chief Executive since October 1999, when he joined the Board. He joined Barclays from Bank of Montreal where he was Chairman and Chief Executive Officer. He joined the Bank of Montreal in 1962. In 1994, he became an Officer of the Order of Canada, the country's highest civilian honour, and in 1995, he was awarded the title of Canada's Outstanding CEO of the Year. He is a Member of the International Advisory Board of British American Business Inc., the Federal Reserve Bank of New York's International Advisory Committee, Institut International D'Etudes Bancaires, the Chartered Management Institute and the European Financial Services Round Table. He chairs the Board Corporate Governance and Nominations Committee.

Sir David Arculus^(a) (age 59) joined the Board in February 1997. He has recently joined the Board of Telefónica, following the takeover of O2 plc, where he was Chairman. He is also a non-executive Director of Pearson Plc. Until the end of 2005 Sir David was Chairman of the UK Government's Better Regulation Task Force. He is a member of the Finance Committee of Oxford University Press and is Deputy President of the CBI. Sir David's previous positions include Chairman of Severn Trent plc, Earls Court and Olympia Group Limited and IPC Group Limited and Group Managing Director of EMAP plc. He is a member of the Board HR and

Fulvio Conti^(a) (age 58) will join the Board as a non-executive Director on 1st April 2006. Fulvio is Chief Executive Officer and General Manager of Enel SpA, the Italian energy group, a position he has held since May 2005. He became Chief Financial Officer of Enel SpA in 1999. Fulvio was formerly General Manager and Chief Financial Officer of Telecom Italia and between 1996 and 1998 was General Manager and Chief Financial Officer of Ferrovie dello Stato, the Italian national railway. Fulvio began his career in 1969 with the Mobil Group, where he held a number of executive positions in Italy and abroad, including a period as Chief Financial Officer for Europe.

Dr Danie Cronjé^(a) (age 59) joined the Board on 1st September 2005 following the acquisition by Barclays of a majority stake in Absa, where he is Chairman. Danie joined Absa in 1987 and was formerly Deputy Chief Executive and Group Chief Executive until 1997. He joined Volkskas in 1975 and held various positions in Volkskas Merchant Bank and Volkskas Group. Danie is also a director of Idion Technology Holdings Limited. He is a member of the Board Risk Committee.

Professor Dame Sandra Dawson^(a) (age 59) joined the Board in March 2003. She is currently KPMG Professor of Management Studies at the

Remuneration Committee and the Board Corporate Governance and Nominations Committee.

Sir Richard Broadbent^(a)

Senior Independent Director (age 52) joined the Board in September 2003. He was appointed Senior Independent Director on 1st September 2004. He is Chairman of Arriva plc and was previously the Executive Chairman of HM Customs and Excise from 2000 to 2003.

He was formerly a member of the Group Executive Committee of Schroders plc and a non-executive Director of the Securities Institute. He is a member of the Board HR and Remuneration Committee and the Board Corporate Governance and Nominations Committee and, from 1st January 2006, Chairman of the Board Risk Committee.

Leigh Clifford^(a) (age 58) joined the Board on 1st October 2004. He is Chief Executive of Rio Tinto, having worked for the Rio Tinto Group since 1970. He has extensive experience of managing a business that operates in a number of global regions. He was previously Chairman of the Coal Industry Advisory Board of the International Energy Agency and until May 2004, a Director of Freeport-McMoran Copper & Gold Inc. He is a member of the Board HR and Remuneration Committee.

University of Cambridge and has been Director of Judge Business School at Cambridge since 1995 and Master of Sidney Sussex College, Cambridge since 1999. Professor Dawson is a member of the UK-Indian Round Table and has held a range of non-executive posts in other organisations including Rand Europe (UK), the Society for the Advancement of Management Studies, JP Morgan Fleming Claverhouse Investment Trust and Riverside Mental Health Trust. She is a member of the Board Audit Committee.

Sir Andrew Likierman^(a) (age 62) joined the Board on 1st September 2004. He was previously Managing Director, Financial Management, Reporting and Audit and Head of the Government Accountancy Service at HM Treasury. He is Professor of Management Practice in Accounting at the London Business School and a non-executive Director of the Bank of England. Sir Andrew was formerly a non-executive Director and Chairman of MORI Group Limited. He is a member of the Board Audit and Board Risk Committees.

Sir Nigel Rudd, DL^(a)

Deputy Chairman (age 59) joined the Board in February 1996 and was appointed Deputy Chairman on 1st September 2004. He is currently non-executive Chairman of Pilkington PLC, Pendragon PLC and Boots Group PLC. He is Chairman of the Board HR and Remuneration Committee and a member of the Board Corporate Governance and Nominations Committee. Sir Nigel is also Chairman of the Group's Brand and Reputation Committee.

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Stephen Russell^(a) (age 60) joined the Board in October 2000 on completion of the acquisition of Woolwich plc. He joined Woolwich plc's Board as a non-executive Director in 1998. He was Chief Executive of Boots Group PLC from 2000 until 2003, having worked for Boots since 1967. He is Chairman of the Board Audit Committee and is a member of the Board Risk and Board Corporate Governance and Nominations Committees. Stephen is also a trustee of St John's Ambulance and Tommy's the Baby Charity and is on the Council of Nottingham University.

Robert Steel^(a) (age 54) joined the Board on 1st June 2005. He retired from Goldman Sachs in January 2004 after more than 25 years with the firm. At the time of his retirement he was a Vice-Chairman of the firm. Bob is also a Senior Fellow at the Center for Business and Government, John F. Kennedy School of Government, Harvard University and Chairman of the Board of Trustees of Duke University. He is also a Member of the New York Stock Exchange (NYSE) Inc. and a former Director of the Securities Industry Association (USA). He is a member of the Board Audit Committee.

John Sunderland^(a) (age 60) joined the Board on 1st June 2005. He has been Chairman of Cadbury Schweppes PLC since May 2003. John joined Cadbury Schweppes in 1968 and was appointed Chief Executive in September 1996. He is also Senior Independent non-executive Director of The Rank Group Plc. John is President of the CBI and former President of both ISBA, the Incorporated Society of British Advertisers and the Food and Drink Federation. John is a Director of the Financial Reporting Council, an Advisory Board Member of CVC Capital Partners and of Ian Jones & Partners, a Leadership Council Member of Young Enterprise. He is a member of the Board HR and Remuneration Committee.

John Varley^{(b)(c)}

Group Chief Executive (age 49) was appointed as Group Chief Executive on 1st September 2004, prior to which he had been Group Deputy Chief Executive from 1st January 2004. He held the position of Group Finance Director from 2000 until the end of 2003. He joined the Group Executive Committee in September 1996 and was appointed to the Board in June 1998. He was Chief Executive of Retail Financial Services from 1998 to 2000 and Chairman of the Asset Management Division from 1995 to 1998.

Robert E Diamond Jr^{(b)(c)}

President, Barclays PLC and CEO, Investment Banking and Investment Management

(age 54) was appointed President of Barclays PLC and became an executive Director on 1st June 2005. He is responsible for the investment banking, investment management and wealth management businesses for the Group. He has been a member of the Group Executive Committee since September 1997. He joined Barclays in July 1996 from CSFB where he was Vice-Chairman and Head of Global Fixed Income and Foreign Exchange.

Gary Hoffman^{(b)(c)}

Chairman, UK Banking and Chairman,

Barclaycard (age 45) was appointed as Chief Executive of Barclaycard in September 2001 and joined the Board on 1st January 2004. He was appointed Chairman of UK Banking and Chairman of Barclaycard in December 2005. Gary joined the Group in 1982 and has held a variety of management positions, as well as sitting on the Executive Committee of Retail Financial Services and being a member of the Group Operating Committee. He joined the Group Executive Committee in 2001. Gary is also a non-executive Director of Trinity Mirror PLC.

Paul Idzik^(c)

Chief Operating Officer (age 45) joined the Executive Committee and became Chief Operating Officer in November 2004. He is also Chairman of the Group Operating Committee. Paul was formerly Chief Operating Officer of Barclays Capital. He joined Barclays Capital in August 1999 following a career with Booz Allen & Hamilton, where he was a partner and senior member of the Financial Institutions Practice.

Naguib Kheraj^{(b)(c)}

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Group Finance Director (age 41) was appointed as Group Finance Director and joined the Board on 1st January 2004. He had previously held the positions of Chief Executive of Barclays Private Clients, Deputy Chairman of Barclays Global Investors, Global Head of Investment Banking and Global Chief Operating Officer at Barclays Capital. He joined the Group Executive Committee in March 2003. Before joining Barclays, he was a Managing Director and held the post of Chief Financial Officer for Europe at Salomon Brothers. Naguib is also a non-executive Director of Absa Group Limited.

David Roberts^{(b)(c)}

Chief Executive, International Retail and Commercial Banking (age 43) was appointed as Chief Executive, International Retail and Commercial Banking on 1st January 2005. David was formerly Chief Executive of Private Clients & International from 1st January 2004 and joined the Board on the same date. He joined the Group in 1983 and has held various management positions, including Chief Executive of Personal Financial Services and Chief Executive of Business Banking. He joined the Group Executive Committee in 2001. David is also a non-executive Director of Absa Group Limited and, on 1st March 2006, became a non-executive Director of BAA plc.

(a) Independent non-executive Director

(b) Executive Director

(c) Group Executive Committee member

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		Appointed to Group
Current Group Executive Committee members		Executive Committee
John Varley	Group Chief Executive	1996
Robert E Diamond Jr	President, Barclays PLC, Chief Executive, Investment Banking and Investment Management	1997
Gary Hoffman	Chairman, UK Banking and Chairman, Barclaycard	2001
Paul Idzik	Chief Operating Officer	2004
Naguib Kheraj	Group Finance Director	2003
David Roberts	Chief Executive, International Retail and Commercial Banking	2001

		Appointed to position
Other officers		
Jonathan Britton	Financial Controller	2006
Lawrence Dickinson	Company Secretary	2002
Patrick Gonsalves	Joint Secretary, Barclays Bank PLC	2002
Mark Harding	General Counsel	2003
Robert Le Blanc	Risk Director	2004

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Directors Report

Directors Report

Profit Attributable

The profit attributable to equity shareholders of the parent for the year amounted to £3,447m, compared with £3,254m in 2004.

Dividends

The final dividends for the year ended 31st December 2005 of 17.4p per ordinary share of 25p each and 10p per staff share of £1 each have been recommended by the Directors. The final dividends will be paid on 28th April 2006 in respect of the ordinary shares registered at the close of business on 3rd March 2006 and in respect of the staff shares so registered on 31st December 2005. With the interim dividends of 9.2p per ordinary share and of 10p per staff share that were paid on 3rd October 2005, the total distribution for 2005 is 26.6p (2004: 24p) per ordinary share and 20p (2004: 20p) per staff share. The dividends for the year absorb a total of £1,687m (2004: £1,529m).

