BARCLAYS PLC
Form 6-K
March 22, 2011
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 6-K

Report of Foreign Private Issuer

Pursuant to Rule 13a-16 or 15d-16

under the Securities Exchange Act of 1934

March 22, 2011

Barclays PLC

(Name of Registrant)

1 Churchill Place

London E14 5HP

England

(Address of Principal Executive Offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F x Form 40-F ¨

Indicate by check mark whether the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):____

Indicate by check mark whether the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):____

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This Report is a Report on Form 6-K filed by Barclays PLC.

The Report comprises the following:

Exhibit No.	Description
1	Barclays PLC Notice of Annual General Meeting 2011
2	Barclays PLC Ordinary Proxy Form for the Annual General Meeting 2011
3	Barclays PLC Consultation Proxy Form for the Annual General Meeting 2011
4	Barclays PLC Annual Report 2010
5	Barclays PLC Annual Review 2010

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorised.

	BARCLAYS PLC (Registrant)	
Date: March 22, 2011	By:	/s/ MARIE SMITH
	Name:	Marie Smith
	Title:	Assistant Secretary

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Barclays PLC Notice of Annual General Meeting

Message from the Group Chairman

This year s Annual General Meeting (the AGM) will be held on Wednesday 27th April 2011 at the Royal Festival Hall, London.

The Notice of AGM is set out on pages 2 to 12. The biographical details of each of the Directors are included in the Notice of AGM. In light of the new UK Corporate Governance Code provisions, all Directors are standing for re-election at this year s AGM. All Directors have been subject to a genuine, formal, rigorous performance evaluation process, further details of which may be found in my Evaluation Statement in the 2010 Annual Report (which is available at *www.barclays.com/ annualreport10)*. I can confirm that each of the Directors is considered to be fully effective by the Board. They have each demonstrated the commitment and behaviours expected of a Barclays Director in line with our Charter of Expectations for Directors (which is available at *www.barclays.com/corporategovernance)*. The Board also concluded that the non-executive Directors standing for re-election are independent when assessed against the criteria set out in the UK Corporate Governance Code (formerly the UK Combined Code on Corporate Governance).

Two Directors have left Office since the last AGM and, on behalf of the Board, I would like to acknowledge the valuable contributions made by Leigh Clifford and John Varley. Leigh Clifford, who had been on the Board since October 2004, retired as a non-executive Director at the end of September 2010 after six years service to the Company. John Varley retired as Group Chief Executive at the end of December 2010 having dedicated much of his career to Barclays, including 12 years on the Board. John made an extraordinary contribution to Barclays during his long service and the Board is grateful to him for the tremendous progress Barclays made during his tenure as Group Chief Executive. Barclays was extremely fortunate to have had a banker of John s quality at the helm since he took over in 2004 and particularly during the period of the financial crisis, where he provided exceptional leadership. From 1 January 2011 until 30 September 2011, John will be senior advisor on

regulatory matters to Bob Diamond and the Board. The Board and I are very grateful to both Leigh and John for their service to Barclays and we wish them the best in the future. We are pleased to welcome on to the Board as non-executive Directors, Dambisa Moyo and Alison Carnwath, who both joined the Board in 2010.

Our AGM is one of the key ways we communicate with our shareholders. It is an important opportunity for our shareholders to express their views by attending, raising questions and voting and the Board encourages you to use your vote. If you would like to vote on the resolutions in the Notice of AGM, but cannot attend the AGM, please fill in the Proxy Form sent to you with the Notice of AGM and return it to our Registrars in the enclosed pre-paid envelope as soon as possible. Alternatively, you can vote online on our website at *www.barclays.com/investorrelations/vote.* You will need your Voting ID, Task ID and Shareholder or Sharestore Reference Number, which are shown on the Proxy Form enclosed with this Notice of AGM. The Registrar must receive your Proxy Form or online voting instruction by 11.00am on Monday 25th April 2011. CREST members may choose to use the CREST electronic proxy appointment service in accordance with the procedures set out in the notes on the Proxy Form.

We continue to make greater use of our website and email to communicate online with shareholders. We are developing our e-communications strategy further so that Barclays e-view members get regular, up to date information on Barclays performance. In line with this strategy, we will not send paper shareholder documents to you unless you have positively responded to say that you would like to receive them. For more information, please contact The Registrar to Barclays.

The Board believes that all of the proposals set out in this Notice of AGM are in the best interests of shareholders as a whole and the Company and unanimously recommends that you vote in favour of all the resolutions, as the Directors intend to do in respect of their own beneficial holdings.

Marcus Agius

Group Chairman, Barclays PLC

10th March 2011

This document is important and requires your immediate attention

When considering what action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other professional adviser duly authorised under the Financial Services and Markets Act 2000. If you have sold or transferred all your shares in Barclays PLC please send this Notice of AGM and the accompanying Proxy Form to the person you sold or transferred your shares to, or to the bank, stockbroker or other agent who arranged the sale or transfer for you.

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Notice of AGM

Notice is hereby given that the 2011 Annual General Meeting (the AGM) of Barclays PLC (the Company) will be held at the Royal Festival Hall, Southbank Centre, Belvedere Road, London SE1 8XX on Wednesday 27th April 2011 at 11.00am to transact the following business:

Resolutions

To consider and, if thought fit, to pass the following resolutions, with those numbered 1 to 19 and 23 to 24 being proposed as ordinary resolutions and resolutions 20 to 22 as special resolutions.

Report and Accounts

1. That the Reports of the Directors and Auditors and the audited accounts of the Company for the year ended 31st December 2010, now laid before the meeting, be received.

The Directors are required by UK companies legislation to present to the AGM the Reports of the Directors and Auditors and the audited accounts of the Company for each financial year (in this case for the year ended 31st December 2010). The Company s Articles of Association permit the Directors to pay interim and final dividends. It is not our practice, therefore, to seek shareholder approval of the final dividend, as to do so would delay its payment to shareholders.

Remuneration Report

2. That the Remuneration Report for the year ended 31st December 2010, now laid before the meeting, be approved.

UK companies legislation requires quoted companies to present to the AGM the Remuneration Report (which appears in full in the 2010 Annual Report and in summary in the 2010 Annual Review).

Re-election of Directors appointed since the last AGM

3. That Alison Carnwath be re-elected a Director of the Company

Alison worked in investment banking and corporate finance for 20 years from 1980 to 2000, before pursuing a portfolio career. During her career, Alison became a director of J. Henry Schroder Wagg & Co, where she worked for 10 years. Alison also held the positions of a senior partner of Phoenix Securities and Managing Director, New York at Donaldson, Lufkin & Jenrette. Alison has wide board level experience and is currently non-executive Chairman of Land Securities Group PLC, Senior Independent Director at Man Group plc, non-executive Director of Paccar Inc, and non-executive Chairman of ISIS EP LLP.

Term of office: Alison Carnwath joined the Board on 1st August 2010.

Independent: Yes

External appointments: Non-executive Director of CforC Ltd. Non-executive Chairman of Land Securities Group PLC since November 2008. Senior Independent Director at Man Group plc. Non-executive Director of Paccar Inc. Non-executive Chairman of ISIS EP LLP.

Committee membership: Member of the Board Audit Committee since October 2010. Member of the Board Remuneration Committee since October 2010.

4. That Dambisa Moyo be re-elected a Director of the Company

Dambisa is an international economist who writes on the macroeconomy and global affairs. Dambisa worked for the World Bank from 1993 to 1995. After completing a PhD in Economics, she worked for Goldman Sachs for eight years until November 2008 in the debt capital markets, hedge funds coverage and global macroeconomics teams. Dambisa currently serves as a non-executive Director on the Boards of SABMiller plc and Lundin Petroleum AB (publ).

Term of office: Dambisa Moyo joined the Board on 1st May 2010.

Independent: Yes

External appointments: Non-executive Director of SABMiller plc since 2009. Non-executive Director of Lundin Petroleum AB (publ) since 2009.

Committee membership: Member of the Board Risk Committee since October 2010.

The Company s Articles of Association and provision B.7.1 of the UK Corporate Governance Code (the Code) provide that any new Director appointed by the Board during the year may hold Office only until the next AGM, when that Director must stand for election by the shareholders. Alison Carnwath and Dambisa Moyo joined the Board on 1st August 2010 and 1st May 2010 respectively and are accordingly seeking re-election.

Annual Re-election of Directors

5. That Marcus Agius be re-elected a Director of the Company

Marcus extensive background in banking began at Lazard where he worked from 1972 to 2006, latterly as Chairman of Lazard in London and Deputy Chairman of Lazard LLC. He is currently Chairman of the British Bankers Association, Senior Independent Director of the British Broadcasting Corporation (BBC) and Chairman of the Trustees of The Royal Botanic Gardens. Marcus is also a Business Ambassador for UK Trade and Investment, a member of the Advisory Council of TheCityUK, and a member of the Takeover Panel. He was formerly Chairman of BAA plc, a position he held from 2002 until 2006.

Term of office: Marcus joined the Board in September 2006 as a non-executive Director and was appointed Chairman on 1st January 2007. Marcus was last re-elected by shareholders at the AGM in 2010.

Independent: On appointment.

External appointments: Chairman of the British Bankers Association since 2010. Senior Independent Director of the BBC since 2006. Member of the Executive Committee of the Institut International D Etudes Bancaires. Business Ambassador for UK Trade and Investment. Member of the Advisory Council of TheCityUK. Member of the Takeover Panel. Chairman of the Trustees of the Royal Botanic Gardens, Kew. Chairman of The Foundation and Friends of the Royal Botanic Gardens, Kew. Chairman of Lazard in London and Deputy Chairman of Lazard LLC until 2006. Chairman of BAA plc until 2006.

Directors standing for re-election

Committee membership: Chairman of the Board Corporate Governance and Nominations Committee since January 2007. Member of the Board Remuneration Committee since January 2007.

6. That David Booth be re-elected a Director of the Company

David manages his own venture capital investments, having retired from the Management Committee of Morgan Stanley in 1997. David was employed by Morgan Stanley from 1982 to 1992, and again from 1995 to 1997 where he held various key positions, including Head of Government Bond Trading, Head of Mortgage Trading, Sales and Finance and Head of Global Operations and Technology.

Term of office: David joined the Board in May 2007. David was last re-elected by shareholders at the AGM in 2010.

Independent: Yes

External appointments: Director of East Ferry Investors, Inc. Various positions at Morgan Stanley & Co. until 1997. Director of the Discount Corporation of New York until 1993.

Committee membership: Chairman of the Board Risk Committee from January 2010 (member since January 2008). Member of the Board Corporate Governance and Nominations Committee since January 2010.

7. That Sir Richard Broadbent be re-elected a Director of the Company

Sir Richard has experience of both the private and public sector having worked in high-level banking roles and the Civil Service. He was the Executive Chairman of HM Customs and Excise from 2000 to 2003. Formerly he was a member of the Group Executive Committee of Schroders PLC and a non-executive Director of the Securities Institute. He was Chairman of Arriva PLC until August 2010.