Dividend Reinvestment Plan

Ordinary shareholders may have their dividends reinvested in Barclays PLC ordinary shares by participating in the Dividend Reinvestment Plan. The plan is available to all ordinary shareholders provided that they do not live in, or are subject to the jurisdiction of, any country where their participation in the plan would require Barclays or The Plan Administrator to take action to comply with local government or regulatory procedures or any similar formalities. Any shareholder wishing to obtain details of the plan and a mandate form should contact The Plan Administrator to Barclays at The Causeway, Worthing, BN99 6DA. Those wishing to participate for the first time in the plan should send their completed mandate form to The Plan Administrator so as to be received by 7th April 2006 for it to be applicable to the payment of the final dividend on 28th April 2006. Existing participants should take no action unless they wish to alter their current mandate instructions, in which case they should contact The Plan Administrator.

Share Capital

The Company did not repurchase any shares during the year. As at 28th February 2006 (the latest practicable date for inclusion in this report), the Company had an unexpired authority to repurchase shares up to a maximum of 968.6 million ordinary shares.

The issued ordinary share capital was increased by 35.9 million ordinary shares during the year as a result of the exercise of options under the Sharesave and Executive Share Option Schemes. At 31st December 2005 the issued ordinary share capital totalled 6,489.5 million shares.

Substantial Shareholdings

As at 28th February 2006, the Company had been notified under sections 198 to 208 of the Companies Act 1985 of the following notifiable interest in its shares:

Legal & General Group plc	3.59%.
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Board Membership

The membership of the Boards of Directors of Barclays PLC and Barclays Bank PLC is identical and biographical details of the members are set out on pages 2 and 3. Robert E Diamond Jr was appointed as an executive Director with effect from 1st June 2005. Robert Steel and John Sunderland were appointed as non-executive Directors with effect from 1st June 2005 and Dr Danie Cronjé was appointed as a non-executive Director with effect from 1st September 2005. Dr Jürgen Zech retired from the Board on 28th April 2005 and Roger Davis left the Board on 8th December 2005.

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Fulvio Conti will join the Board as a non-executive Director with effect from 1st April 2006.

Retirement and Re-election of Directors

In accordance with its Articles of Association, one-third (rounded down) of the Directors of Barclays PLC are required to retire by rotation at each Annual General Meeting (AGM), together with Directors appointed by the Board since the last AGM. The retiring Directors are eligible to stand for re-election. In addition, under the UK Combined Code on Corporate Governance, every Director should seek re-election by shareholders at least every three years.

The Directors retiring by rotation at the 2006 AGM and offering themselves for re-election are Professor Dame Sandra Dawson, Sir Richard Broadbent, Gary Hoffman and Naguib Kheraj. Sir Nigel Rudd retires annually in accordance with the Combined Code and is offering himself for re-election. In addition, Robert E Diamond Jr, Robert Steel, John Sunderland and Dr Danie Cronjé, who were appointed as Directors since the last AGM, will be offering themselves for re-election at the 2006 AGM. Fulvio Conti, who will join the Board on 1st April 2006, will also offer himself for re-election.

Sir David Arculus is retiring at the AGM and is not offering himself for re-election.

Directors Interests

Directors' interests in the shares of the Group on 31st December 2005, according to the register maintained under the Companies Act 1985, are shown on page 28. The register is available for inspection during business hours at the Group's head office and will be available for inspection at the 2006 AGM.

Directors Emoluments

Information on emoluments of Directors of Barclays PLC, in accordance with the Companies Act 1985 and the Listing Rules of the United Kingdom Listing Authority, is given in the Barclays report on remuneration on pages 15 to 28 and in Note 48 to the accounts.

Directors Indemnities

The Company's Articles of Association entitle every Director of the Company to be indemnified by the Company against any liability, loss or expenditure incurred in connection with their duties, powers or office, to the extent permitted by statute. The scope of the Directors' ability to be indemnified was widened, with effect from 6th April 2005, by the Companies (Audit, Investigations and Community Enterprise) Act 2004, which permits indemnities to extend, amongst other things, to the payment of a Director's defence costs, subject to the repayment of such costs in certain circumstances. The Board believes that it is in the best interests of the Group to attract and retain the services of the most able and experienced Directors by offering competitive terms of engagement, including the granting of indemnities on terms consistent with the amended statutory provisions. The Company therefore wrote to each of the Directors to confirm, for the avoidance of doubt, that each of them has the benefit of and is able to rely upon the indemnity in the Company's Articles of Association and that the terms of the indemnity are expressly incorporated into their terms of employment or appointment, as appropriate. Qualifying third-party indemnity provisions (as defined by section 309B of the Companies Act 1985) were accordingly in force during the course of the financial year ended 31st December 2005 for the benefit of the then Directors and, at the date of this report, are in force for the benefit of the Directors in relation to certain losses and liabilities which they may incur (or have incurred) in connection with their duties, powers or office.

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Directors report

Activities

Barclays PLC 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 Group operates through branches, offices and subsidiaries in the UK and overseas. The activities of the Group are described on pages 84 to 86 and developments in the Group's business during the year and an indication of likely future developments are analysed in the Financial review on pages 87 and 88, with additional information on potential risk factors discussed on pages 31 to 33.

Community Involvement

The total commitment for 2005 was £39.1m (2004: £32m).

Barclays committed £35.3m in support of the community in the UK (2004: £29.5m) and £3.8m was committed in international support (2004: £2.5m). UK commitment includes £16.7m of charitable donations (2004: £11.2m).

Barclays is a member of the PerCent Club – a group of companies that have undertaken to ensure that donations to the community over time amount to at least 1% of their UK pre-tax profit.

Barclays has an extensive community programme covering many countries around the world. The Group provides funding and support to over 7,500 charities and voluntary organisations, ranging from small, local charities like the Whitechapel Mission in East London (UK), to international organisations like the Red Cross. We also have a very successful employee programme, which in 2005 saw more than 26,000 employees and pensioners worldwide taking part in Barclays supported volunteering and fundraising activities.

Political Donations

The Group did not give any money for political purposes in the United Kingdom nor did it make any donations to EU political organisations or incur any EU political expenditure during the year. Absa Group Limited, in which the Group acquired a majority stake in 2005, made donations totalling £224,400 in 2005 in accordance with its policy of making political donations to the major South African political parties to support the development of democracy in South Africa. The Group made no other political donations in 2005.

At the AGM in 2002, shareholders gave a four-year authority for

Barclays Bank PLC and a number of other subsidiaries to make political donations and incur political expenditure, within an agreed limit, as a precautionary measure in light of the wide definitions in The Political Parties, Elections and Referendums Act 2000. These authorities, which have not been used, expire on 26th April 2006. The risk of inadvertently breaching The Political Parties, Elections and Referendums Act 2000 remains and the Directors consider it prudent to seek a renewal of the authorities given by shareholders. Resolutions to authorise the Company and Barclays Bank PLC to make political donations and incur political expenditure up to a maximum aggregate sum of £250,000 are therefore being proposed at the Barclays PLC 2006 AGM.

Employee Involvement

Barclays is committed to ensuring that employees share in the success of the Company. Staff are encouraged to participate in share option and share purchase schemes and have a substantial sum invested in Barclays shares.

Employees are kept informed of matters of concern to them in a variety of ways, including the corporate news magazine, the intranet, briefings and mobile phone SMS messaging.

Barclays is also committed to providing employees with opportunities to share their views and provide feedback on issues that are important to them. An annual Employee Opinion Survey is undertaken with results being reported to the Board HR and Remuneration Committee and all employees. Roadshows and employee forums also take place. In addition, Barclays undertakes regular and formal Group, business unit and project specific consultations with Amicus, our recognised union.

Equality and Diversity

Barclays is committed to giving full and fair consideration to applications for employment from people with disabilities and to continuing the employment of staff who become disabled and arranging any appropriate training to achieve this.

Barclays respects and values people from all backgrounds and is committed to becoming a more inclusive organisation with a workforce that reflects the markets we serve.

The Equality and Diversity programme covers employee, customer, supplier and community activities, wherever appropriate.

Health and Safety

Barclays is committed to ensuring the health, safety and welfare of its employees and, as far as is reasonably practicable, to providing and maintaining safe working conditions. This commitment goes beyond just fulfilling its statutory legal obligations; the Group has a wish to be proactive in its management of health and safety in the workplace, and recognises that this will strengthen both its physical and human resources.

It is also recognised that, in addition to its employees, Barclays has responsibilities towards all persons on its premises, such as customers, contractors, visitors and members of the public, and will ensure, as far as is reasonably practicable, that they are not exposed to risks to their health and safety.

Barclays monitors its health and safety performance using a variety of metrics on a monthly basis and the Board HR and Remuneration Committee receives regular reports on health and safety from the Human Resources Director.

Creditors Payment Policy

Barclays policy follows the UK DTI's Better Payment Practice Code, copies of which can be obtained from the Better Payment Practice Group's website at www.payontime.co.uk. The Code states that a company should have a clear, consistent policy, adhered to by the finance and purchasing departments, that payment terms are agreed at the outset and payment procedures explained to suppliers, that bills are settled in accordance with payment terms agreed with suppliers, that complaints are dealt with quickly and that suppliers are advised of disputes. Barclays values its suppliers and acknowledges the importance of paying invoices, especially those of small businesses, promptly. Normal policy is to pay all small business purchases within 30 days.

Paragraph 12(3) of Schedule 7 of the Companies Act 1985 requires disclosure of trade creditor payment days. Disclosure is required by the Company, rather than the Group. The Group's principal trading subsidiary in the UK is Barclays Bank PLC, the accounts for which are prepared in accordance with International Financial Reporting Standards.

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The components for the trade creditor calculation are not easily identified. However, by identifying as closely as possible the components that would be required if Schedule 4 of the Companies Act applied, the trade creditor payment days for Barclays Bank PLC for 2005 were 35 days (2004: 34 days). This is an arithmetical calculation and does not necessarily reflect our practice, which is described above, nor the experience of any individual creditor.

Financial Instruments

Barclays financial risk management objectives and policies, including the policy for hedging each major type of forecasted transaction for which hedge accounting is used, and the exposure to market risk, credit risk and liquidity risk are set out in pages 34 to 61 under the headings, Risk Management and Control Overview , Credit Risk Management , Market Risk Management , Capital and Liquidity Risk Management and Derivatives and in Note 15 and Notes 54 to 60 to the accounts.

Events after the Balance Sheet Date

On 1st January 2006, Barclays completed the sale to Absa Group Limited of the Barclays South African branch business. This business consists of the Barclays Capital South African operations and Corporate and Business Banking activities carried out by International Retail and Commercial Banking (South African branch), together with the associated assets and liabilities.

The Auditors

The Board Audit Committee reviews the appointment of the external auditors, as well as their relationship with the Group, including monitoring the Group's use of the auditors for non-audit services and the balance of audit and non-audit fees paid to the auditors. More details on this can be found on pages 11 and 12 and Note 8 to the accounts. Having reviewed the independence and effectiveness of the external auditors, the Committee has recommended to the Board that the existing auditors, PricewaterhouseCoopers LLP, be reappointed. PricewaterhouseCoopers LLP have signified their willingness to continue in office and ordinary resolutions reappointing them as auditors and authorising the Directors to set their remuneration will be proposed at the 2006 AGM.

The Annual General Meeting

The Barclays PLC AGM will be held at The Queen Elizabeth II Conference Centre on Thursday 27th April 2006. The Notice of Meeting is included in a separate document sent to shareholders.

By order of the Board

/s/ Lawrence Dickinson
Lawrence Dickinson
Company Secretary
9th March 2006

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Corporate governance

Corporate governance report

Chairman's Introduction

We made further progress during 2005 in advancing our Corporate Governance agenda.

We published our Charter of Expectations on our website at the beginning of the year, setting out the role description for each position on the Board and the behaviours and competencies required to perform effectively in each role. It is against this Charter that the Board and its members are evaluated each year in the annual Board Effectiveness Review.

We also published in November, for Directors and Shareholders, a document entitled Corporate Governance in Barclays. This document outlines all policies and practices in place at Barclays in the area of Corporate Governance. A copy can be obtained from our website at www.investorrelations.barclays.co.uk.

This year also saw a number of new appointments to the Board, designed to broaden the range of skills and perspectives available to the Board and its Committees. The Board has been strengthened by the addition of Directors who have extensive experience in leading large, complex, multinational organisations and who have expert knowledge of marketplaces outside the UK which are important to our strategy.

By order of the Board

/s/ Matthew W Barrett
Matthew W Barrett
Chairman
9th March 2006

Statement from Barclays PLC Board of Directors

For the year ended 31st December 2005, we have complied with the provisions set out in section 1 of the Combined Code on Corporate Governance (the Code) and applied the principles of the Code as described below.

Board Structure and Composition

At the date of this report, the Board comprises 16 Directors, under the Chairmanship of Matthew W Barrett, who has no executive responsibilities. There are ten non-executive Directors, each of whom the Board considers to be independent. The team of five executive Directors is led by John Varley, Group Chief Executive. The Chairman and Group Chief Executive roles are separate and their respective responsibilities are set out in the Charter of Expectations and in Corporate Governance in Barclays. Sir Nigel Rudd and Sir Richard Broadbent have continued this year in the roles of Deputy Chairman and Senior Independent Director respectively. The names of all Directors are on pages 2 and 3, along with their biographical details.

The Board has a majority of independent non-executive Directors. The chart set out below reflects the current ratio of independent non-executive Directors to executive Directors on the Board.

We have made a number of new appointments during the year, driven by the annual Board Effectiveness Review. Robert E Diamond Jr, who heads our Investment Banking, Investment Management and Wealth Management businesses, joined the Board this year in recognition of the increasing importance of these businesses to the Group as a whole; John Sunderland, Chairman of Cadbury Schweppes PLC brings a wealth of experience in global products and brands; Robert Steel brings significant US market and global investment banking experience and was Vice-Chairman of Goldman Sachs prior to retirement; Dr Danie Cronjé, Chairman of Absa Group Limited, a leading South African bank, joined the Board as a non-executive Director in September 2005, following our successful acquisition of a majority stake in Absa.

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In terms of non-executive Directors, the Board currently comprises five Directors who have FTSE-100 chair and/or executive management experience, together with Directors who have held in their careers senior leadership positions in financial services, government or the public sector and business schools. The charts below give further details of tenure on the Barclays Board and the geographical mix of the current non-executive Directors on the Board.

We are pleased that Fulvio Conti will join the Board as a non-executive Director on 1st April 2006, bringing continental European experience to the Board.

Role of the Board

The Board is responsible to shareholders for creating and sustaining shareholder value through the management of the Group's businesses. It is also responsible for ensuring that management maintain a system of internal control which provides assurance of effective and efficient operations, internal financial controls and compliance with law and regulation. The Board is the decision-making body for all other matters deemed material to the Group in strategic, financial and reputational terms.

The Board has delegated the responsibility for the day-to-day management of the Group to the Group Chief Executive, who is supported by the Group Executive Committee, which he chairs. The Committee is comprised of the Group Finance Director, the leaders of the Group's major businesses and the Chief Operating Officer and usually meets weekly to develop strategies and policies for recommendation to the Board and to implement approved strategy.

All Directors invested the time required in 2005 to discharge their responsibilities to the Board. All Directors, including the Chairman, must report any material change in their circumstances to the Board for consideration. Significant non-Barclays commitments of Directors are reported in their biographies on pages 2 and 3. There has been no change to the Chairman's other commitments in the year.

The Board has reviewed carefully the commitments of the non-executive Directors and is satisfied that each of them is able to devote the time expected of them. The attendance record for the year for Board and Committee meetings was 97%.

Executive Directors are encouraged to be open to serve on one other board in addition to their duties at Barclays. A proposed appointment to another board position must be submitted to the Board for prior approval.

Appointment of Directors

The Board Corporate Governance and Nominations Committee oversees the process for appointing new Directors to the Board. The composition of the Board and its principal Committees is also regularly reviewed by the Committee. Criteria for the desired experience and competencies of new non-executive Directors are recommended by the Committee and reported to the Board. The balance and mix of appropriate skills and experience

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of non-executive Directors is taken into account when considering a new appointment, along with the Committee's determination on the optimum size of the Board. In reviewing Board composition, the Committee looks to ensure a geographical mix of Directors, together with representatives from different industry sectors. The Chairman, Group Chief Executive and at least two other members of the Committee will interview each potential new non-executive Director, who has typically been identified with the assistance of external search consultants, before any appointments are recommended to the Board.

Induction and Training

On appointment to the Board and to Board Committees, all Directors receive a comprehensive induction tailored to their individual requirements, which is arranged by the Company Secretary. On an ongoing basis, the Company Secretary will arrange additional training and updates for Directors on particular issues.

During 2005, Board meetings were held at our contact centre at Gadbrook Park, near Crewe, England and, following the completion of the Absa transaction, in South Africa. These meetings allowed Directors the opportunity to see our frontline staff and operations first hand. We also encourage our non-executive Directors to make site visits individually. During the year, for example, a number of non-executive Directors visited branches and/or contact centres. In the first half of 2006, we will hold the first of a number of detailed business presentations for our non-executive Directors as part of a two-year programme, during which each of our key businesses and key operational areas will be covered. These sessions are designed to give the Board, outside of the normal cycle of Board meetings, more detail on the businesses and the competitive issues they are facing.

Board Effectiveness Review

Following the Board Effectiveness Review undertaken at the end of 2004, the Board concluded that it was operating effectively. The action plan for 2005, which included the appointment of new Directors and ensuring that more time at Board meetings was devoted to discussing strategy, was completed.

Towards the end of 2005, we again enlisted the services of the management consultants, Egon Zehnder International, to independently facilitate the evaluation process. The evaluation process was similar to the previous year, with a detailed questionnaire sent to each Director and supplementary individual interviews, which included peer evaluation of Directors.

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A report on the performance of the Board as a whole and of Board Committees was presented to the Board at its meeting in December 2005. The Board concluded from the results of the review that it continues to operate effectively. Some areas for further improvement in 2006 were identified. Feedback on individual Directors was discussed with the Chairman. The Chairman then held private meetings with each Director to discuss the results and agree any developmental areas. Sir Richard Broadbent, the Senior Independent Director, led the performance review of the Chairman.

Re-election of Directors

Dr Danie Cronjé, Robert E Diamond Jr, Robert Steel and John Sunderland were each appointed to the Board during the year and will be seeking re-election at the 2006 Annual General Meeting (AGM). Fulvio Conti, who joins the Board on 1st April 2006, will also seek re-election at the 2006 AGM. Professor Dame Sandra Dawson, Sir Richard Broadbent, Gary Hoffman and Naguib Kheraj will each be retiring by rotation and seeking re-election at the AGM. Sir Nigel Rudd, having served as a Director for over nine years, retires annually in accordance with the Code and is seeking re-election.

Sir David Arculus, having served on the Board for nine years, will retire at the AGM and is not offering himself for re-election.

Independence of non-executive Directors

The Board evaluates annually whether each of the non-executive Directors is independent. The Code sets out circumstances which may appear relevant to the Board's determination of whether a non-executive Director is independent. The Board has carefully considered the issue of independence and has determined that the following behaviours, which are set out in the Board's Charter of Expectations, are essential for the Board to consider a Director to be independent:

- | Provides objective challenge to management.
 - | Is prepared to challenge others' assumptions, beliefs or viewpoints as necessary for the good of the organisation.
 - | Questions intelligently, debates constructively, challenges rigorously and decides dispassionately.
 - | Is willing to stand up to defend their own beliefs and viewpoints in order to support the ultimate good of the organisation.
 - | Has a good understanding of the organisation's businesses and affairs to enable them to properly evaluate the information and responses provided by management.
- Having considered the matter carefully, the Board has determined that each of the non-executive Directors is independent.

Sir Nigel Rudd has now served on the Board since February 1996. The Board has therefore given particular consideration to his independence. Having reviewed Sir Nigel's performance and contribution as part of the annual Board Effectiveness Review, the Board considers that Sir Nigel remains independent and makes an effective contribution in his role as Deputy Chairman. Sir Nigel continues to meet the time commitment

expected of him as Deputy Chairman.

Senior Independent Director

The Code states that the Board should appoint one of the independent non-executive Directors as Senior Independent Director. Sir Richard Broadbent was appointed to that position in September 2004 and he reports below on how he has fulfilled that role in 2005.

Senior Independent Director's Report

I am pleased to have the opportunity to report on my activities during the year as Senior Independent Director. The role of Senior Independent Director is a developing one and I have sought to reflect this by interpreting it broadly. I have set out to provide a point of contact, in case of need, for shareholders and, through meeting with shareholders and intermediaries, to ensure that I am aware of their views. I have led the Chairman's performance evaluation. I have also met, separately, from time to time with the Group Chief Executive to ensure that I am aware of any relevant issues that the executive team wish to raise.

During 2005, I met with several major shareholders and shareholder bodies to listen to their views on the Group and to discuss any issues they may have. I met privately with our investor relations advisers to discuss the detailed results of their audit of shareholder opinion. I was also available to answer questions from shareholders at the AGM in April 2005.

An important task for me during the year was to lead the non-executive Directors in evaluating the Chairman's performance. This included half-year and full-year reviews of the Chairman's performance against the objectives we set for him at the start of the year. Following the annual Board Effectiveness Review, which took place in the last quarter of 2005, I received feedback on the Chairman's performance and discussed this with the other non-executive Directors and the Group Chief Executive.

There are no issues arising from these discussions that I feel it is necessary to draw to the attention of shareholders.

Sir Richard Broadbent

Senior Independent Director

9th March 2006 Board Meetings

The Board meets regularly, usually between eight to ten times a year, including a full day each year, offsite, devoted to review and approval of Group strategy. Regular items for Board meetings include the Finance Director's Report, the Group Chief Executive's Report on the key issues affecting the Group and its businesses, strategy updates from our main businesses and reports from the Chairmen of each of the principal Board Committees.

The Board has a formal schedule of matters reserved to it, including the approval of interim and final financial statements, significant changes in accounting policy and practice, the appointment or removal of Directors or the Company Secretary, changes to our capital structure and major acquisitions, mergers, disposals and capital expenditure.

The Chairman meets privately with all the non-executive Directors prior to each Board meeting to brief them on the business to be considered and to address any concerns they may have. Ten such meetings were held in 2005.