Term of office: Sir Richard joined the Board in September 2003. Appointed Senior Independent Director on 1st September 2004 and Deputy Chairman on 16th July 2009. Sir Richard was last re-elected by shareholders at the AGM in 2010.

Independent: Yes

External appointments: Chairman of Arriva PLC until 2010. Trustee of Relate from 2011. Executive Chairman of HM Customs and Excise until 2003. Former Group Executive Committee member of Schroders PLC. Non-executive Director of the Securities Institute until 1995.

Committee membership: Chairman of the Board Remuneration Committee since January 2007 (member since April 2004). Member of the Board Corporate Governance and Nominations Committee since September 2004. Former member of the Board Risk Committee (April 2004 until September 2010), which he chaired between January 2006 and December 2009.

8. That Fulvio Conti be re-elected a Director of the Company

Fulvio is currently Chief Executive Officer and General Manager of Enel SpA, the Italian energy group, where he was previously Chief Financial Officer from 1999-2005. Fulvio has held a number of high-level financial roles, including Chief Financial Officer and General Manager of Telecom Italia and General Manager and Chief Financial Officer of Ferrovie dello Stato. He was also head of the accounting, finance, and control department of Montecatini and was in charge of finance at Montedison-Compart. He has held positions in finance and operations in various affiliates of Mobil Oil Corporation in Italy and Europe.

Term of office: Fulvio joined the Board in April 2006. Fulvio was last re-elected by shareholders at the AGM in 2009.

Independent: Yes

External appointments: Chief Executive of Enel SpA since 2005. Director of ENDESA SA since June 2009. Director of AON Corporation since January 2008. Chief Financial Officer and General Manager of Telecom Italia until 1999. General Manager and Chief Financial Officer of Ferrovie dello Stato until 1998.

Committee membership: Member of the Board Audit Committee since September 2006.

9. That Robert E Diamond Jr be re-elected a Director of the Company

Bob became Chief Executive on 1st January 2011. Previously, he was President of Barclays PLC and Chief Executive of Corporate & Investment Banking and Wealth Management, comprising Barclays Capital, Barclays Corporate and Barclays Wealth. Before joining Barclays, Bob was Vice Chairman and Head of Global Fixed Income and Foreign Exchange at CS First Boston, where he was also a member of the Executive Board and Operating Committee. Prior to this, he was Managing Director and Head of Fixed Income Trading at Morgan Stanley International, spending 13 years with the firm. Bob is a non-executive Director of BlackRock, Inc.

Term of office: Bob was appointed President and became an executive Director in June 2005. He has been a member of the Barclays Executive Committee since September 1997. Bob was last re-elected by shareholders at the AGM in 2009.

External appointments: Non-executive Director of BlackRock, Inc. Chairman, Board of Trustees of Colby College, Waterville, Maine. Chairman, Old Vic Productions, Plc. Trustee, The Mayor s Fund for London. Member of the Advisory Board, Judge Business School at Cambridge University. Board Member, The Diamond Family Foundation. Member of International Advisory Board, British-American Business Council. Life Member of The Council on Foreign Relations. Member of The International Advisory Board, The Atlantic Council.

10. That Simon Fraser be re-elected a Director of the Company

Simon has extensive experience of the institutional fund management industry, having worked at Fidelity International from 1981 to 2008, latterly as President of the Investment Solutions Group and President of the Retirement Institute. Simon held a number of positions during his career at Fidelity International, including President, European & UK Institutional Business, Global Chief Investment Officer, Chief Investment Officer for Asia Pacific and Chief Investment Officer of the European Investment Group. Simon remains a director of Fidelity European Values PLC and Fidelity Japanese Values PLC. He was appointed as the Chairman of Foreign & Colonial Investment Trust PLC and Chairman of The Merchants Trust in May 2010.

Term of office: Simon joined the Board in March 2009. Simon was last re-elected by shareholders at the AGM in 2009.

Independent: Yes

External appointments: Director of Fidelity European Values PLC since July 2002. Director of Fidelity Japanese Values PLC since May 2000. Chairman of The Merchants Trust PLC since May 2010. Chairman of Foreign & Colonial Investment Trust PLC since May 2010.

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Committee membership: Member of the Board Audit Committee since May 2009. Member of the Board Remuneration Committee since May 2009.

11. That Reuben Jeffery III be re-elected a Director of the Company

Reuben is currently the Chief Executive Officer of Rockefeller & Co., Inc., a member of the Advisory Board of TASC Inc and of TowerBrook Capital Partners LP and Senior Adviser at the Center for Strategic & International Studies in Washington, D.C.. He previously served in the US government as Under Secretary of State for Economic, Energy and Agricultural Affairs (2007-2009). Prior to joining the Department of State, Reuben was the Chairman of the Commodity Futures Trading Commission. He spent eighteen years at Goldman, Sachs & Co. between 1983-2001 where he was managing partner of Goldman Sachs in Paris and led the firm s European Financial Institutions Group in London.

Term of office: Reuben joined the Board in July 2009. Reuben was last re-elected by shareholders at the AGM in 2010.

Independent: Yes

External appointments: Chief Executive Officer of Rockefeller & Co., Inc. since September 2010. Senior Adviser at the Center for Strategic & International Studies, Washington D.C Member of the Advisory Board of TASC Inc. Member of the Advisory Board of TowerBrook Capital Partners LP. Director of Transatlantic Holdings Inc since May 2010.

Committee membership: Member of Board Risk Committee since January 2010.

12. That Sir Andrew Likierman be re-elected a Director of the Company

Sir Andrew is the Chairman of the National Audit Office, having held a number of public roles in the financial services sector, including Managing Director, Financial Management, Reporting and Audit and Head of the Government Accountancy Service at HM Treasury and non-executive Director of the Bank of England. Sir Andrew is also Dean of the London Business School. He has been at the London Business School from 1974-1976, 1979-1993 and since 2004.

Term of office: Sir Andrew joined the Board in September 2004. Sir Andrew was last re-elected by shareholders at the AGM in 2010.

Independent: Yes

External appointments: Dean of the London Business School since January 2009. Chairman of the National Audit Office since December 2008. Trustee of the Institute for Government since September 2008. Chairman of Applied Intellectual Capital Inc. until 2008. Non-executive Director of the Bank of England until 2008. Non-executive Director and Vice-Chairman of the Tavistock and Portman NHS Trust until 2008. Non-executive Director and Chairman of the MORI Group until 2005.

Committee membership: Member of the Board Audit Committee since September 2004. Member of the Board Risk Committee since September 2004.

13. That Chris Lucas be re-elected a Director of the Company

Chris has worked across financial services for most of his career, including three years in New York as Head of the US Banking Audit Practice of PricewaterhouseCoopers LLP. Chris joined Barclays from PricewaterhouseCoopers LLP, where he was UK Head of Financial Services and Global Head of Banking and Capital Markets. He was Global Relationship Partner for Barclays for the 1999 2004 financial years and subsequently held similar roles for other global financial services organisations.

Term of office: Chris was appointed Group Finance Director and became a member of the Executive Committee in April 2007. Chris was last re-elected by shareholders at the AGM in 2010.

External appointments: UK Head of Financial Services and Global Head of Banking and Capital Markets of PricewaterhouseCoopers LLP until 2006.

14. That Sir Michael Rake be re-elected a Director of the Company

Sir Michael is currently Chairman of BT Group PLC and Chairman of easyJet plc. Sir Michael previously worked at KPMG from 1974-2007 where he spent a number of years in Continental Europe and the Middle East. He was Senior Partner of the UK firm from 1998-2000 and Chairman of KPMG International from 2002-2007.

Term of office: Sir Michael joined the Board in January 2008. Sir Michael was last re-elected by shareholders at the AGM in 2010.

Independent: Yes

External appointments: Chairman of BT Group PLC since 2007. Chairman of easyJet Plc since January 2010 (Deputy Chairman June 2009 December 2009). Director of the Financial Reporting Council since 2007. Director of the McGraw-Hill Companies since 2007. Chairman of the UK Commission for Employment and Skills until 2010. Chairman of KPMG International until 2007. Chairman of Business in the Community from 2004 until 2007.

Committee membership: Chairman of the Board Audit Committee since March 2009 (member since January 2008). Member of the Board Risk Committee since May 2009. Member of Board Corporate Governance and Nominations Committee since May 2009.

15. That Sir John Sunderland be re-elected a Director of the Company

Sir John is Chairman of Merlin Entertainments Group. Until July 2008 he was Chairman of Cadbury Schweppes PLC, having worked at Cadbury s in various roles, including that of Chief Executive and then Chairman, since 1968. He is a Director of the Financial Reporting Council, an Adviser to CVC Capital Partners, an Association Member of BUPA and a Governor of both Reading and Aston University Councils.

Term of office: Sir John joined the Board in June 2005. Sir John was last re-elected by shareholders at the AGM in 2009.

Independent: Yes

External appointments: Chairman of Merlin Entertainments Group since December 2009. Director of the Financial Reporting Council since 2004. Adviser to CVC Capital Partners. Deputy President of the Chartered Management Institute until 2009 (President 2007-2008). Chairman of Cadbury Schweppes PLC until July 2008. Deputy President of the CBI until June 2008 (former member and President). Non-executive Director of the Rank Group PLC until 2006.

Committee membership: Member of the Board Corporate Governance and Nominations Committee since September 2006. Member of the Board Remuneration Committee since July 2005.

Section B.7.1 of the Code recommends that all Directors of FTSE 350 companies should be subject to annual election by shareholders. All Directors are standing for re-election in light of this provision and are listed in resolutions 5 to 15 above.

Reappointment of Auditors

16. That PricewaterhouseCoopers LLP, Chartered Accountants and Registered Auditors, be reappointed as auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting at which accounts are laid before the Company.

UK companies legislation requires that auditors are reappointed at each AGM at which accounts are presented. The Board, on the unanimous recommendation of the Board Audit Committee, which has evaluated the effectiveness and independence of the external auditors, is proposing the reappointment of PricewaterhouseCoopers LLP.

Auditors remuneration

17. That the Directors be authorised to set the remuneration of the auditors.

The Directors may set the remuneration of the auditors if authorised to do so by the shareholders. This resolution proposes that the Directors be authorised to set the remuneration of the auditors. Details of the remuneration paid to the external auditors for 2010 and details of how the Group monitors the effectiveness and independence of the external auditors may be found in the Annual Report.

Political Donations

18. That, in accordance with section 366 of the Companies Act 2006 (the Act) the Company and any company which, at any time during the period for which this resolution has effect, is a subsidiary of the Company, be and are hereby authorised to:

(a) make political donations to political organisations not exceeding £25,000 in total; and

(b) incur political expenditure not exceeding £100,000 in total, in each case during the period commencing on the date of this resolution and ending on the date of the Annual General Meeting of the Company to be held in 2012 or on 30th June 2012, whichever is the earlier, provided that the maximum amounts referred to in (a) and (b) may consist of sums in any currency converted into Sterling at such rate as the Board may in its absolute discretion determine. For the purposes of this resolution, the terms political donations , political organisations and political expenditure shall have the meanings given to them in sections 363 to 365 of the Act.