Open discussion and frank debate is encouraged and expected at meetings. The findings of our Board Effectiveness Review have confirmed that Board meetings provide a forum for challenging and constructive debate.

All Directors have access to the services of the Company Secretary and his team. Independent professional advice is also available, on request, to all Directors at the Company's expense.

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Board Committees

Specific responsibilities have been delegated to Board Committees, which have access to independent expert advice at the Group's expense. The terms of reference for our principal Board Committees are available, on request, from the Company Secretary and are available on our website at www.investorrelations.barclays.co.uk. The principal Board Committees are described below.

Board HR and Remuneration Committee

Chairman: Sir Nigel Rudd, Deputy Chairman

Members: Sir David Arculus, Sir Richard Broadbent, Leigh Clifford, John Sunderland

Secretary: Jeremy Orbell, Compensation Director

The Committee is comprised solely of independent non-executive Directors and met four times in 2005. The Chairman of the Board, although not a voting member, has a standing invitation to attend the meeting. Sir Nigel Rudd will continue as Chairman of the Committee to the end of 2006. For 2007, a new Chair will be appointed.

The Committee considers matters relating to the overall reward framework across the Group, including policy for executive Directors and senior executives' remuneration and their individual remuneration awards. The Committee approves changes to incentive and benefits plans applicable to senior executives and governs employee share schemes. Details of the Committee's role in governing executive Directors' rewards are set out in our Report on Remuneration on pages 15 to 28.

The Committee also meets periodically to review strategic HR issues including, but not limited to, employee retention, motivation and commitment; equality and diversity; significant employee relations matters; succession planning and the availability of talent for senior roles below executive Director level.

Board Corporate Governance and Nominations Committee

Chairman: Matthew W Barrett, Chairman

Members: Sir David Arculus, Sir Richard Broadbent, Sir Nigel Rudd, Stephen Russell

Secretary: Secretary: Lawrence Dickinson, Company Secretary

The Committee includes the Chairman, Deputy Chairman, Senior Independent Director, the Chairman of the Board Audit Committee, Chairman of the Board Risk Committee and Chairman of the Board HR and Remuneration Committee. It met three times in 2005.

The Committee is responsible for considering matters relating to the composition of the Board, including the appointment of new Directors, making recommendations to the Board as appropriate. It also reviews annually the succession plans for the Chairman and Group Chief Executive positions. The Chairman of the Board chairs the Committee, except when the Committee is considering the Chairman's succession, in which case the Senior Independent Director or Deputy Chairman takes the chair. The Group Chief Executive, although not a voting member, has a standing invitation to attend meetings.

The Committee's responsibilities also cover corporate governance issues, including consideration of our responses to important developments in corporate governance, overseeing the annual performance evaluation of the Board, its principal Committees and the Chairman.

During 2005, the Committee recommended to the Board the appointments of Dr Danie Cronjé, Robert E Diamond Jr, John

Sunderland and Robert Steel. The Committee also oversaw the search for a non-executive Director with continental European experience. That search culminated in the appointment of Fulvio Conti with effect from 1st April 2006. The Committee also recommended in 2005 the appointments of Leigh Clifford and John Sunderland to the Board HR and Remuneration Committee, Robert Steel to the Board Audit Committee and Dr Danie Cronjé to the Board Risk Committee. In view of the increasing time commitment and responsibilities faced by Stephen Russell in his role as Chairman of the Board Audit Committee, the Committee also recommended that Sir Richard Broadbent should succeed Stephen Russell as Chairman of the Board Risk Committee. In addition, the Committee reviewed and monitored the action plan arising from the 2004 Board Effectiveness Review.

Board Audit Committee

Chairman: Stephen Russell

Members: Professor Dame Sandra Dawson, Sir Andrew Likierman, Robert Steel

Secretary: Lawrence Dickinson, Company Secretary

The Committee comprises four independent non-executive Directors. Dr Jürgen Zech left the Committee in April 2005 when he ceased to be a Director of the Company. Robert Steel was appointed to the Committee in September 2005. The Board has determined that Sir Andrew Likierman is a financial expert as defined by the US Sarbanes-Oxley Act of 2002 and has recent and relevant financial experience as recommended by the Code. The Board's assessment is based on Sir Andrew's accounting background and his career with HM Treasury.

Board Audit Committee Chairman's Statement

I am pleased to report to you on the Committee's activities in 2005. We met six times in 2005, including a meeting to review the 2004 results as restated under new International Financial Reporting Standards and a meeting dedicated to reviewing and approving the internal audit plans for 2006 and the external audit plan for the year ended 2005. We also met privately with the external and internal auditors after four of our meetings.

Our key responsibilities as your Board Audit Committee are set out in the Committee's terms of reference and I have reported below on how we have discharged those responsibilities this year.

External Auditors

Our responsibilities include approving and reviewing the appointment and retirement of the external auditors and overseeing their relationship with the Group. We annually appraise the effectiveness of the external auditors, using an evaluation questionnaire, which is completed by senior members of the Finance function. The results are then reported to us for review. The lead audit partner is also rotated on a five-year basis and a new lead audit partner was appointed in 2005.

We have a detailed policy on the provision of non-audit services by the external auditors. As part of that policy, we have agreed which services the external auditors are allowed to carry out on behalf of the Group and which ones they are prohibited from doing. This policy aims to safeguard the independence of the external auditor. Non-audit services require the pre-approval of the Committee or a member of the Committee before they can be undertaken. Details of all services carried out by the external auditor are recorded centrally and reported to the next meeting of the Committee and we spend time at each meeting considering the independence of the external auditor based on this information.

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During the year we approved a new policy governing the employment of former employees of the external auditor. Under this policy, no former employee of the external auditor may be appointed to a financial oversight role and certain other appointments are required to go through an internal review and approval process before proceeding.

For the year ended 31st December 2005, we have concluded that the external auditor remains independent and is effective. We have recommended to the Board that they propose the reappointment of the external auditors to shareholders at the 2006 AGM.

Relationship with internal audit and monitoring control issues

We are tasked with monitoring the effectiveness of the internal audit function. The Director of Internal Audit, who has a functional reporting line to the Committee, provides regular reports to us and attends each Committee meeting. The Director of Internal Audit has unrestricted access to me, as Chairman of the Committee, and I receive a monthly report from him, which includes key performance indicators and a trend analysis of internal audit findings.

At each Committee meeting, we review the progress of the internal audit plan and, each year, we consider and agree the internal audit plan for the following year. We also regularly review the level of resources allocated to the internal audit function to ensure that the internal audit plan for the year can be delivered. The effectiveness of the Internal Audit function is reviewed annually and we have concluded that it continues to operate effectively.

We receive and review regular reports on control issues of Group level significance, including details of any remediation action being taken. We also receive in-depth reports from the Group's main business areas on their control environment.

Financial Reporting

We review the Group's annual and interim financial statements, including reviewing the effectiveness of the Group's disclosure controls and procedures and systems of internal control.

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For the disclosures made in the 2005 Annual Report, we have reviewed the report of the Disclosure Committee and the Turnbull attestations made by all Business Heads, and have concluded and reported to the Board for its approval that the Group has maintained effective disclosure controls and procedures and that management has continued to operate an effective system of internal control.

Regulatory Compliance

We review arrangements established by management for compliance with the requirements of the Group's regulators. We receive a semi-annual report on compliance.

Whistleblowing

We receive reports on the effectiveness of the Group's whistleblowing arrangements, as well as reports on specific instances of whistleblowing.

Work of the Committee during 2005

In addition to the regular items discussed by the Committee, which I have described above, we also received regular reports on the progress of two major regulatory projects, namely the implementation of International Financial Reporting Standards, in respect of which we also received an in-depth briefing, and the implementation of s404 of the US Sarbanes-Oxley Act of 2002.

We also spent time this year reviewing the control environment at Absa Group Limited, in which Barclays has acquired a majority stake. We considered and agreed on behalf of the Board the governance arrangements for the Group's interaction with Absa and will monitor the effectiveness of this framework going forward. Our internal audit function carried out a review of Barclays readiness to complete the transaction, including governance and oversight of the acquisition, as well as a review of the control environment at Absa after completion. In my capacity as Chairman of the Committee, I attended a meeting of the Absa Audit and Compliance Committee in October and the Chairman of Absa's Committee will attend this Committee's meeting in April 2006. Going forward, we will continue to receive reports on the effectiveness of the Absa control environment.

Signed on behalf of the Board Audit Committee

/s/ Stephen Russell

Stephen Russell
Chairman, Board Audit Committee

9th March 2006

Board Risk Committee

Chairman: Sir Richard Broadbent
Members: Dr Danie Cronjé, Sir Andrew Likierman, Stephen Russell
Secretary: Lawrence Dickinson, Company Secretary

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The Committee met five times in 2005, under the Chairmanship of Stephen Russell. Sir Richard Broadbent succeeded Stephen Russell as Chairman of the Committee from 1st January 2006. Dr Danie Cronjé was appointed to the Committee on 1st December 2005.

The purpose of the Committee is to approve the Group's overall risk appetite, setting limits for individual types of risk, including credit, market and operational risk. The Committee also approves material changes to the overall risk appetite and monitors the Group's risk profile, including risk trends and concentrations, loan impairment experience against budget and key performance indicators for risk. A key role of the Committee is also to obtain assurance that the principal risks facing the Group have been properly identified and are being appropriately managed. The Committee also monitors the risks associated with the Group's principal pension schemes.

In order to assess the effectiveness of the Group's risk control framework, the Committee regularly reviews the Group's risk measurement systems and receives reports from management confirming that they have reviewed the Group's risk control standards. The Committee is also responsible for approving certain policy statements required by the Financial Services Authority. An overview of the Group's risk management and control framework can be found on pages 34-40.

Attendance at Board and Board Committee Meetings

All Directors are expected to attend each Board meeting and each meeting of Committees of which they are members, unless there are exceptional circumstances that prevent them from doing so. The Chairman and executive Directors attend Committee meetings as requested or as required by each Committee's terms of reference.

The attendance of Directors at meetings of the Board and of Board Committees of which they were members during 2005 is shown on page 13. Where a Director was appointed to the Board or to a Committee during the year, their attendance shown is only for those

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Table of Contents**Attendance at Board and Board Committee Meetings**

Director	Board	Board Audit Committee	Board HR and Remuneration Committee	Board Corporate Governance and Nominations Committee	Board Risk Committee	Annual General Meeting
Matthew W Barrett	10/10			3/3		1/1
John Varley	10/10					1/1
Roger Davis	10/10					1/1
Robert E Diamond Jr	6/6					
Gary Hoffman	9/10					1/1
Naguib Kheraj	10/10					1/1
David Roberts	10/10					1/1
Sir David Arculus	8/10		4/4	3/3		1/1
Sir Richard Broadbent	10/10		4/4	3/3	5/5	1/1
Leigh Clifford	8/10		2/3			0/1
Dr Danie Cronjé	4/4					
Professor Dame Sandra Dawson	10/10	6/6				1/1
Sir Andrew Likierman	10/10	6/6			5/5	1/1
Sir Nigel Rudd	10/10		4/4	3/3		1/1
Stephen Russell	10/10	6/6		3/3	5/5	1/1
Robert Steel	6/6	2/2				
John Sunderland	6/6		3/3			
Dr Jürgen Zech	3/3	1/1				

meetings that took place after their appointment, for example, 9/10 signifies that nine meetings were attended out of a possible ten. Dr Jürgen Zech's attendance is for meetings that took place prior to 28th April 2005, when he ceased to be a Director.

Statement on US Corporate Governance standards

As a non-US company listed on the New York Stock Exchange (NYSE), we are exempt from most of the NYSE's Corporate Governance rules (the NYSE Rules), which domestic US companies must follow. However, we are subject to the NYSE rules requiring us to have a Board Audit Committee that meets the requirements of Rule 10A-3 of the US Securities Exchange Act of 1934 and we must provide an Annual Written Affirmation to the NYSE of our compliance with the applicable NYSE Rules. Furthermore, under NYSE Rule 303.A.11, we are required to disclose any significant ways in which our corporate governance practices differ from those followed by domestic US companies listed on the NYSE. As our main listing is on the London Stock Exchange, we follow the UK's Combined Code on Corporate Governance (the Code) adopted by the Financial Reporting Council. Key differences between the NYSE Rules and the Code are set out below:

Director independence

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Under the NYSE Rules the majority of the Board should be independent. Under the Code, at least half of the Board (excluding the Chairman) is required to be independent. The NYSE Rules contain detailed tests for determining Director independence, whereas the Code requires the Board to determine whether each Director is independent in character and judgement and sets out criteria that may be relevant to the Board's determination. We follow the Code's recommendations and also developing best practices among other UK

public companies. Our Board annually reviews the independence of our non-executive Directors, taking into account the guidance in the Code and the criteria we have established for determining independence, which are described on page 10. For 2005, the Board determined that all the non-executive Directors are independent.

Board Committees

We have a Board Corporate Governance and Nominations Committee and a Board HR and Remuneration (rather than Compensation) Committee, both of which are broadly comparable in purpose and constitution to those required by the NYSE Rules and whose terms of reference comply with the Code's requirements. Beyond the fact that the Board Corporate Governance and Nominations Committee is chaired by the Chairman of the Board, as permitted by the Code, both Committees are composed solely of non-executive Directors whom the Board has determined to be independent. We follow the Code recommendation that a majority of the Nominations Committee should be independent non-executive Directors, whereas the NYSE Rules state that the Committee must be composed entirely of independent Directors.

We comply with the NYSE Rules regarding the obligation to have a Board Audit Committee that meets the requirements of Rule 10A-3 of the US Securities Exchange Act, including the requirements relating to the independence of Committee members. In August 2005, we made an Annual Written Affirmation of our compliance with these requirements to the NYSE. The Code also requires us to have a Board Audit Committee comprised solely of independent non-executive Directors. We follow the Code recommendations, rather than the NYSE Rules, however, regarding the responsibilities of the Board Audit

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Committee, although both are broadly comparable. We also have a Board Risk Committee, comprised solely of independent non-executive Directors, which considers and discusses policies with respect to risk assessment and risk management.

Corporate Governance Guidelines

The NYSE Rules require domestic US companies to adopt and disclose corporate governance guidelines. There is no equivalent recommendation in the Code. The Board Corporate Governance and Nominations Committee has, however, developed corporate governance guidelines, entitled *Corporate Governance in Barclays*, which have been approved and adopted by the Board. The guidelines are available on our website at www.investorrelations.barclays.co.uk.

Code of Ethics

The NYSE Rules require that domestic US companies adopt and disclose a code of business conduct and ethics for Directors, officers and employees. Rather than a single consolidated code as envisaged in the NYSE Rules, we have a number of values based business conduct and ethics policies, which apply to all employees. In addition, we have adopted a Code of Ethics for the Group Chief Executive and senior financial officers as required by the US Securities and Exchange Commission.

Shareholder approval of equity-compensation plans

The NYSE listing standards require that shareholders must be given the opportunity to vote on all equity-compensation plans and material revisions to those plans. We comply with UK requirements, which are similar to the NYSE standards. The Board, however, does not explicitly take into consideration the NYSE's detailed definition of what are considered material revisions.

Corporate Responsibility

Our approach to managing the interests of our stakeholders is fully described in our Corporate Responsibility Report, copies of which are available from the Company Secretary or online at www.investorrelations.barclays.co.uk.

Relations with Shareholders

We have a proactive approach to our institutional and private shareholders, totalling around 808,000.

Senior executives hold meetings with our key institutional shareholders to discuss strategy, financial performance and investment activities in the UK, throughout Europe and in the US.

The Chairman meets regularly with investor bodies and investors to discuss our approach to corporate governance issues. In December 2005, the Chairman hosted a corporate governance event for key institutional investors. The purpose of that event was to update our major shareholders on our corporate governance practices and to discuss any issues or concerns that they may have had.

In addition, investor bodies and major investors are given the opportunity to meet with new non-executive Directors on their appointment. Sir Richard Broadbent, the Senior Independent Director, is available to meet with investors if they are unable to resolve issues through the normal channels of the Chairman and Group Chief Executive.

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We aim to provide a first-class service to private shareholders to help them in the effective and efficient management of their shareholding in our Company. This year we have encouraged shareholders to hold their shares in Barclays Sharestore, where their shares are held electronically in a cost effective environment. This eliminates the risk of losing shares

held in paper form. During 2005, over 20,000 shareholders holding over 36 million shares chose to transfer their shares into Sharestore and to have future dividends paid direct to their bank account or to reinvest them in Barclays shares. In addition, this year we have proactively traced and returned a further £10m to shareholders who had lost touch with the Group, reuniting these shareholders with their assets. For the first time we offered an exclusive deal on Barclays insurance products to our shareholders, offering special deals on general, motor and travel insurance. Further offers are being considered for 2006.

The main methods of communicating with private shareholders are the Annual Report, the Annual Review, the dividend mailings and the AGM.

Our e-view service enables shareholders to receive their documents electronically. It also gives shareholders immediate access to information relating to their personal shareholding and dividend history. Participants can also change their details and dividend mandates online and receive dividend tax vouchers electronically.

Annual General Meeting

All Directors are encouraged to attend the AGM and be available to answer shareholders' questions. It has been our practice for a number of years that all resolutions are voted on a poll to ensure that the views of all shareholders are reflected proportionately. Each of the resolutions considered at the 2005 AGM was decided on a poll and a copy of the poll results is available from the Company Secretary or on the Company's website, www.investorrelations.barclays.co.uk. The resolutions to be considered at our 2006 AGM will also be decided on a poll and the results will be made available on our website on 27th April 2006.

Signed on behalf of the Board

/s/ Matthew W Barrett
Matthew W Barrett
Chairman
9th March 2006

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Barclays report on remuneration

Statement from the Chairman of the Board HR and Remuneration Committee (the Committee)

The Committee provides governance and strategic oversight of Barclays Human Resource activities with particular emphasis on talent, remuneration and employee engagement.

Leigh Clifford and John Sunderland joined the Committee during 2005. All Committee members are independent non-executive Directors. The Committee meets a minimum of four times a year.

The focus of the Committee in 2005 was:

- | the introduction of a revised long-term incentive plan, the Performance Share Plan (PSP), which was approved by shareholders at the Barclays Annual General Meeting on 28th April 2005;
- | a formal review of compensation strategy for Barclays Global Investors;
- | the development of policies to manage the impact of the changes to the tax treatment of pensions (known as A day in the UK); and
- | talent management.

The Committee takes very seriously its commitment to good disclosure. The majority of this report details the remuneration of the individual Directors who served Barclays in 2005.

The following comments will provide context to the disclosures, and demonstrate the strong pay for performance link inherent in the design and operation of the Barclays remuneration plans:

- | Barclays performed strongly in 2005 with profit before tax and economic profit(a) up 15% and 12% respectively.
- | Barclays Total Shareholder Return (TSR) for the five years to the end of 2005 was 43%, compared with 6% for the FTSE 100 Index.
- | Annual bonus levels vary by executive Director to reflect a combination of performance of the Group, the businesses and the individual.

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I The main performance condition for executive Directors in the Incentive Share Option Plan (the ISOP) is TSR relative to a peer group of 11 other major international banks. This performance condition is very stretching. The maximum number of shares under option vests only if Barclays is ranked first in the peer group. For the 2002 grant under the ISOP, which vested in 2005, Barclays was ranked fourth in the peer group(b). This was sufficient for only 25% of the maximum number of shares under the TSR condition to vest. The remaining 75% lapsed. The Committee unanimously recommends that you vote to approve the report at the AGM.

Signed on behalf of the Board

/s/ Sir Nigel Rudd

Sir Nigel Rudd

Board HR and Remuneration Committee Chairman

9th March 2006

Notes

- (a) Economic profit comprises profit after tax and minority interests, less a charge representing the Group's cost of capital. Please refer to the economic profit reconciliation on page 286.

- (b) The peer group for the 2002 ISOP was: Abbey National, ABN Amro, BBVA, BNP Paribas, Citigroup, Deutsche Bank, HBOS, HSBC, Lloyds TSB, Royal Bank of Scotland and Standard Chartered.

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Board HR and Remuneration Committee Members

The Committee comprises the following independent non-executive Directors:

Sir Nigel Rudd, Chairman
Sir David Arculus

Sir Richard Broadbent

Leigh Clifford (appointed 1st July 2005)

John Sunderland (appointed 1st July 2005)

The Committee members are considered by the Board to be independent of management and free from any business or other relationship that could materially affect the exercise of their independent judgement. The constitution and operation of the Committee comply with the Provisions on the Design of Performance Related Remuneration in the Combined Code adopted by the Financial Reporting Council.

The Chairman of the Committee presents a report of each meeting to the full Board.

Advisers to the Committee

The Committee has access to independent consultants to ensure that it receives independent advice. Advisers are appointed by the Committee for specific pieces of work, as necessary, and are required to disclose to the Committee any potential conflict of interest.

In 2005, Kepler Associates^(a) were appointed to provide independent advice to Committee members on remuneration matters.

The Chairman of the Board, the Group Chief Executive, the Human Resources Director and, as necessary, members of the Group Executive Committee, also advise the Committee, supported by their teams. They are not permitted to participate in discussions or decisions relating to their own remuneration. The Human Resources Director is responsible for providing professional support to line management in HR policy and administration and for monitoring compliance with prescribed policy and programmes across Barclays. The Human Resources Director is not a Board Director and is not appointed by the Committee.

Remuneration Policy

We are committed to using reward to drive a high-performance culture. Executive Directors can expect outstanding reward if performance is outstanding and below median reward for below median performance. This philosophy applies to reward policies and practices for all employees in the Group. The Committee considers reward levels across the Group when determining remuneration for executive Directors.

Barclays remuneration policy is to:

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I incentivise excellence and balance in both short term (one year) and longer term (three years plus) performance such that the goal of achieving top quartile TSR is met and sustained;

I enable the Group to attract and retain people of proven ability, experience and skills in the pools in which we compete for talent;

Note

(a) Kepler Associates have given their written consent to the inclusion of references to their name in the form and context in which it appears.