The Act requires companies to obtain shareholder approval before they can make donations to EU political organisations or incur EU political expenditure. We do not give any money for political purposes in the UK nor do we make any donations to EU political organisations or incur EU political expenditure. However, the definitions of political donations and political expenditure used in the Act are very wide. As a result, they may cover activities that form part of relationships that are an accepted part of engaging with our stakeholders to ensure that issues and concerns affecting our operations are considered and addressed, but which would not be considered as political donations or political expenditure in the layman s sense. The activities referred to above are not designed to support any political party nor to influence public support for any political party. The authority which the Board is requesting is similar to the authority given by shareholders at the AGM in 2010 and is a precautionary measure to ensure that the Group does not inadvertently breach the Act.

Authority to allot securities

19. That, in substitution for all existing authorities, the Directors be hereby generally and unconditionally authorised pursuant to section 551 of the Act to exercise all the powers of the Company to:

(a) allot shares (as defined in section 540 of the Act) in the Company or grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount of £1,055,286,279, $77,500,000, 40,000,000 and ¥4,000,000,000; and

(b) allot equity securities (as defined in section 560 of the Act) up to an aggregate nominal amount of £2,030,572,558 (such amount to be reduced by the aggregate nominal amount of ordinary shares allotted or rights to subscribe for or to convert any securities into ordinary shares in the Company granted under paragraph (a) of this resolution 19) in connection with an offer by way of a rights issue:

(i) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and

(ii) to holders of other equity securities (as defined in section 560 of the Act) as required by the rights of those securities, or subject to such rights, as the Directors otherwise consider necessary,

and so that the Directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter,

such authorities to apply (unless previously renewed, varied or revoked by the Company in General Meeting) for the period expiring at the end of the AGM of the Company to be held in 2012 or until the close of business on 30th June 2012, whichever is the earlier but, in each case, so that the Company may make offers and enter into agreements before the authority expires which would, or might require shares to be allotted or rights to subscribe for or to convert any security into shares to be granted after the authority expires and the Directors may allot shares or grant such rights under any such offer or agreement as if the authority had not expired.

The effect of this resolution is to give the Directors authority to allot, in addition to the £40,000,000 of sterling preference shares, $77,500,000 of dollar preference shares, 40,000,000 of euro preference shares and ¥4,000,000,000 of yen preference shares referred to in paragraph (a) of this resolution (together the Preference Shares), ordinary shares up to an amount approximately equal to two-thirds of the issued ordinary share capital of the Company as at 4th March 2011 (excluding treasury shares) in certain circumstances. Paragraph (a) of the resolution will give Directors a general authority to allot up to a maximum aggregate nominal amount of £1,015,286,279 of ordinary shares being equivalent to one-third of the Company s issued ordinary share capital as at 4th March 2011, in addition to the Preference Shares. As at 4th March 2011, the Company does not hold any treasury shares. In November 2009, the Association of British Insurers issued updated guidance on the approval of authorities to allot shares, in which it stated that, in addition to requests for authorisation to allot new shares in an amount up to one-third of the existing issued ordinary share capital of a company, it would regard as routine requests to authorise the allotment of a further one-third in connection with a rights issue. In light of this, paragraph (b) of resolution 19 proposes that a further authority be conferred on the Directors to allot shares or rights to subscribe for shares in connection with a rights issue in favour of holders of equity securities (which would include

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ordinary shareholders) up to a further one-third of the issued ordinary share capital (such amount to be reduced by the nominal amount of ordinary shares or rights to subscribe for ordinary shares issued under the authority conferred by paragraph (a) of this resolution). This gives Directors authority to allot in total up to the equivalent of two-thirds of the issued ordinary share capital of the Company as at 4th March 2011. The Board seeks annual renewal of this authority in accordance with best practice.

The Board has no current plans to make use of this authority but wishes to ensure that the Company has maximum flexibility in managing the Group s capital resources. This authority would remain in force until the end of the AGM in 2012 or the close of business on 30th June 2012, whichever is the earlier.

Authority to allot equity securities for cash other than on a pro-rata basis to shareholders or to sell treasury shares

20. That, in substitution for all existing powers, and subject to the passing of resolution 19, the Directors be generally empowered pursuant to section 570 of the Act to allot equity securities (as defined in section 560 of the Act) for cash, pursuant to the authority granted by resolution 19 and/or where the allotment constitutes an allotment of equity securities by virtue of section 560(3) of the Act, in each case free of the restriction in section 561 of the Act, such power to be limited:

(a) to the allotment of equity securities in connection with an offer of equity securities (but in the case of an allotment pursuant to the authority granted by paragraph (b) of resolution 19, such power shall be limited to the allotment of equity securities in connection with an offer by way of a rights issue only):

(i) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and

(ii) to holders of other equity securities (as defined in section 560 of the Act), as required by the rights of those securities or, subject to such rights, as the Directors otherwise consider necessary,

and so that the Directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter; and

(b) to the allotment of equity securities, pursuant to the authority granted by paragraph (a) of resolution 19 and/or an allotment which constitutes an allotment of equity securities by virtue of section 560(3) of the Act (in each case otherwise than in the circumstances set out in paragraph (a) of this resolution) up to a nominal amount of £152,292,941 representing no more than 5% of the issued ordinary share capital as at 4th March 2011; compliance with that limit shall be calculated, in the case of equity securities into, ordinary shares (as defined in section 560 of the Act) by reference to the aggregate nominal amount of relevant shares which may be allotted pursuant to such rights, such power to apply (unless previously renewed, varied or revoked by the Company in General Meeting) until the end of the Company s next AGM after this resolution is passed (or, if earlier, until the close of business on 30th June 2012) but so that the Company may make offers and enter into agreements before the power expires which would, or might, require equity securities to be allotted after the power expires and the Directors may allot equity securities under any such offer or agreement as if the power had not expired.

The effect of this resolution is to renew the authority given to the Directors to allot equity securities (which for these purposes includes the sale of treasury shares) on a non-pre-emptive basis to ordinary shareholders by way of a rights issue, for example, where legal or practical difficulties in jurisdictions outside the UK may prevent the allocation of shares on a pro-rata basis. Additionally, allotments can be made for cash on a non-pre-emptive basis but limited to an amount approximately equal to 5% of the issued ordinary share capital of the Company as at 4th March 2011. This authority would remain in force until the end of the AGM in 2012 or the close of business on 30th June 2012, whichever is the earlier. The Board seeks annual renewal of this authority in accordance with best practice. The Board has no current plans to make use of this authority but wishes to ensure that the Company has maximum flexibility in managing the Group s capital resources. The Company does not intend to issue more than 7.5% of its issued ordinary share capital on a non-pre-emptive basis in any three year period.

Purchase of own shares

21. That the Company be generally and unconditionally authorised for the purposes of section 701 of the Act to make market purchases (within the meaning of section 693 of the Act) on the London Stock Exchange of up to an aggregate of 1,218,343,534 ordinary shares of 25p each in its capital, and may hold such shares as treasury shares, provided that:

(a) the minimum price (exclusive of expenses) which may be paid for each ordinary share is not less than 25p;

(b) the maximum price (exclusive of expenses) which may be paid for each ordinary share shall not be more than the higher of (i) 105% of the average of the market values of the ordinary shares (as derived from the Daily Official List of the London Stock Exchange) for the five business days immediately preceding the date on which the purchase is made and (ii) that stipulated by Article 5(1) of the Buy-back and Stabilisation Regulation (EC 2273/2003); and

(c) unless previously renewed, varied or revoked by the Company in General Meeting, the authority conferred by this resolution shall expire at the end of the AGM of the Company to be held in 2012 or the close of business on 30th June 2012, whichever is the earlier (except in relation to any purchase of shares the contract for which was concluded before such date and which would or might be executed wholly or partly after such date).

This resolution would enable the Company to purchase up to a maximum of 1,218,343,534 of its ordinary shares. This is less than 10% of the issued share capital as at 4th March 2011. The total number of ordinary shares that may be issued on the exercise of outstanding options as at 4th March 2011 is 99,596,450 which represents approximately 0.8% of the issued share capital at that date. As at 4th March 2011 there are 379,218,809 warrants over ordinary shares outstanding which represents 3.11% of the issued share capital of the Company at that date. If the Company were to purchase shares up to the maximum permitted by this resolution, the proportion of ordinary shares subject to outstanding options would represent approximately 0.9% of the issued share capital as at 4th March 2011 and the proportion of ordinary shares to be issued on exercise of the warrants would represent 3.46%. The Board considers it desirable for the general authority proposed above to be available to provide maximum flexibility in the management of the Group s capital resources. The Board would use such authority only if satisfied at the time that to do so would be in the interests of shareholders and would lead to an increase in the Group s earnings per share. Under the Act, the Company may hold any shares bought back in treasury, which may then either be sold for cash, transferred for the purposes of an employees share scheme (subject, if necessary, to approval by shareholders at a General Meeting) or cancelled. The Company therefore has the choice of either cancelling or holding in treasury any of its shares which it purchases. If the Company buys any of its shares under the authority given by this resolution, the Board will decide at the time of purchase whether to cancel them immediately or to hold them in treasury. In relation to treasury shares, the Board would also have regard to any investor guidelines in relation to the purchase of shares intended to be held in treasury or in relation to their holding or resale which may be in force at the time of any such purchase, holding or resale.

General Meetings

22. That the Directors be authorised to call general meetings (other than an AGM) on not less than 14 clear days notice, such authority to expire at the end of the AGM of the Company to be held in 2012 or the close of business on 30th June 2012, whichever is the earlier.

The Act requires listed companies to call general meetings on at least 21 clear days notice unless shareholders have approved the calling of general meetings at shorter notice. Barclays wishes to retain the option of calling general meetings on 14 clear days notice and the effect of this resolution is to continue to give the Directors the power to call general meetings on a notice period of not less than 14 clear days. However, as Barclays has a global shareholder base, in practice, we would always aim to give a longer notice period to ensure overseas shareholders

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in particular are able to participate fully. The 14 day notice period would therefore not be used as a matter of routine for such meetings, but only where the flexibility is merited by the business of the meeting and is thought to be to the advantage of shareholders as a whole. The resolution is valid up to the end of the next AGM or the close of business on 30th June 2012, whichever is the earlier, and it is our intention to renew the authority at each AGM. The Company offers the facility for all shareholders to vote by electronic means. This is accessible to all shareholders and would be available if the Company was to call meetings on 14 clear days notice. The Company also provides the ability to appoint proxies electronically through CREST and shareholders can vote online at www.barclays.com/investorrelations/vote.

Barclays Long Term Incentive Plan

23. That the Barclays Long Term Incentive Plan (the LTIP) the principal terms of which are summarised on pages 8 to 10 to this Notice and the draft rules for which are produced to the meeting and signed by the Chairman for the purposes of identification, be hereby approved and adopted by the Company and the Directors be hereby authorised to do all such acts and things as they consider necessary or expedient for the purposes of implementing and giving effect to the LTIP.

This resolution proposes the approval of the LTIP. The principal terms of the LTIP are described in Appendix 1 on pages 8 to 10 of this Notice.