(b) Barclays Guiding Principles were introduced during 2005 and provide all parts of the Group with a unifying set of priorities. They are: Winning Together, Best People, Client/Customer Focused, Pioneering and Trusted.

(c) The PSP has replaced the Incentive Share Option Plan (ISOP) as the principal long-term incentive plan. Awards made in 2004 were made under the ISOP; awards made in 2005 were made under the PSP.

I encourage behaviour consistent with Barclays Guiding Principles(b) which leads to excellence and the appropriate balance in: financial performance, governance and controls, customer service, human resource management, brand and reputation management, and risk management;

I promote attention to maximising personal contribution, contribution to the business in which the individual works, and contribution to the Group overall; and

I ensure, both internally and externally, that remuneration policies and programmes are transparent, well communicated, easily understood and serve well the interests of shareholders.

The graph below shows the TSR for the FTSE 100 Index and Barclays since 31st December 2000. The FTSE 100 Index is the index of the 100 largest UK quoted companies by market capitalisation. It is a widely recognised performance comparison for large UK companies. It shows that, at the end of 2005, a hypothetical £100 invested in Barclays on 31st December 2000 would have generated a total return of £43, compared with a gain of £6 if invested in the FTSE 100 Index. Barclays therefore outperformed the FTSE 100 Index for this period.

Source: Thomson Financial

This graph shows the value, at 31st December 2005, of £100 invested in Barclays on 31st December 2000 compared with the value of £100 invested in the FTSE 100 Index. The other points plotted are the values at intervening financial year ends. The Directors Remuneration Report Regulations 2002 require that the graph shows TSR for the five years ending with the relevant financial year.

Reward for executive Directors

Reward for the executive Directors and other senior executives comprises:

I base salary;

I annual bonus including mandatory deferral into Barclays shares (the Executive Share Award Scheme (ESAS));

I the Performance Share Plan (PSP)^(c); and

I pension and other benefits.

The Committee reviews the elements of reward relative to the practice of other comparable organisations. Reward is benchmarked against the markets in which we compete for talent. This includes benchmarking against other leading international banks and financial services organisations, and other companies of similar size to Barclays in the FTSE 100 Index.

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Each element of reward is important and has a specific role in achieving the aims of the remuneration policy. The combined potential remuneration from bonus and PSP outweigh the other elements, and are subject to performance conditions, thereby placing the majority of total reward at risk. The relative weighting of each of the key elements of executive Director remuneration (excluding pension and benefits) is shown below. The composition of Robert E Diamond Jr's compensation is shown separately. His arrangements reflect general practice in the investment banking industry.

	FIXED		AT RISK	
	Base salary	Annual performance bonus (Maximum)		Performance Share Plan (Maximum) Fair value
Chief Executive and typical executive Director	20%	Cash 37.5%	Shares 12.5%	30%
Robert E Diamond Jr	2%	49%	16%	33%

The purpose of each element of remuneration for executive Directors is summarised in the table below and discussed in greater detail in the sections that follow.

Compensation element	Purpose	Delivery	Policy
Base salary	To reflect the market value of the individual and their role	<ul style="list-style-type: none"> Cash Monthly Pensionable 	<ul style="list-style-type: none"> Reviewed annually, with changes typically effective on 1st April
Annual performance bonus	To incentivise the delivery of annual goals, at the Group, business division and individual levels	<ul style="list-style-type: none"> 75% cash 25% deferred Barclays shares under ESAS Annual Non-pensionable 	<ul style="list-style-type: none"> Based on annual performance: Group financial results (EP and PBT): 30-40% weighting Business unit financial results (EP and PBT): 30-40% weighting Leadership: 30-40% weighting
Performance Share Plan	To reward the creation of above median, sustained growth in shareholder value	<ul style="list-style-type: none"> Free shares subject to a performance condition Annual awards that vest after three years Non-pensionable 	<ul style="list-style-type: none"> Discretionary awards Reviewed annually Barclays performance over three years determines the number of performance shares released to each individual

Pension

To provide market competitive post-retirement benefit

- | Deferred cash
- | Monthly

| For awards made in 2005, EP threshold, thereafter TSR performance scale

| No vesting if TSR ranking is at median or below relative to the peer group

| For awards to be made in 2006, 50% under a TSR metric and 50% using an EP metric

| Normal retirement age 60

| Closed non-contributory, defined benefit scheme

or

Defined contribution scheme

or

Cash allowance in lieu of pension contributions

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The component parts for each executive Director are detailed in tables accompanying this report.

All the executive Directors meet the Committee's guideline that, as a minimum, they should hold the equivalent of 1x their base salary in Barclays shares, including shares held on their behalf in ESAS.

Base Salary

The annual base salaries for the current executive Directors are shown in the table below:

	As at 31st Dec 2005	As at 1st April 2006	Date of previous increase
John Varley	£ 850,000	£ 900,000	1st Sep 2004
Robert E Diamond Jr	£ 250,000	£ 250,000	1st Mar 1999
Gary Hoffman	£ 500,000	£ 625,000	1st Jan 2004
Naguib Kheraj	£ 500,000	£ 700,000	1st Jan 2004
David Roberts	£ 500,000	£ 600,000	1st Jan 2004

With effect from 1st January 2005, the start of his first financial year as Chairman, Matthew W Barrett's salary reduced from £1.1m to £650,000. Also, with effect from 1st January 2005, he is not eligible for a performance bonus, pension contributions or further long-term incentive awards. His salary will not increase on 1st April 2006.

Annual Bonus Including Executive Share Award Scheme (ESAS)

75% of annual bonus is delivered as cash. The remaining 25% is delivered as a provisional allocation of shares under ESAS, which will normally not be released for at least three years and are subject to potential forfeiture if the individual resigns and commences employment with a competitor business. See page 24 for details of the Scheme. The maximum bonus opportunity is tailored to the relevant market; this is typically 250% of base salary.

Performance Share Plan (PSP)

The Performance Share Plan (PSP) was approved by shareholders at the 2005 AGM. Performance shares are free Barclays shares for which no exercise price is payable and which qualify for dividends. Performance share awards are communicated to participants as an initial allocation. This initial allocation is the expected value of the award and is up to the higher of 150% of base salary or 75% of base salary and target annual bonus. Barclays performance over a three-year period determines the final number of shares that may be released to participants. After three years the trustee considers the release of performance shares based on the outcome of two performance conditions:

- Before any shares are released, Barclays cumulative EP over the performance period must normally be greater than the total for the previous three-year period.

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For 2005 awards, a multiplier applies to the initial allocation based on Barclays total shareholder return compared to a peer group of major international banks, measured over the three-year performance period (2005 to 2007). For 2006 awards, 50% of each award will be subject to a relative TSR metric and 50% subject to an EP metric. Relative TSR and EP are both considered to be good measures of value creation to shareholders.

The comparator banks for the 2005 and 2006 awards are:^(a)

UK HBOS HSBC Lloyds TSB Royal Bank of Scotland	Mainland Europe ABN Amro BBVA BNP Paribas Deutsche Bank UBS	US Citigroup JP Morgan Chase
--	--	------------------------------------

The performance scale for the 2005 allocation is:^(b)

Barclays TSR ranking in the peer group of 12	Multiplier applying to the initial allocation	Number of shares that vest (as a % of maximum)	Example based on initial allocation of 75,000 shares
1st	3 x	100%	225,000
2nd	2.5 x	83%	187,500
3rd	2 x	67%	150,000
4th	1.5 x	50%	112,500
5th	1.25 x	42%	93,750
6th	1 x	33%	75,000
7th or below	0	0	0

Notes

(a) The reserve companies for the 2005 and 2006 awards are Banco Santander, Morgan Stanley, Bank of America and Wachovia.

(b) The estimated expected value is 33% of the maximum vesting level.

There is no vesting unless Barclays is ranked above median on relative TSR. This is also the scale for the TSR element of the 2006 awards.

The vesting scale is illustrated in the chart below.

Retained Incentive Opportunity

Mr Diamond retains an opportunity to be considered for an award in February 2008 up to a maximum value of £14.85m, subject to performance criteria based on the delivery of EP at Barclays Capital over the period 2005 to 2007. Details of the award are provided on page 25.

Incentive Share Option Plan (ISOP)

The plan was not used for awards to executive Directors in 2005. Details of the plan can be found on page 27. Awards in 2003 and 2004 under the ISOP include financial metrics or thresholds. These have been adjusted where necessary to neutralise the effect of the introduction of the International Financial Reporting Standards.

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Sharesave

All eligible employees including executive Directors have the opportunity to participate in Barclays Sharesave Scheme. Sharesave is an HMRC (Her Majesty's Revenue and Customs) approved all-employee share plan. HMRC does not permit performance conditions to be attached to the exercise of Sharesave options. Under the plan, participants are granted options over Barclays PLC ordinary shares. Each participant may save up to £250 per month to purchase Barclays shares at a discount. For the 2005 grant, the discount was 20% of the market value at the time the option was granted. Following the 2005 invitation, a total of 41,000 employees were participants in Sharesave with 86 million shares under option.

Sharepurchase Plan

The Sharepurchase Plan was introduced in January 2002. It is an HMRC approved all-employee share plan. The plan is open to all eligible UK employees including executive Directors. Under the plan, participants are able to purchase up to £1,500 worth of Barclays PLC ordinary shares each year, which, if kept in trust for five years, can be withdrawn from the plan tax-free. Any shares in the plan will earn dividends in the form of additional shares, which must normally be held by the trustee for three years before being eligible for release.

To encourage employee ownership of Barclays shares, with effect from 5th April 2005, Barclays matches, share for share, the first £600 each employee invests in Sharepurchase in each tax year.

At 31st December 2005, 15,500 employees were participants in the plan, with a total of 6.5 million shares held on their behalf by the Plan Trustee.

Dilution

The outstanding awards under the ISOP and Sharesave schemes are intended to be satisfied by the issue of new Barclays shares or through treasury shares in aggregate within the limits agreed by shareholders when these plans were approved. These limits comply with the Association of British Insurers' guidelines relating to dilution from employee share plans. The overall limits under the guidelines are that no more than 10% of a company's issued share capital may be used in any ten-year period, of which up to 5% may be used for management plans. As at 31st December 2005, Barclays headroom under these limits was 3.8% and 2.2% respectively.

Employees' Benefit Trusts (EBT)

The shares provided to employees in the ESAS and the PSP are held in an EBT. The trustees of the Barclays EBT have informed the Bank that their normal policy is to abstain in any shareholder voting, in respect of the Barclays shares held in trust.

Pensions

A pension is normally payable on retirement at contractual retirement date (normally 60) and is calculated either by reference to an executive Director's length of service and pensionable salary, normally on the basis of 1/60th per year of service, or to a money purchase arrangement, depending upon date of hire. Annual performance related bonuses are not included in pensionable pay.

John Varley is a member of a closed non-contributory pension scheme and his contract provides for a pension of 60% of pensionable salary, without reduction for early retirement, if he retires from age 55 with 28 years' service, and two-thirds of pensionable salary at age 60 with 33 years' service.