A copy of the LTIP rules is available for inspection at the Company s registered office, 1 Churchill Place, London E14 5HP during business hours on any weekday (public holidays excluded) from the date of this Notice until the close of the meeting. The LTIP rules will also be available on the Company s website and available for inspection at the Royal Festival Hall, Southbank Centre, Belvedere Road, London SE1 8XX from 10.30am on Wednesday 27th April 2011 until the end of the meeting.

Barclays Group Share Value Plan

24. That the Barclays Group Share Value Plan (the SVP), the principal terms of which are summarised on pages 11 to 12 to this Notice, be hereby amended in accordance with the copy of the rules of the SVP marked to show the proposed amendments which is produced to the meeting and signed by the Chairman for the purposes of identification and the Directors be and are hereby authorised to do all such acts and things as they consider necessary or expedient for the purposes of implementing and giving effect to the amendments.

This resolution proposes the approval of amendments to the SVP. The principal terms of the SVP are described in Appendix 2 on pages 11 and 12 of this Notice.

A copy of the SVP rules is available for inspection at the Company s registered office, 1 Churchill Place, London E14 5HP during business hours on any weekday (public holidays excluded) from the date of this Notice until the close of the meeting. The SVP rules will also be available on the Company s website and available for inspection at the Royal Festival Hall, Southbank Centre, Belvedere Road, London SE1 8XX from 10.30am on Wednesday 27th April 2011 until the end of the meeting.

By order of the Board

Lawrence Dickinson

Company Secretary

10th March 2011

1 Churchill Place

London E14 5HP

Registered in England, Company No. 48839

Notes

a. Entitlements under CREST

Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 the Company specifies that only those holders of shares registered in the register of members at 6.00pm on Monday 25th April 2011 shall be entitled to attend or vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries on the register after 6.00pm on Monday 25th April 2011 shall be disregarded in determining the rights of any person to attend or vote at the meeting.

b. Appointing a proxy

A shareholder who is entitled to attend, speak and vote at the meeting is entitled to appoint one or more people (called proxies) to attend, speak and vote on his/her behalf. They need not be Barclays shareholders. If more than one proxy is appointed, each proxy must be appointed to exercise the rights attached to different shares. A proxy will have the same number of votes on a show of hands as if the member who appointed the proxy was at the meeting.

c. Corporate representatives

A corporate shareholder can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.

d. Persons nominated by shareholders

The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the Company in accordance with section 146 of the Companies Act 2006 (the Act) (nominated persons). Nominated persons may have a right under an agreement with the registered shareholder who holds the shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if nominated persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights.

e. Documents available for inspection

The following documents, which are available for inspection during usual business hours on any weekday (Saturdays, Sundays and public holidays excluded) at the Company s registered office, 1 Churchill Place, London E14 5HP, will also be available for inspection at the Royal Festival Hall from 10.30am on Wednesday 27th April 2011 until the end of the meeting: (i) copies of the executive Directors service contracts; (ii) copies of the non-executive Directors letters of appointment; and (iii) copies of the Barclays Long Term Incentive Plan and Barclays Group Share Value Plan rules proposed for approval by resolutions 23 and 24.

f. Total shares and voting rights

As at 4th March 2011 (being the latest practicable date before publication of this document) the Company s issued share capital comprised 12,183,435,348 ordinary shares of 25 pence each. Each ordinary share carries the right to vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 4th March 2011 was 12,183,435,348.

g. Shareholder information

A copy of this Notice of AGM and other information required by section 311A of the Act can be found at www.barclays.com/investorrelations.

h. Shareholder right to ask a question

Any shareholder attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (i) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (ii) the answer has already been given on a website in the form of an answer to a question, or (iii) it is undesirable in the interests of the Company or good order of the meeting that the question be answered.

i. Members statement of audit concerns

Section 527 of the Act allows shareholders who meet the threshold requirements of that section to require the Company to publish a statement on its website setting out any matter relating to: (i) the audit of the accounts to be laid at the meeting (including the auditor s report and the conduct of the audit); or (ii) any circumstances connected with the auditor ceasing to hold office since the last meeting at which annual accounts and reports were laid in accordance with section 437 of the Act. This is known as a members statement of audit concerns . If such a request is received, the Company cannot require those shareholders requesting publication of the statement to meet its costs of complying with that request. The Company must also forward a copy of the statement to the auditor at the same time that it makes it available on the website. Where a members statement of audit concerns is received it will be included in the business of the meeting at which the accounts are laid.

j. **Electronic communication**
You may not use any electronic address provided in either this Notice of AGM or any related documents (including the Proxy Form) to communicate with the Company for any purposes other than those expressly stated.

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Appendix 1

Summary of the principal terms of the Barclays Long Term Incentive Plan (the LTIP)

Summary of the principal terms of the Barclays Long Term Incentive Plan (the LTIP)

The Board is recommending to shareholders a new long term incentive plan for Barclays employees in senior leadership roles including executive Directors of Barclays PLC (Executive Directors) to be known as the Barclays Long Term Incentive Plan (the LTIP).

The LTIP is intended to replace the Barclays PLC Performance Share Plan as the main performance-linked share incentive plan for Executive Directors. Other senior employees of Barclays PLC and its subsidiaries (the Group) will also be eligible to participate at the discretion of the Board Remuneration Committee (the Committee). The purpose of the LTIP will be to reward, incentivise and retain the Executive Directors and other employees who are selected to receive awards.

The LTIP is recommended to shareholders for the following reasons:

- to incentivise performance and execution of the Group s strategic goals including, in particular, the return on equity goals;
- to ensure the performance metrics reflect the emerging regulatory environment;
- to help retain talented individuals;
- to create alignment with shareholder interests; and
- to focus on sustained growth for shareholders.

Summary of the main provisions of the LTIP

The LTIP is not an H.M. Revenue & Customs approved plan. It may be operated in conjunction with an employee benefit trust of which the trustee is an independent professional trustee (the Trustee).

Eligibility

The Committee may select any employee of the Group, including any Executive Director, to participate in the LTIP.

Committee/Trustee consultation

LTIP awards (Awards) may be granted either by the Committee (including a duly authorised sub-committee) or by the Trustee, in consultation with the Committee (in each case, the Grantor). Where Awards are granted by the Trustee, the Trustee will consult with the Committee before making certain decisions in relation to the Awards during the life of those Awards, in particular, decisions relating to the initial value of Awards, timing of vesting, the application of malus and prudent financial control conditions described below and the treatment of Awards held by leavers and on a change of control.

Administration of the LTIP shall be carried out by the Grantor.

Timing of grants

Awards may normally only be granted:

- in the six week period following the date that the LTIP is approved by shareholders at the 2011 AGM; or
- in the six week period following the first dealing day immediately after the date of the preliminary announcement of the Company s results for any financial period, or following the removal of any restrictions imposed on the Company or the Trustee which have previously prevented an Award from being granted; or
- in the six week period following any date on which changes to legislation or regulations affecting share plans and / or long term incentive plans are announced or made; or
- at any other time that the Grantor may decide at its discretion, provided that it is not restricted from doing so by law or regulation.

No Awards may be granted after 10 years from the date of the AGM at which the LTIP is approved by shareholders.

Form of Awards

Awards may be granted over ordinary shares in Barclays PLC (Shares) or over other capital instruments issued by the Group (Capital Instruments).

Awards may be in several forms as determined at the date of grant in light of, for example, regulatory, accounting and tax consequences. These may include:

- conditional awards over Shares or Capital Instruments which give a participant a conditional right to acquire Shares or Capital Instruments in the future at no cost;
- provisional allocations of Shares or Capital Instruments which do not give a participant any right to acquire, or any interest in, Shares or Capital Instruments until such time as the Trustee decides;
- the acquisition of Shares or Capital Instruments that are forfeitable if certain conditions are not met;
- options over Shares or Capital Instruments with a nil exercise price;
- market value options over Shares or Capital Instruments; and
- such other form that has substantially the same economic effect as any of the forms of Award referred to above.

Awards are personal to the participant and may not be transferred except on death. Benefits under the LTIP are not pensionable.

Individual limits

The Grantor will determine the initial value of an Award granted in any financial year. The maximum value of an Award at the date of grant will be calculated on such basis of market value as the Grantor decides is fair and reasonable and, for Executive Directors, will not normally exceed 500% of base salary. The Grantor has discretion to recommend grants for Executive Directors in excess of this limit in exceptional circumstances such as for the purposes of recruitment or retention.

Overall limits

Where Awards are satisfied by Shares, the Shares may be Shares purchased on the stock market, treasury Shares or newly issued Shares. The LTIP contains the following limits on the issue of new Shares:

- the number of unissued Shares that may be issued or placed under award in any 10-year period under the LTIP and any other executive share plan adopted by the Company may not exceed 5 per cent of the Company s issued ordinary share capital from time to time; and

- the number of unissued Shares that may be issued or placed under award in any 10-year period under the LTIP and any other employee share plan adopted by the Company may not exceed 10 per cent of the Company s issued ordinary share capital from time to time.

Shares issued out of treasury will count towards these limits for so long as this is required by institutional shareholder guidelines.

Vesting of Awards

Vesting periods are determined at the Grantor s discretion. In normal circumstances, no part of an Award will vest before the third anniversary of grant. Awards will normally vest at the end of the vesting period if and to the extent that any applicable performance conditions have been satisfied, and subject to malus and prudent financial control provisions.

For initial Awards due to be made in 2011 (2011 Awards), it is intended that, subject to malus, prudent financial control provisions and to the satisfaction of performance conditions (and the discretion of the Grantor where applicable):

- 50% of 2011 Awards will vest and be releasable after a three year vesting period; and

- 50% of 2011 Awards will vest, after a three year vesting period, but will be released subject to an additional twelve month holding period (save that participants may first sell sufficient Shares to account for any tax liability or other withholding that may arise at the point of vesting).

Performance conditions

It is intended that the Committee will recommend any performance conditions that should apply to Awards before each grant and at its discretion.

It is proposed that, for 2011 Awards, performance will be measured against a balanced scorecard of metrics, which will be measured over a three year period commencing at the beginning of the 2011 financial year. The Committee may set a different condition or conditions for subsequent Awards.

The scorecard approach is intended to assess performance in line with the execution of Company strategy and includes a suite of performance metrics under three categories: Finance, Risk and Sustainability. Each category has a relative weighting, and at the end of the vesting period, performance under each category will be separately assessed as set out in the table below. A percentage score will be determined for each category and the sum of these percentages will be applied to the maximum Award for each participant to determine the final vesting amount.

For 2011 Awards it is intended that the balanced scorecard shall be as follows:

Condition	Percentage of Award subject to condition	Metrics
Finance	60%	Primary metric: Return on Risk Weighted Assets (RoRWA) Secondary metric: Profit Before Tax (PBT)
Risk	30%	Loan Loss Rate
Sustainability	10%	Metrics to be determined by the Committee, including: employee opinion survey; relationship with regulators; and customer satisfaction

Finance condition

RoRWA has been chosen for the 2011 Awards because it is a primary determinant of Return on Equity and it reflects the level of regulatory capital required to be held by the business. Performance against RoRWA is assessed formulaically against a target range to calculate the percentage of 2011 Awards that can vest. A straight line approach to vesting is proposed as set out below.

Average annual RoRWA % over the measurement period	Percentage of Award that can vest (Max of 60%)
1%	23%
1.5%	60%

Following the determination of the RoRWA vesting percentage, the Committee may take into account the performance of the secondary metric (PBT) over the measurement period and may (at its discretion) adjust the percentage of Award up or down by up to 5 vesting percentage points (subject to the 60% maximum Award that may vest).

Risk condition

For 2011 Awards, performance against the average annual Loan Loss Rate over the measurement period shall be assessed formulaically against a target range to calculate the percentage of a 2011 Award that can vest of up to 30%. The minimum vesting percentage of 10% is achieved only if the Loan Loss Rate is equal to the threshold level which, for 2011 Awards, is proposed as 95bps. The vesting percentage increases linearly as the Loan Loss Rate reduces. The maximum vesting percentage of 30% is intended to be achieved if the Loan Loss Rate is equal to or below 81bps for 2011 Awards.

Sustainability condition

Performance against the metrics is assessed by the Committee to decide on the percentage of an Award that can vest of between 0% and 10%.

Amendments to performance conditions

Any performance conditions once set by the Committee in relation to an Award, may not subsequently be altered unless circumstances occur which cause the Committee to determine that such conditions shall have ceased to be appropriate. In such circumstances the Committee may, in its absolute discretion, alter the performance conditions or replace them with new performance conditions which will, in the reasonable opinion of the Committee, be not materially less difficult to satisfy than the unaltered performance conditions would have been but for the event in question.

Malus provisions

The LTIP includes malus provisions in accordance with the FSA s Remuneration Code under which the Grantor may reduce the vesting of Awards (to nil if appropriate). For example, Awards may be reduced where the Committee in its discretion determines that there is evidence of serious employee misconduct or where a business unit has suffered a material failure of risk management.

Prudent financial control provision

The LTIP includes a prudent financial control condition under which the Grantor may limit, reduce or add further conditions to the vesting of Awards or suspend Awards if the financial health of the Group has, in the opinion of the Grantor, significantly deteriorated over the vesting period. Unless the Grantor in exceptional circumstances determines otherwise, Awards will ultimately be forfeited if the Grantor does not lift any such suspension within three years from the final release date of an Award or does not, following a suspension, determine to limit, reduce or add further conditions to Awards within three years from the final release date of that Award.

Benefit of dividends/coupon

An additional benefit, releasable at the same time as an Award, may be added to an Award at the Grantor s absolute discretion. If the Award is over Shares, any benefit would represent the value of dividends payable on those Shares that actually vest since the date of grant and would be provided typically as Shares or as a cash sum. If the Award is over Capital Instruments, any benefit would represent an amount equivalent to the interest payable on those Capital Instruments that actually vest since the date of grant and would be provided typically as a cash sum or additional Capital Instruments.

Cessation of employment

Special provisions apply if a participant s employment ceases before an Award vests.

If a participant dies, the Grantor may allow an Award to vest immediately, to the extent that applicable performance conditions have been met and subject to malus and prudent financial control provisions.

If a participant leaves for any of the following reasons, an Award may vest in line with the normal vesting date(s) of the Award and subject to malus and prudent financial control provisions, unless the Grantor determines that the Award should vest earlier:

- retirement with the agreement of the participant s employer;
- redundancy;
- disability, injury or ill health;
- the company or business for which the participant works being transferred out of the Group; and
- any other leaver reason at the Grantor s absolute discretion.

Awards which vest for eligible leavers shall be pro-rated for time, unless the Grantor decides otherwise at its absolute discretion. If a participant is not an eligible leaver any unvested portions of Awards shall lapse.

Corporate events

In the event of a change in control, reconstruction or winding up of the Company, the Grantor has discretion to determine the treatment of unvested Awards including allowing the early release of Awards or deciding that Awards shall continue in the same or a revised form. The LTIP also includes the facility for participants to exchange Awards for awards over Shares in an acquiring company. An internal reorganisation does not count as a change of control for these purposes.

Appendix 1

Summary of the principal terms of the Barclays Long Term Incentive Plan (the LTIP) continued

Cash alternative

The Grantor may, at its discretion, decide at the point of vesting (or exercise as the case may be) that an Award should be settled in cash equal to the market value of the Shares or Capital Instruments subject to the Award rather than in the Shares or Capital Instruments themselves.

Variation of the Company s share capital

On any variation or increase of the Company share capital, or in the event of a demerger, special dividend or other similar event which affects the market price of Shares to a material extent, the Grantor may make such adjustments as it considers appropriate to the number of Shares subject to an Award.

Amendments to the LTIP

The Committee may amend the LTIP at any time in any respect. The rules of the LTIP relating to eligibility, limits, the basis for determining a participant s entitlement and variations of the Company s share capital may not be amended to the advantage of existing or future participants without the prior approval of the Company s shareholders in a general meeting. However, the Committee may make any amendments necessary to secure or maintain favourable taxation, exchange control or regulatory treatment for the Company, any of its subsidiaries or any participant and make minor amendments to benefit or facilitate the administration of the LTIP without prior shareholder approval.

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Appendix 2

Summary of the principal terms of the Barclays Group Share Value Plan (the SVP)

Summary of the principal terms of the Barclays Group Share Value Plan (the SVP)

The Barclays Group Share Value Plan (the SVP) was adopted on 12 March 2010. SVP is used mainly to award Shares in respect of annual incentives in accordance with the principles of the FSA s Remuneration Code. Awards may also be granted to new joiners to the Group and as part of the remuneration awarded to employees under business unit long term incentive plans operated by the Group.

Approval by shareholders was not sought for SVP when it was adopted on the basis that no new issue or treasury Shares could be used to satisfy SVP awards and Executive Directors could not participate. The Company would now like the flexibility to use new issue and treasury Shares under SVP and is also proposing that Executive Directors will participate in the plan.

In 2011, the Company is adding a schedule to SVP which allows cash-based awards to be granted on similar terms to SVP but with an additional vesting condition linked to the Group Core Tier 1 capital ratio. The schedule enables Barclays to grant awards (Contingent Capital Awards) which incentivise executives to maintain the Group Core Tier 1 capital ratio above a pre-determined threshold.

The Board is recommending to shareholders that they approve amendments to SVP to allow new issue and treasury shares to be used under SVP and to allow Executive Directors to participate in SVP.

Summary of the main provisions of SVP, together with proposed amendments

SVP is not an H.M. Revenue & Customs approved plan. It may operate in conjunction with an employee benefit trust of which the trustee is an independent professional trustee (Trustee).

Eligibility

The Committee may select any employee of the Group to participate in SVP. It is proposed to amend SVP so that Executive Directors may also be selected as participants.

Committee/Trustee consultation

SVP awards (Awards) may be granted either by the Committee (including a duly authorised sub-committee) or by the Trustee, in consultation with the Committee (in each case, the Grantor). Where Awards are granted by the Trustee, the Trustee will consult with the Committee before making certain decisions in relation to the Awards during the life of those Awards, in particular, decisions relating to the initial value of Awards, timing of vesting, the application of malus and prudent financial control conditions described below and the treatment of Awards held by leavers and on a change of control.

Administration of SVP shall be carried out by the Grantor.

Timing of grants

Awards may normally only be granted:

- in the six week period following the date that SVP is approved by shareholders at the 2011 AGM; or

- in the six week period following the first dealing day immediately after the date of the preliminary announcement of the Company s results for any financial period, or following the removal of any restrictions imposed on the Company or the Trustee which have previously prevented an Award from being granted; or

- in the six week period following any date on which changes to the legislation or regulations affecting share plans and/or long term incentive plans are announced or made; or

- at any other time that the Grantor may decide at its discretion, provided that it is not restricted from doing so by law or regulation.

No Awards may be granted after 10 years from the date of the AGM at which SVP is approved by shareholders.

Form of Awards

Three different types of Award can be granted under SVP:

- Awards over Shares;

- Awards over Capital Instruments; and

- Contingent Capital Awards under the schedule to SVP.

Awards may be in several forms as determined at the date of grant in light of, for example, regulatory, accounting and tax consequences. These may include:

- conditional awards over Shares or Capital Instruments which give a participant a right to acquire Shares or Capital Instruments in the future at no cost;

- provisional allocations of Shares or Capital Instruments which do not give a participant any right to acquire, or any interest in, Shares or Capital Instruments until such time as the Trustee decides;

- the acquisition of Shares or Capital Instruments that are forfeitable if certain conditions are not met;

- options over Shares or Capital Instruments with a nil exercise price;

- market value options over Shares or Capital Instruments; and

- such other form that has substantially the same economic effect as any of the forms of Award referred to above.

Awards are personal to the participant and may not be transferred except on death. Benefits under SVP are not pensionable.

Individual limits

The Grantor will determine the initial value of an Award granted in any financial year. The maximum value of Shares and/or Capital Instruments under an Award at the date of grant will be calculated on such basis of market value as the Grantor decides is fair and reasonable. In the event that shareholders approve participation of Executive Directors in SVP, Awards to Executive Directors will be granted in line with the individual limits for Executive Directors annual performance incentives as disclosed in the Directors remuneration report from time to time. For 2011 the individual limit for an Executive Director s annual performance incentive is 250% of base salary.

Overall limits

It is proposed to amend SVP to allow Awards to be satisfied by newly issued or treasury Shares and this will be subject to the following limits:

- the number of unissued Shares that may be issued or placed under award in any 10-year period under SVP and any other executive share plan adopted by the Company may not exceed 5 per cent of the Company s issued ordinary share capital from time to time; and

- the number of unissued Shares that may be issued or placed under award in any 10-year period under SVP and any other employee share plan adopted by the Company may not exceed 10 per cent of the Company s issued ordinary share capital from time to time.

Shares issued out of treasury will count towards these limits for so long as this is required by institutional shareholder guidelines.

Vesting of Awards

Vesting periods are determined at the Grantor s discretion. In normal circumstances, Awards vest in three equal portions on each of the first, second and third anniversaries of grant, subject to malus and prudent financial control provisions. The Grantor may select a different vesting period for Awards, in particular, in the case of Awards granted to new joiners and as part of the remuneration awarded to employees under business unit long term incentive plans operated by the Group.

Malus provisions

SVP includes malus provisions in accordance with the FSA s Remuneration Code under which the Grantor may reduce the vesting of Awards (to nil if appropriate). For example, Awards may be reduced where the Committee in its discretion determines that there is evidence of serious employee misconduct or where a business unit has suffered a material failure of risk management.

Prudent financial control provision

SVP includes a prudent financial control condition under which the Grantor may limit, reduce or add further conditions to the vesting of Awards or suspend Awards if the financial health of the Group has, in the opinion of the Grantor, significantly deteriorated over the vesting period. Unless the Grantor in exceptional circumstances determines otherwise, Awards will ultimately be forfeited if the Grantor does not lift any such suspension within three years from the final release date of an Award or does not, following a suspension, determine to limit, reduce or add further conditions to Awards within three years from the final release date of that Award.