Robert E Diamond Jr is a member of the US defined benefit pension plan and 401K defined contribution plan on similar terms to other Barclays senior executives in the US.

From 6th April 2006, when the simplification of pensions taxation takes effect, executive Directors with pension funds close to, or above, the Lifetime Allowance will be eligible to opt for a cash allowance instead of continued pension accrual. The allowance will be no more than the approximate cost of funding the existing pension benefit.

Service Contracts

The Group has service contracts with its Chairman and executive Directors. The effective dates of the contracts for the Chairman and executive Directors who served during 2005 are shown in the table below. The service contracts do not have a fixed term but provide for a notice period from the Group of one year and normally for retirement at age 60. The Committee's policy is that executive Directors' contracts should allow for

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termination with contractual notice from the Company, except in circumstances of gross misconduct when notice is not given.

The Committee's approach when considering payments in the event of termination is to take account of the individual circumstances including the reason for termination, contractual obligations and share scheme rules.

Directors^(a)	Effective date of contract	Notice period	Normal retirement date	Potential compensation for loss of office 1 year's contractual remuneration
Matthew W Barrett ^(b)	1st Sept 2004	1 year	n/a	
John Varley	1st Sept 2004	1 year	31st Mar 2016	
Robert E				
Diamond Jr	1st Jun 2005	1 year	26th July 2016	
Gary Hoffman	1st Jan 2004	1 year	20th Oct 2020	
Naguib Kheraj	1st Jan 2004	1 year	14th Jul 2024	
David Roberts	1st Jan 2004	1 year	11th Sep 2022	
Former Director				
Roger Davis	1st Jan 2004	1 year	n/a	

Notes

(a) Details of executive Directors standing for re-election at the 2006 AGM are set out on page 5.

(b) There is no formal retirement date under Matthew W Barrett's contract. However, his pension may not commence later than 20th September 2019 (age 75).

Barclays Capital and Barclays Global Investors (BGI)

The Committee has established frameworks for the governance of remuneration in these businesses. Ranges have been set for key financial and compensation ratios such as operating costs to net revenue, compensation to pre-compensation profit before tax and bonus expenditure as a percentage of pre-bonus profits. The Committee approves aggregate bonus and long-term incentive expenditure, and strategic investment for new hires. The Committee also approves individual compensation for the members of the management teams.

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The Board determines the fees of non-executive Directors and the fees are reviewed annually. The fee structure is shown below.

Base fee	£ 55,000
Chairman of Board Audit Committee	£ 40,000
Chairman of Board Risk Committee	£ 25,000
Members of the Board Audit Committee	£ 20,000
Members of the following Board Committees:	
Risk, HR and Remuneration and	
Corporate Governance and Nominations	£ 15,000

As Deputy Chairman, Sir Nigel Rudd receives £200,000, without any additional fee for chairing the Board HR and Remuneration Committee. Similarly, as Chairman, Matthew W Barrett receives a salary of £650,000, without any additional fee for chairing the Board Corporate Governance and Nominations Committee. Sir Richard Broadbent receives an additional £25,000 in respect of his role as Senior Independent Director.

The Board's policy is that fees should reflect individual responsibilities and membership of Board Committees. Barclays encourages its non-executive Directors to build up a holding in the Company's shares. £20,000 of each Director's basic fee of £55,000 is used to buy shares in the Company. These shares, together with reinvested dividends, are retained on behalf of the non-executive Directors until they retire from the Board. They are included in the table of Directors' interests in ordinary shares of Barclays PLC on page 28. Non-executive Directors do not receive awards in share schemes for employees, nor do they accrue pension benefits from Barclays for their non-executive services.

Non-executive Directors do not have service contracts but each has a letter of appointment. For each non-executive Director, the effective date of their appointment, notice period and the Group's liability in the event of early termination are shown in the following table.

Non-executive	Effective	Group
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Directors	date of letter of appointment	Notice period	liability in the event of early termination
Sir David Arculus	1st Feb 1997	6 months	6 months fees
Sir Richard Broadbent	1st Sep 2003		
Leigh Clifford	1st Oct 2004		
Dr Danie Cronjé	1st Sep 2005		
Professor Dame			
Sandra Dawson	1st Mar 2003		
Sir Andrew Likierman	1st Sep 2004		
Sir Nigel Rudd	1st Feb 1996		
Stephen Russell	25th Oct 2000		
Robert Steel	1st Jun 2005		
John Sunderland	1st Jun 2005		
Former Director			
Dr Jürgen Zech	30th Jul 2002		

Each appointment is for an initial six-year term, renewable for a single term of three years thereafter, with the exception of Sir Nigel Rudd, whose appointment as Deputy Chairman is reviewed annually.

Details of non-executive Directors standing for re-election at the 2006 AGM are set out on page 5.

Future Policy

The Committee will keep the existing remuneration arrangements, as detailed in this Report, under review during 2006 and ensure that Barclays programmes remain competitive and provide appropriate incentive for performance. As usual, there will be individual reviews of base salary, annual bonus (including ESAS) and awards under the long-term incentive plans.

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	Salary and fees £000	Benefits ^(b) £000	Annual cash bonus £000	2005 Total £000	2004 Total £000	Executive Share Award Scheme ESAS ^(c) 2005 £ 000	2004 £000
Chairman							
Matthew W Barrett	650	54		704	2,827		715
Executive Directors							
John Varley(d)	850	11	1,388	2,249	2,074	601	569
Robert E Diamond Jr(e)	146	7	4,375	4,528		1,896	
Gary Hoffman(d)	500	11	563	1,074	1,335	244	358
Naguib Kheraj(d)(f)	500	126	825	1,451	1,563	358	406
David Roberts(d)	500	11	825	1,336	1,279	358	333
Non-executive Directors^(g)							
Sir David Arculus	83			83	68		
Sir Richard Broadbent	123			123	83		
Leigh Clifford	60			60	13		
Dr Danie Cronjé(h)	129	3		132			
Professor Dame Sandra Dawson	71			71	62		
Sir Andrew Likierman	86			86	26		
Sir Nigel Rudd	179			179	98		
Stephen Russell	127			127	93		
Robert Steel(i)	39			39			
John Sunderland(j)	40			40			
Former Directors							
Roger Davis(k)	468	13	1,031	1,512	1,337		358
Dr Jürgen Zech(l)	49			49	62		

Notes

- (a) Emoluments include amounts, if any, payable by subsidiary undertakings. Amounts payable to Dr Danie Cronjé include an amount of R1,193,275 (£109,734) in respect of his Chairmanship of Absa Group Limited. Dr Cronjé also received R37,913 (£3,486) of benefits in respect of his Chairmanship of Absa Group Limited.
- (b) The Chairman and executive Directors receive benefits in kind, which may include life and disability cover, the use of a Company owned vehicle or cash equivalent, medical insurance and tax advice on similar terms to other senior executives.
- (c) The amounts shown for ESAS represent payments which are expected to be made to the trustee to fund the provisional allocation of shares in 2006, including a maximum potential 30% bonus share element.

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- (d) John Varley is a Director of Ascot Authority (Holdings) Limited and British Grolux Investments Limited, for which he received fees of £24,648 and £6,000 respectively in 2005. Gary Hoffman is a Director of Visa (Europe) Limited, for which he receives no fee and Trinity Mirror plc, for which he received fees of £39,521 in 2005. Naguib Kheraj is a member of the Board of Governors of the Institute of Ismaili Studies, for which he receives no fee. Naguib Kheraj and David Roberts are non-executive Directors of Absa Group Limited and Absa Bank Limited. They have each waived their fees, which were paid to Barclays. The respective fees for 2005 were R161,033 (£14,809) and R140,366 (£12,908).
- (e) Robert E Diamond Jr joined the Board on 1st June 2005. The amount shown is for the period from that date.
- (f) Naguib Kheraj received an allowance of 23% of base salary (£115,000) in lieu of pension contributions.
- (g) Fees to non-executive Directors include an amount of £20,000 per annum which, after tax, is used to buy Barclays PLC ordinary shares for each non-executive Director. Further details are provided on page 20.
- (h) Dr Danie Cronjé was appointed as a non-executive Director on 1st September 2005.
- (i) Robert Steel was appointed as a non-executive Director on 1st June 2005.
- (j) John Sunderland was appointed as a non-executive Director on 1st June 2005.
- (k) Roger Davis ceased to be a Director on 8th December 2005; his 2005 salary and bonus are pro-rated up to this date. His contract provides for a notice period of 12 months or contractual pay in lieu of notice for 12 months, subject to mitigation if alternative employment is found during the period of pay in lieu of notice. Contractual pay on termination includes base salary (£500,000), pension contribution (£115,000) and a bonus capped at 100% of current base salary (£500,000), totalling £1,115,000. The notice period will commence on 1st April 2006. The contract provides for a discretionary bonus in respect of part-year service up to the date the notice period starts. The bonus for the period 1st January 2006 to 31st March 2006 will be £250,000.
- (l) Dr Jürgen Zech resigned from the Board on 28th April 2005.

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	Age at 31st December 2005	Completed years of service	Accrued pension at 31st December 2004 ^(d) £000	Pension	Pension	Accrued	Transfer	Transfer	Increase in transfer value during the year ^(e) £000	Other contribu- tions made in 2005 £000
				accrued during 2005 (including increase for inflation) ^(e) £000	accrued during 2005 (excluding inflation) £000	pension at 31st December 2005 £000	value of accrued pension at 31st December 2004 ^(d) £000	value of accrued pension at 31st December 2005 £000		
Chairman										
Matthew W Barrett(f)	61	6								
Executive Directors										
John Varley(g)(h)	49	23	307	67	59	374	4,705	6,338	1,633	
Robert E Diamond Jr(h)(i)(j)	54	9	33	4	4	37	186	207	21	7
Gary Hoffman(g)(h)	45	23	185	13	8	198	1,488	1,723	235	
Naguib Kheraj(k)	41	8								
David Roberts(g)(h)	43	22	177	13	8	190	1,295	1,503	208	
Former Director										
Roger Davis(l) Notes	49	8								108

(a) Pension accrued during the year represents the increase in accrued pension (including inflation at the prescribed rate of 2.7%), which occurred during the entire year with the exception of Robert E Diamond Jr (see Note (e)). These pensions paid from the final salary section of the pension fund are reviewed annually. Pensions increase by a minimum of the increase in the retail price index (up to a maximum of 5%), subject to the scheme rules.