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Appendix 2

Summary of the principal terms of the Barclays Group Share Value Plan (the SVP) continued

Benefit of dividends/coupon

An additional benefit, releasable at the same time as an Award, may be added to an Award at the Grantor s absolute discretion. If the Award is over Shares, any benefit would represent the value of dividends payable on those Shares that actually vest since the date of grant and would be provided typically as Shares or as a cash sum. If the Award is over Capital Instruments, any benefit would represent an amount equivalent to the interest payable on those Capital Instruments that actually vest since the date of grant and would be provided typically as a cash sum or additional Capital Instruments.

Detail on the benefit that may apply to a Contingent Capital Award is set out below.

Cessation of employment

Special provisions apply if a participant s employment ceases before an Award vests.

If a participant dies, the Grantor may allow an Award to vest immediately but subject to malus and prudent financial control provisions.

If a participant leaves for any of the following reasons, an Award may vest in line with the normal vesting date(s) of the Award and subject to malus and prudent financial control provisions, unless the Grantor determines that the Award should vest earlier:

- retirement with the agreement of the participant s employer;
- redundancy;
- disability, injury or ill health;
- the company or business for which he works being transferred out of the Group; and
- his employer terminating his employment other than in circumstances which, in the reasonable opinion of the Committee, amount to gross misconduct or dismissal for cause.

If a participant is not an eligible leaver, any unvested Awards shall lapse unless the Grantor in its absolute discretion determines otherwise.

Corporate events

In the event of a change in control, reconstruction or winding up of the Company, the Grantor has discretion to determine the treatment of unvested Awards including allowing the early release of Awards or deciding that Awards shall continue in the same or a revised form. SVP also includes the facility for participants to exchange Awards for awards over shares in an acquiring company. An internal reorganisation does not count as a change of control for these purposes.

Cash alternative

The Grantor may, at its discretion, decide at the point of vesting (or exercise as the case may be) that an Award should be settled in cash equal to the market value of the Shares or Capital Instruments subject to the Award rather than in the Shares or Capital Instruments themselves.

Variation of the Company s share capital

On any variation or increase of the Company share capital the Grantor may make such adjustments as it considers appropriate to the number of Shares or Capital Instruments subject to an Award.

Amendments to SVP

The Committee may amend SVP at any time in any respect. The rules of SVP relating to eligibility, limits, the basis for determining a participant s entitlement and variations of the Company share capital may not be amended to the advantage of existing or future participants without the prior approval of the Company s shareholders in a general meeting. However, the Grantor may make any amendments necessary to secure or maintain favourable taxation, exchange control or regulatory treatment for the Company, any of its subsidiaries or any participant and make minor amendments to benefit or facilitate the administration of SVP without prior shareholder approval.

Contingent Capital Plan schedule to SVP

In 2011 the Company is adding a schedule to SVP which allows cash-based awards to be granted on similar terms to SVP but with additional vesting conditions as determined by the Committee from time to time. The schedule enables Barclays to grant Contingent Capital Awards which incentivise executives to maintain the Group Core Tier 1 capital ratio above a pre-determined threshold. For 2011 Contingent Capital Awards the threshold is 7%. It is proposed to amend SVP to allow Executive Directors to receive grants of Contingent Capital Awards.

A Contingent Capital Award is distinct from an Award over Capital Instruments granted under the main body of the SVP rules.

Grant

Contingent Capital Awards are granted by the Barclays PLC Cash Plans Committee (a sub-committee of the Committee).

Vesting

As for SVP, Contingent Capital Awards would normally vest, subject to the Committee discretion, in three equal portions on each of the first, second and third anniversaries of grant subject to malus and prudent financial control conditions.

Capital Condition

In addition, the vesting of Contingent Capital Awards would be subject to the condition that the Group Core Tier 1 capital ratio (calculated in accordance with the prevailing regulatory requirements) is equal to (or exceeds) a pre-determined threshold, set at the Committee s discretion at the date of grant. For initial 2011 Awards for all participants (including Executive Directors), it is proposed that the threshold shall be set at 7%.

When a Contingent Capital Award vests an additional discretionary benefit may be awarded equivalent to a coupon. For initial 2011 Awards, it is intended that this shall be set at 7% on an annualised non-compound basis.

If the Group Core Tier 1 capital ratio is below the pre-determined threshold (or would fall below that threshold as a result of the release and payment of any portion of a Contingent Capital Award) then no payment will be made at that time and the Contingent Capital Award will remain unvested. Any coupon equivalent attached to an Award shall lapse at the time of a suspension.

The Committee will review the Group Core Tier 1 capital ratio every six months thereafter using the published figure in the half and full year results of the Group. If the Group Core Tier 1 capital ratio (calculated in accordance with the prevailing regulatory requirements) has recovered above the pre-determined threshold (and would remain at or above that threshold following payment of a Contingent Capital Award) then (at the Committee s discretion) the unvested Contingent Capital Award or portion of the Contingent Capital Award may be released and paid to participants. In these circumstances, the Committee may consider a downward adjustment to any such release to take into account the impact to shareholders of any action taken by the Group to address the shortfall in the Group Core Tier 1 capital ratio. In addition, no coupon equivalent will be awarded in these circumstances.

If the Group Core Tier 1 capital ratio does not rise above the pre-determined threshold by the publication of the annual report following the fifth anniversary of the date on which the Contingent Capital Award was suspended, any suspended Contingent Capital Awards (or portion thereof) shall lapse.

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Questions and Answers

Voting arrangements

Who is entitled to vote?

Shareholders who want to attend, speak and vote at the AGM must be entered on the Company s register of members by no later than 6.00pm on Monday 25th April 2011. This time will still apply for the purpose of determining who is entitled to attend and vote if the AGM is adjourned from the scheduled time by 48 hours or less. If the AGM is adjourned for longer, members who wish to attend and vote must be on the Company s register of members by 6.00pm two days before the time fixed for the adjourned AGM.

How do I vote?

There are three ways in which you can vote:

- You can appoint a proxy online to vote on your behalf on our website at *www.barclays.com/investorrelations/vote*;
- You can vote in person at the AGM; or
- You can sign the enclosed Proxy Form appointing the Chairman or some other person to vote for you.

Voting on resolutions at the AGM will be by poll. This means that you will be asked to complete a Poll Card if you attend in person. We believe that a poll is the best way of representing the views of as many shareholders as possible in the voting process.

If you vote by Proxy Form, you should return your form to The Registrar in the enclosed pre-paid envelope so that it is received by no later than 11.00am on Monday 25th April 2011. You will find details below of how to withdraw your proxy if you change your mind. If you vote online, The Registrar must receive your instruction by 11.00am on Monday 25th April 2011.

What if I plan to attend the AGM and vote in person?

If you want to vote in person at the AGM there is no need to complete the Proxy Form. Attached to the Proxy Form is a Poll Card for use by those attending the AGM. You should bring the Poll Card with you to the meeting.

If my shares are held in Barclays Sharestore how do I vote?

All Sharestore members can elect to attend, speak and vote at the AGM. If you are a Sharestore member and do not want to attend but do want to vote, you must return the enclosed Proxy Form so that Equiniti Corporate Nominees Limited can appoint whichever person you name on the Proxy Form to attend and vote on your behalf. If you return the Proxy Form but do not insert the name of your proxy then the Chairman of the meeting will vote on your behalf. Alternatively, you can appoint a proxy to vote on your behalf on our website at www.barclays.com/investorrelations/vote.

I have been nominated by a shareholder to enjoy information rights, can I vote?

No. If you are not a shareholder you do not have a right to vote or to appoint a proxy. However, the agreement that you have with the person who nominated you to enjoy information rights may give you the right to be appointed as their proxy, or to have someone else appointed as a proxy for the AGM and to attend, speak and vote on their behalf. If you have any questions you should contact the registered shareholder (the custodian or broker) who looks after your investment on your behalf.

How will my shares be voted if I appoint a proxy?

The person you name on your Proxy Form must vote in accordance with your instructions. If you do not give them any instructions, a proxy may vote or not vote as he or she sees fit on any business of the AGM. Please see the explanatory notes on the reverse of the Proxy Form.

Can I appoint anyone to be a proxy?

Yes. You can appoint your own choice of proxy or you can appoint the Chairman as your proxy. Your proxy does not need to be a Barclays shareholder.

Can I appoint more than one proxy?

Yes. You may appoint more than one proxy, provided that each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to the same share. To appoint more than one proxy you should photocopy the Proxy Form and indicate in the box that this is one of multiple instructions.

Can I change my mind once I have appointed a proxy?

Yes. If you change your mind, you can send a written statement to that effect to The Registrar. The statement must arrive with The Registrar by 11.00 am on Monday 25th April 2011, or you should bring it along to the AGM. If you hold your shares in Barclays Sharestore, and you have changed your mind, your new instruction must be received by The Registrar no later than 11.00 am on Monday 25th April 2011. You cannot bring it along to the meeting.

How will the votes be counted?

Each of the resolutions set out in the Notice of AGM will be voted upon on a poll. The passing of resolutions 1 to 19 and 23 to 24 are determined by a majority of votes. Resolutions 20 to 22 are being proposed as special resolutions and will therefore require a 75% majority of the votes cast for them to be passed. Our Registrar counts the proxy votes received before the AGM and then counts the votes cast at the AGM. An independent third party, Electoral Reform Services, has been appointed by Barclays to monitor the shareholder voting process.

When will the results of the voting be declared?

The preliminary results of voting on the resolutions to be proposed at the AGM will be displayed in the meeting room shortly after the AGM. The final results will be announced to the London Stock Exchange and will appear on our website at www.barclays.com/investorrelations.

Corporate shareholders

I am a corporate shareholder what do I need to do to attend the AGM?

Representatives of shareholders that are corporations will have to produce evidence of their proper appointment when attending the AGM. Please contact our Registrar if you need further guidance on this.

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Questions and Answers

continued

Questions

Can I ask a question at the AGM?

Yes, however, questions should only be asked on the specific business of the AGM. If you would like to ask a question at the AGM, you can register your question at the Question Registration Point in the Exhibition Area before the AGM starts. You can also register your question in the meeting room once the AGM has started. Shareholders who are unable to attend the meeting still have the opportunity to submit a question to the Board by writing to Shareholder Relations at Barclays PLC, 1 Churchill Place, London E14 5HP or emailing privateshareholderrelations@barclays.com.

Please try to keep your questions short and relevant to the business of the AGM. We want all shareholders at the AGM to have the opportunity to ask questions.

Can I ask a question about a customer issue?

If you would like to ask a question about a personal matter at the AGM you should go to the Customer Relations Point in the Exhibition Area. This is staffed by Senior Customer Relations personnel. All questions raised will be reviewed by the Chairman after the AGM and a reply will be sent out within 14 days.

Can I ask a question about my personal shareholding?

If you would like to ask a question about your personal shareholding you should go to the Shareholder Enquiry Point in the Exhibition Area. This is staffed by The Registrar and Barclays Stockbrokers and will be open both before and after the AGM.

* Calls to this number are charged at 8p per minute if calling from a BT landline. Call charges may vary if using other telephone providers.

Shareholders with special needs

I am hard of hearing/sight, do you provide any documents for people with disabilities?

Copies of this notice are available in large print, Braille or audio format. If you would like a copy in any of these alternative formats, please contact the Registrar to Barclays.

General Questions

If you have any further questions about the AGM or your shareholding, please contact The Registrar to Barclays on 0871 384 2055* from the UK or on +44 121 415 7004 from overseas or by email at questions@share-registers.co.uk.

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Additional information for shareholders attending the Annual General Meeting

Venue

The AGM will be held at the Royal Festival Hall, Southbank Centre, Belvedere Road, London SE1 8XX. A map showing the location of the venue can be found below or you can find more information at *www.southbankcentre.co.uk/visiting-us/royal-festival-hall*.

Date: Wednesday 27th April 2011

Time: The AGM will start promptly at 11.00 am. You should allow 15 to 20 minutes for security and registration formalities.

Security

For safety reasons, security checks will be carried out on entry to the Royal Festival Hall. Please note that you will be asked to leave large bags in the cloakroom and small bags may be searched. No cameras, video recorders or tape recorders should be taken into the AGM. Mobile phones and other electronic communication devices should be turned off.

Cloakroom facilities

Cloakroom facilities will be available in the registration area.

Registration

Attendance Cards should be presented to The Registrar s staff, who will be available as you arrive at the venue. Corporate representatives, proxies and guests and Barclays Stockbrokers clients should register at the registration desks, which will be clearly signposted.

Persons with special needs

The Royal Festival Hall is easily accessible by wheelchair users and has lift access. Barclays staff will be on hand to guide you to the lifts.

Speech to text and hearing induction loop facilities will be available at the AGM. The AGM will also be signed.

An audio CD containing extracts from the 2010 Annual Review is available, free of charge, either on request in writing from The Registrar or at the AGM.

First aid

First aid facilities will be available. Please approach any member of Barclays staff.

Refreshments

Tea and coffee will be available before the AGM. After the business of the AGM has been concluded, light refreshments will be available in the Exhibition Area.

Travelling to the AGM

The nearest tube stations are Waterloo on the Bakerloo, Northern, Jubilee and Waterloo & City lines, Embankment on the District and Circle lines and Charing Cross on the Northern and Bakerloo lines. The nearest overground train stations are Waterloo and Charing Cross. Buses stop on Waterloo Bridge, York Road, Belvedere Road and Stamford Street.

AGM schedule

Wednesday 27th April 2011

10.00am

Registration desks open.

Tea and coffee available in the Exhibition Area.

Q&A registration opens.

11.00am

The AGM starts in the Meeting Room.

1.00pm (approximately)

Light refreshments available in the Exhibition Area.

The results of the polls are expected to be released to the London Stock

Exchange on Wednesday 27th April 2011.

Go online

Further information on our Annual Report

www.barclays.com/annualreport10

Printed on Revive Pure White Offset made from 100% FSC certified recycled fibre sourced from de-inked post-consumer waste. The printer and manufacturing mill are both credited with ISO14001 Environmental Management Systems Standard and both are FSC certified

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Designed by Further

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Barclays PLC

Proxy Form for the Annual General Meeting

To be held at the

Royal Festival Hall, Southbank Centre,

Belvedere Road, London SE1 8XX

on Wednesday, 27th April 2011 at 11.00am

+ +

Voting ID: **Task ID:** **Shareholder Reference Number:**

You can vote your Barclays shares by completing and sending this form back in the enclosed pre-paid envelope, or you can vote online at www.barclays.com/investorrelations/vote. Before completing this form, please read the explanatory notes on the back of the form.

I/We hereby appoint the Chairman of the meeting, or as my/our proxy to attend and vote on my/our behalf at the Annual General Meeting (AGM) of Barclays PLC (the Company) to be held on Wednesday, 27th April 2011 and at any adjournment of that meeting.

Resolutions

The full wording of the resolutions and brief biographical details of all Directors standing for re-election at the 2011 AGM are in the Notice of Annual General Meeting which has been sent to you with this form. Please write an **X** in the For, Against or Vote Withheld box for each resolution below. If you do not complete the boxes below, the person you appoint as proxy can decide whether, and how, he or she votes in relation to any matter which is properly put before the meeting.

		For	Against	Vote Withheld			For	Against	Vote Withheld
1.	To receive the Reports of the Directors and Auditors and the audited accounts for the year ended 31st December 2010.				13.	To re-elect Chris Lucas as a Director of the Company.			
				Important: fold along this line					
2.	To approve the Remuneration Report for the year ended 31st December 2010.				14.	To re-elect Sir Michael Rake as a Director of the Company.			
3.	To re-elect Alison Carnwath as a Director of the Company.				15.	To re-elect Sir John Sunderland as a Director of the Company.			

4. To re-elect Dambisa Moyo as a Director of the Company.
5. To re-elect Marcus Agius as a Director of the Company.
6. To re-elect David Booth as a Director of the Company.
7. To re-elect Sir Richard Broadbent as a Director of the Company.
8. To re-elect Fulvio Conti as a Director of the Company.
9. To re-elect Robert E Diamond Jr as a Director of the Company.
10. To re-elect Simon Fraser as a Director of the Company.
11. To re-elect Reuben Jeffery III as a Director of the Company.
12. To re-elect Sir Andrew Likierman as a Director of the Company.
16. To re-appoint PricewaterhouseCoopers LLP as Auditors of the Company.
17. To authorise the Directors to set the remuneration of the Auditors.
18. To authorise the Company and its subsidiaries to make political donations and incur political expenditure.
19. To authorise the Directors to allot securities.
20. To authorise the Directors to allot equity securities for cash other than on a pro rata basis to shareholders or to sell treasury shares.
21. To authorise the Company to purchase its own shares.
22. To authorise the Directors to call general meetings (other than an AGM) on not less than 14 clear days notice.
23. To approve and adopt the rules of the Barclays Group Long Term Incentive Plan (LTIP).
24. To approve and adopt the rules of the Barclays Group Share Value Plan (SVP).

Please indicate with an **X** if this Proxy Form is one of multiple instructions being given. Please refer to note 4 overleaf.

Signature(s)

Date

Please complete and return this Proxy Form in the enclosed pre-paid envelope so that it is received by The Registrar to Barclays no later than 11.00am on Monday, 25th April 2011.

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Barclays PLC

Attendance Card

Information for shareholders attending the 2011 AGM

The AGM will be held at the Royal Festival Hall, Southbank Centre, Belvedere Road, London SE1 8XX on Wednesday, 27th April 2011 at 11.00am.

If you plan to attend the AGM, please bring this card with you. This card will allow you entry to the meeting with a minimum of formality. You will be given full instructions on what to do with this card at the appropriate time during the meeting.

How to ask a question

If you intend to ask a question relating to the business of the meeting

You should register your question at the Question Registration Point in the Exhibition Area before the meeting starts. There is also provision to register your question within the meeting room once the meeting has started.

If you would like to ask a question about a personal matter

You should go to the Customer Relations Point in the Exhibition Area. This is staffed by Senior Customer Relations personnel who will be available before, during and after the meeting. All questions raised will be reviewed personally by the Chairman following the meeting and a reply will be sent out to you within 14 days.

Travelling to the AGM

The nearest tube stations are Waterloo on the Bakerloo, Northern, Jubilee and Waterloo & City lines, Embankment on the District and Circle lines and Charing Cross on the Northern and Bakerloo lines. The nearest overground train stations are Waterloo and Charing Cross. Buses stop on Waterloo Bridge, York Road, Belvedere Road and Stamford Street.

Why not log on to our new look Barclays e-view and see the benefits?

If you join our new look Barclays e-view, we will enter you into our free prize draw to win one of five £200 cash prizes! If you are an existing Barclays e-view member, we will enter you automatically.

Barclays e-view is an easy and convenient way to:

- Access your Barclays shareholding details and check your share sales, purchases or transfers;
- Receive important shareholder information such as the Annual Review, Annual Report or Results Announcements (including dividend rate) directly to your email address;
- View dividend information, including electronic tax vouchers;
- Change your address and/or bank details online; and
- Register your voting instructions for General Meetings.

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Barclays PLC

Poll card for the Annual General Meeting

To be held at the

Royal Festival Hall, Southbank Centre,

Belvedere Road, London SE1 8XX

on Wednesday, 27th April 2011 at 11.00am

This card should only be completed during the meeting

Holders of ordinary shares as well as proxies and authorised representatives of corporations are entitled to vote.

Please write an **X** in the For, Against or Vote Withheld box for each resolution below. If you wish to cast your votes partly for, partly vote withheld or partly against a resolution, you should write the number of votes cast For, Against or Vote Withheld in the appropriate box.

Signature(s)

Date

Resolutions

		For	Against	Vote Withheld			For	Against	Vote Withheld
1.	To receive the Reports of the Directors and Auditors and the audited accounts for the year ended 31st December 2010.				13.	To re-elect Chris Lucas as a Director of the Company.			
2.	To approve the Remuneration Report for the year ended 31st December 2010.				14.	To re-elect Sir Michael Rake as a Director of the Company.			
3.	To re-elect Alison Carnwath as a Director of the Company.				15.	To re-elect Sir John Sunderland as a Director of the Company.			
4.	To re-elect Dambisa Moyo as a Director of the Company.				16.	To re-appoint PricewaterhouseCoopers LLP as Auditors of the Company.			
5.	To re-elect Marcus Agius as a Director of the Company.				17.	To authorise the Directors to set the remuneration of the Auditors.			
6.	To re-elect David Booth as a Director of the Company.				18.	To authorise the Company and its subsidiaries to make political donations and incur political expenditure.			
7.	To re-elect Sir Richard Broadbent as a Director of the Company.				19.	To authorise the Directors to allot securities.			
8.	To re-elect Fulvio Conti as a Director of the Company.				20.	To authorise the Directors to allot equity securities for cash other than on a pro rata basis to shareholders or to sell treasury shares.			
9.	To re-elect Robert E Diamond Jr as a Director of the Company.				21.	To authorise the Company to purchase its own shares.			

10. To re-elect Simon Fraser as a Director of the Company.	22. To authorise the Directors to call general meetings (other than an AGM) on not less than 14 clear days notice.
11. To re-elect Reuben Jeffery III as a Director of the Company.	23. To approve and adopt the rules of the Barclays Group Long Term Incentive Plan (LTIP).
12. To re-elect Sir Andrew Likierman as a Director of the Company.	24. To approve and adopt the rules of the Barclays Group Share Value Plan (SVP).

Why not log on to our new look Barclays e-view and see the benefits?

If you join our new look Barclays e-view, we will enter you into our free prize draw to win one of five £200 cash prizes! If you are an existing Barclays e-view member, we will enter you automatically.

An increasing number of shareholders choose to receive their Barclays communications electronically and are discovering the convenience of using the internet and email to find out about their shareholding and Barclays.