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- (b) The transfer values have been calculated in a manner consistent with Retirement Benefit Schemes Transfer Values (GNII) published by the Institute of Actuaries and the Faculty of Actuaries.
- (c) The tax simplification in the Finance Act 2004 will introduce new maximum limits on tax-approved pension benefits. The Committee's policy is not to increase executive Directors' benefits to mitigate changes in tax treatment. Individuals with pension benefits affected by the new Lifetime Allowance and who opt out of the scheme for future accrual will be permitted to receive a taxable cash allowance in lieu of pension accrual after 6th April 2006. The allowance will be no more than the approximate cost of funding the existing pension benefit.
- (d) Accrued pension and transfer value of accrued pension shown as at 31st December 2004 for all individuals with the exception of Robert E Diamond Jr. His accrued pension and transfer value of accrued pension are shown as at 1st June 2005 when he was appointed to the Board.
- (e) This relates to the full financial year for all individuals with the exception of Robert E Diamond Jr for whom growth is calculated from 1st June 2005 when he was appointed to the Board.
- (f) Matthew W Barrett is not a member of the Group's main pension schemes. A notional fund has been accrued on his behalf outside the pension scheme; no contributions were made to this in 2005. Pension benefits for the other Directors shown above are provided on a funded basis. In the event of Mr Barrett's death before leaving employment, a capital sum of up to four times salary would be payable.
- (g) The Group has a closed non-contributory pension scheme, which provides that, in the case of death before retirement, a capital sum of up to four times salary is payable together with a spouse's pension of approximately 50% of the member's prospective pension at retirement. For death in retirement, a spouse's pension of approximately 50% of the member's pre-commutation pension is payable. If a member, granted a deferred pension, dies before their pension becomes payable, their widow/widower will immediately be paid a pension of 50% of their deferred pension. In all circumstances, children's allowances are payable, usually up to the age of 18. Enhanced benefits are payable if a member is unable to continue to work as a result of serious ill health. Gary Hoffman and David Roberts are members of the closed non-contributory pension scheme with benefits of 1/60th of final pensionable salary per year of service. Their Normal Retirement Age is 60. John Varley is also a member of the closed non-contributory pension scheme and he is entitled to a pension of 60% of pensionable salary without reduction for early retirement if he retires from age 55 and two-thirds of pensionable salary at age 60.
- (h) The accrued pension amounts at the end of the year for Gary Hoffman, Robert E Diamond Jr, David Roberts and John Varley are the values if the Director left service on that date.
- (i) Robert E Diamond Jr is a member of the Group's non-contributory qualified pension plan and the restoration defined benefit pension plan in the USA. The qualified plan provides benefits of 1/60th of final average pensionable pay plus 0.3% of final average pensionable pay in excess of covered compensation formula for each year of service (to a maximum of 30 years). The normal retirement age is 65. On death before retirement, a spouse's pension is payable of approximately 50% of the benefit the member would have received if he had retired under early retirement on his date of death. On death after retirement a spouse's pension of 50% of the member's pension is payable. Enhanced benefits are payable if the member qualifies for disability benefits. The exchange rates on 1st June 2005 and 31st December 2005 were \$1.82 to £1 and \$1.72 to £1 respectively.
- The restoration plan restores reductions in benefits under the qualified plan resulting from the relevant compensation and benefit limitations under the Internal Revenue Code.
- (j) Robert E Diamond Jr is also a member of the 401K defined contribution plan. This is a standard pension arrangement for US employees. Contributions made under this plan have been pro-rated for his time on the Board. Exchange rate \$1.77 to £1.
- (k) Naguib Kheraj receives a cash allowance of 23% of salary, in lieu of pension contributions.
- (l) Roger Davis received a money purchase pension contribution of 23% of his salary. He ceased to be a Director on 8th December 2005 and the number shown above is pro-rated on this basis.

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Executive Directors: illustration of change in value of Barclays PLC shares owned beneficially, or held under option or awarded under employee share plans during the year ^(a)

Number at 31st December 2005

	Shares owned beneficially ^(b)	Executive Share Award Scheme ^(c)	Performance Share Plan ^(d)	Executive Share Option Scheme	Incentive Share Option Plan ^(e)	Sharesave	Total	Notional value based on share price of £5.86 ^(f)	Notional value based on share price of £6.11 ^(g)	Change in notional value £
Chairman										
Matthew W Barrett	302,264	350,534		766,628	2,832,000	2,479	4,253,905	7,416,875	8,480,351	1,063,476
Executive Directors										
John Varley	360,049	206,074	142,045		880,000	4,096	1,592,264	5,388,668	5,786,735	398,067
Robert E Diamond Jr	1,512,575	6,261,163	52,083	100,000	520,000		8,445,821	46,633,767	48,743,151	2,109,384
Gary Hoffman(h)	172,702	482,148	75,758		700,000	6,091	1,436,699	5,311,750	5,668,124	356,374
Naguib Kheraj	8,550	937,361	87,121	60,000	480,000	4,007	1,577,039	6,795,300	7,189,560	394,260
David Roberts	78,191	334,844	75,758		480,000	5,227	974,020	3,481,500	3,724,712	243,212
Former Director										
Roger Davis	99,970	511,688	75,758		440,000	2,714	1,130,130	4,621,463	4,903,995	282,532

(a) The register of Directors' interests, which shows full details of Directors' current share awards and options, is available for public inspection at the Group's head office in London.

(b) The number shown includes shares held under the Sharepurchase Plan.

(c) Executive Share Award Scheme (ESAS) includes the maximum potential 30% bonus share element.

(d) The number of shares shown represent initial allocation shares.

(e) The number of shares shown represent the target award shares under option, or the actual number of shares under option if the award has vested.

(f) The value is based on the share price as at 31st December 2004. The notional value of shares under option under the Incentive Share Option Plan (ISOP), Executive Share Option Scheme (ESOS) and Sharesave have been set at zero where the market price at 31st December 2004 is

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lower than the exercise price per share.

- (g) The value is based on the share price as at 31st December 2005. The notional value of shares under option under ISOP, ESOS and Sharesave has been set at zero where the market price at 31st December 2005 is lower than the exercise price per share.
- (h) On 10th January 2006 Gary Hoffman acquired a further 1,008 shares as a result of an option exercise on 23rd December 2005 under the Sharesave Plan.
- (i) Market price per share at 31st December 2005 was 611p. The highest and lowest market prices per share during the year were 614.5p and 519.5p respectively.
- (j) Under PSP, ESAS, ISOP and ESOS, nothing was paid by these participants on the grant of options or awards.

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Corporate governance

Barclays report on remuneration

Executive Directors: shares provisionally allocated and shares under option under Executive Share Award Scheme (ESAS)^(a)

	During 2005							Number at 31st December 2005
	Number at 1st January 2005	Awarded in respect of the results for 2004	Released ^(b)	Market price at release date £	Exercised ^(c)	Market price at exercise date £	Bonus shares lapsed	
Chairman								
Matthew W Barrett	293,460	120,982			58,992	5.51	4,916	350,534
Executive Directors								
John Varley	139,695	96,235	29,856	5.65				206,074
Robert E Diamond Jr(d)	6,463,174		202,011	6.02				6,261,163
Gary Hoffman	300,002	60,490	14,928	5.65				345,564
Naguib Kheraj	868,622	68,739						937,361
David Roberts	288,717	56,367	10,240	5.65				334,844
Former Director								
Roger Davis	587,682	60,490	136,484	5.65				511,688

Shares under option under ESAS and voluntary ESAS at 31st December 2005 (with the exception of voluntary ESAS, shares under option are included in aggregate figures above)

	Nil cost option granted at 3rd anniversary ^(e)	Nil cost option held under voluntary ESAS ^(f)	Date from which exercisable	Latest expiry date
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Chairman
Matthew W Barrett

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Executive Directors

John Varley	45,352		23/02/04	25/02/07
Robert E Diamond Jr	428,380		23/02/04	23/02/06
Gary Hoffman	29,008	136,584	26/02/99	04/03/14
Naguib Kheraj	212,824		25/02/05	25/02/07
David Roberts	24,536		23/02/04	25/02/07

Former Director

Roger Davis	99,068		23/02/04	25/02/07
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Notes

- (a) ESAS is a deferred share award plan in which awards are initially granted in the form of a provisional allocation that does not give rise to any entitlement to the shares. These awards were granted in the years 2001 to 2005, and include mandatory bonus deferrals. For mandatory bonus deferrals under ESAS, the size of any award under ESAS is subject to the same Group and individual performance criteria as the annual cash bonus. Normally, the trustees will permit the executive to call for the shares from the end of the third year from grant of an award by granting a right to acquire shares (a nil cost option) exercisable for two years. As this nil cost option is part of the structure of an ESAS award described above, which is a deferred share award plan, it would not be appropriate to attach a performance condition to the exercise of options. If the right is not exercised, the trustees, will normally at the end of the fifth year, release all of the shares, including bonus shares equal to 30% of the basic award. If the right is exercised, an executive may lose the opportunity of receiving one-third of the bonus shares. The number of shares shown in the table includes the bonus shares where applicable.
- (b) The trustees may release additional shares to participants which represent accumulated net dividends in respect of shares under award. During 2005, the trustees released the following accumulated dividend shares 6,074 to John Varley, 17,515 to Robert E Diamond Jr, 3,038 to Gary Hoffman, 2,081 to David Roberts and 27,780 to Roger Davis. These are not awarded as part of the original award and consequently are not included in the Released column.
- (c) The trustees may release additional shares to participants which represent accumulated net dividends in respect of the shares under award. During 2005, the trustees released 8,167 accumulated dividend shares to Matthew W Barrett. These are not included as part of the original award and consequently are not included in the Exercised column.
- (d) The number shown in the column headed Number at 1st January 2005 includes shares held by Robert E Diamond Jr which reflect interests built up over the course of successive years service with Barclays. The awards were related to Mr Diamond's contribution to the performance of Barclays Capital, BGI and the Barclays Group. The number shown is at 1st June 2005, when he was appointed to the Board.
- (e) The shares under option shown in this column are already included in the numbers shown at 1st January 2005 and relate to provisional allocations made in 2001 and 2002 except that the figures do not include accumulated dividend shares under option as follows: 5,459 shares for John Varley, 40,501 for Robert E Diamond Jr, 3,428 for Gary Hoffman, 29,466 for Naguib Kheraj, 3,005 for David Roberts and 9,367 for Roger Davis. Under ESAS, a participant pays £1 to exercise an option, irrespective of the number of shares involved.
- (f) The shares under option in this column are not included in the numbers shown at 1st January 2005. Voluntary ESAS is an additional award under ESAS following a Director requesting that part of the cash bonus to which he would otherwise become entitled to be waived and is granted as a right to acquire shares which will be fully exercisable after five years.
- (g) Awards in respect of 2005 will be made in April 2006. Including a maximum potential 30% bonus shares, the awards will total £601,250 to John Varley, £3,250,000 to Robert E Diamond Jr, £243,750 to Gary Hoffman, £357,500 to Naguib Kheraj and £357,500 to David Roberts.

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	Number at 1st January 2005	Initial allocation shares granted during 2005 ^(b)	Maximum number of shares under award	Market price on award date £ ^(c)	Performance period ^(d)	Vesting date	Number at 31st December 2005
Executive Directors							
John Varley		142,045	426,135	5.32	01/01/05-31/12/07	16/06/08	142,045
Robert E Diamond Jr		52,083	156,249	5.32	01/01/05-31/12/07	16/06/08	52,083
Gary Hoffman		75,758	227,274	5.32	01/01/05-31/12/07	16/06/08	75,758
Naguib Kheraj		87,121	261,363	5.32	01/01/05-31/12/07	16/06/08	87,121
David Roberts		75,758	227,274	5.32	01/01/05-31/12/07	16/06/08	