To join Barclays e-view, please follow these 3 easy steps:

Step 1

Go to www.eviewsignup.co.uk

Step 2

Register for electronic communications by following the instructions on screen.

Step 3

Prize draw terms and conditions

The prize is a cheque for £200

1. We, Barclays PLC, are promoting the prize draw.

2. There will be five prize draws on Monday, 9th May 2011.

3. The winners of the prizes will be the first five names drawn at random from all eligible entries.

4. The draw will be supervised by an independent observer.

5. The prize draw is open to our private shareholders who are aged 18 or over, live in the United Kingdom and either join e-view or have already joined e-view prior to 11.00am on Friday, 6th May 2011. Each shareholder will be entered into the prize draw once.

6. You do not need to buy further shares to be entered into the prize draw.

7. We will provide the name and county of each winner, and the name of the independent observer, to anyone who sends a stamped address envelope to: The Manager, Shareholder Relations, 1 Churchill Place, London E14 5HP, within 28 days of the date of the draw (Monday, 9th May 2011). The details will also be available on our website.

8. We will contact the prize winners within five working days of the draw and ask them for the address to which we should send the prize. We will send out

You will be sent an access number in the post the next working day.

If you have any questions, please contact The Registrar to Barclays.

the prizes within 10 working days of receipt of the address.

9. We will be responsible for all costs of sending out the prizes to the winners.

10. We can publish the name and county of each winner after the date of the final draw. We may ask each winner to allow us to publish a photograph of them and they must not refuse without good reason.

11. If you enter the prize draw we will assume that you accept these terms and conditions.

12. Our decision is final and we will not respond to any questions or complaints about it.

13. We are not responsible for any injuries, loss or damage of any kind arising from or in connection with the prize draw unless, by law, we must accept responsibility.

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Barclays PLC

Explanatory notes

1. Voting

If you want to attend and vote at the Barclays AGM, you must be entered on the Company s register of members by no later than 6.00pm on Monday, 25th April 2011. This time will still apply for the purpose of deciding if you are entitled to attend and vote if the meeting is adjourned for less than 48 hours. If the meeting is adjourned for a longer time and you still want to attend and vote, you must be on the Barclays register of members by no later than 6.00pm two days before the time fixed for the adjourned meeting.

2. Vote online

You can appoint a proxy to vote your shares online at *www.barclays.com/investorrelations/vote*. To log on you will need your Voting ID, Task ID and Shareholder Reference Number which are printed on the front of this form. Your votes must be registered by no later than 11.00am on Monday, 25th April 2011.

3. Proxy

You are entitled to attend, speak and vote at the AGM or you can appoint one or more people (called proxies) to attend, speak and vote on your behalf. A proxy need not be a Barclays shareholder but must attend the meeting in person.

Write the name of the person you have chosen as your proxy in the box on the Proxy Form unless you wish to appoint the Chairman of the meeting. If no name is inserted, the Chairman of the meeting will be authorised to vote on your behalf.

4. Multiple proxies

If more than one proxy is appointed, each proxy must be appointed to exercise the rights attached to different shares. Unless you complete the form to show how you want them to vote, your proxy or proxies can vote, or not vote, as they see fit, on any matter which is put before the meeting. To appoint more than one proxy, please photocopy the Proxy Form and indicate the number of shares that you are authorising them to act as your proxy for. Mark the box on the Proxy Form to show that you have appointed more than one proxy.

5. Revoking your proxy

If you complete the Proxy Form to appoint a proxy or proxies, this will not stop you from attending and voting at the meeting if you later find you are able to do so.

6. Authority and timing

To be valid, you must return this Proxy Form, together with a certified copy of the power of attorney or other authority (if any) under which it is executed, to The Registrar to Barclays, Aspect House, Spencer Road, Lancing, West Sussex BN99 6NA, United Kingdom, in the pre-paid envelope provided, so that it is received by no later than 11.00am on Monday, 25th April 2011.

7. Joint shareholders

The signature of any one of the joint holders will be enough to appoint either the Chairman or one or more proxies to attend, speak and vote at the meeting.

8. Vote Withheld

The Vote Withheld option is given to enable you to abstain on any particular resolution. The Vote Withheld is not a vote in law and will not be counted in the calculation of the proportion of votes For or Against a resolution.

9. Corporate shareholders

If you are attending as a representative of a shareholder that is a corporation, you will need to show our Registrars evidence that you have been properly appointed as a corporate representative to gain entry to the AGM.

10. Euroclear electronic proxy appointment service (CREST)

If you are a user of the CREST system (including a CREST Personal Member), you may appoint one or more proxies or give an instruction to a proxy by having an appropriate CREST message transmitted. To be valid, the CREST message must be received by the receiving agent (ID RA19) no later than 11.00am on Monday, 25th April 2011. For this purpose the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which the receiving agent is able to retrieve the message. After this time, changes of instructions to proxies appointed through CREST should be communicated to the proxy by other means. If you are a CREST personal member or other CREST sponsored member, you should contact your CREST sponsor for help with appointing proxies via CREST. For further information on CREST procedures, limitations and system timings, please refer to the CREST Manual (available via www.euroclear.com/CREST). The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5) (a) of the Uncertified Securities Regulations 2001.

Shareholder information

If you need help, contact The Registrar to Barclays

Telephone

0871 384 2055* (in the UK)

+44 121 415 7004 (from overseas)

*Calls to this number are charged at 8p per minute if using a BT landline.

Call charges may vary if using other telephone providers.

Email
questions@share-registers.co.uk

Postal address

The Registrar to Barclays

Aspect House

Spencer Road

Lancing, West Sussex

BN99 6DA

United Kingdom

The paper used throughout this document is produced from Elemental Chlorine Free (ECF) pulps. The wood for these is sourced from fully sustainable forests. Additionally, the manufacturing mill is certified to ISO 9002 Quality Assurance standard, the ISO 14001 Environmental Management standard, and registered with EMAS (the Eco-Management and Audit Scheme).

ISO 14001

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Barclays PLC

Proxy Form for the Annual General Meeting

To be held at the

Royal Festival Hall, Southbank Centre,

Belvedere Road, London SE1 8XX

on Wednesday, 27th April 2011 at 11.00am

+ +

Voting ID: **Task ID:** **Shareholder Reference Number:**

You can vote your Barclays shares by completing and sending this form back in the enclosed pre-paid envelope, or you can vote online at www.barclays.com/investorrelations/vote. Before completing this form, please read the explanatory notes on the back of the form.

I/We hereby appoint the Chairman of the meeting, or as my/our proxy to attend and vote on my/our behalf at the Annual General Meeting (AGM) of Barclays PLC (the Company) to be held on Wednesday, 27th April 2011 and at any adjournment of that meeting.

Resolutions

The full wording of the resolutions and brief biographical details of all Directors standing for re-election at the 2011 AGM are in the Notice of Annual General Meeting which has been sent to you with this form. Please write an **X** in the For, Against or Vote Withheld box for each resolution below. If you do not complete the boxes below, the person you appoint as proxy can decide whether, and how, he or she votes in relation to any matter which is properly put before the meeting.

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3.	To re-elect Alison Carnwath as a Director of the Company.				15.	To re-elect Sir John Sunderland as a Director of the Company.			
4.					16.				

	To re-elect Dambisa Moyo as a Director of the Company.		To re-appoint PricewaterhouseCoopers LLP as Auditors of the Company.
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6.	To re-elect David Booth as a Director of the Company.	18.	To authorise the Company and its subsidiaries to make political donations and incur political expenditure.
7.	To re-elect Sir Richard Broadbent as a Director of the Company.	19.	To authorise the Directors to allot securities.
8.	To re-elect Fulvio Conti as a Director of the Company.	20.	To authorise the Directors to allot equity securities for cash other than on a pro rata basis to shareholders or to sell treasury shares.
9.	To re-elect Robert E Diamond Jr as a Director of the Company.	21.	To authorise the Company to purchase its own shares.
10.	To re-elect Simon Fraser as a Director of the Company.	22.	To authorise the Directors to call general meetings (other than an AGM) on not less than 14 clear days notice.
11.	To re-elect Reuben Jeffery III as a Director of the Company.	23.	To approve and adopt the rules of the Barclays Group Long Term Incentive Plan (LTIP).
12.	To re-elect Sir Andrew Likierman as a Director of the Company.	24.	To approve and adopt the rules of the Barclays Group Share Value Plan (SVP).

Please indicate with an **X** if this Proxy Form is one of multiple instructions being given. Please refer to note 4 overleaf.

Signature(s)

Date

Please complete and return this Proxy Form in the enclosed pre-paid envelope so that it is received by The Registrar to Barclays no later than 11.00am on Monday, 25th April 2011.

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Barclays PLC

Attendance Card

Information for shareholders attending the 2011 AGM

The AGM will be held at the Royal Festival Hall, Southbank Centre, Belvedere Road, London SE1 8XX on Wednesday, 27th April 2011 at 11.00am.

If you plan to attend the AGM, please bring this card with you. This card will allow you entry to the meeting with a minimum of formality. You will be given full instructions on what to do with this card at the appropriate time during the meeting.

How to ask a question

If you intend to ask a question relating to the business of the meeting

You should register your question at the Question Registration Point in the Exhibition Area before the meeting starts. There is also provision to register your question within the meeting room once the meeting has started.

If you would like to ask a question about a personal matter

You should go to the Customer Relations Point in the Exhibition Area. This is staffed by Senior Customer Relations personnel who will be available before, during and after the meeting. All questions raised will be reviewed personally by the Chairman following the meeting and a reply will be sent out to you within 14 days.

Travelling to the AGM

The nearest tube stations are Waterloo on the Bakerloo, Northern, Jubilee and Waterloo & City lines, Embankment on the District and Circle lines and Charing Cross on the Northern and Bakerloo lines. The nearest overground train stations are Waterloo and Charing Cross. Buses stop on Waterloo Bridge, York Road, Belvedere Road and Stamford Street.

How we want to communicate with you

Shareholder Reference Number

We are making greater use of our website and email to communicate directly with shareholders.

We now send Barclays e-view members regular, up to date information about their shareholding and Barclays directly to their inbox. Please see overleaf for more information about how to join Barclays e-view.

We will not send paper shareholder documents to you unless you have positively told us that you would like to receive them.

Please note that Barclays reserves the right to send you shareholder information by post should we feel it is appropriate.

Your options

1. Website

If you do not want to receive hard copy documents you do not need to take any further action. We will notify you by letter when the information is available to view on our website.

2. Email

If you would like to receive an email to tell you when shareholder information is available on the website, please join Barclays e-view at *www.eviewsignup.co.uk.*

3. Paper

If you would like to continue to receive paper documentation, please tell us which of the following documents you would like to receive and return the form to The Registrar to Barclays in the enclosed pre-paid envelope.

Annual Review: This document is about 30 pages long and gives you a clear overview of our company and its financial position.

Full Annual Report: This document is about 350 pages long and gives you very detailed financial and other information. It is aimed at the financial analyst community.

For more details, see overleaf

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Barclays PLC

Poll card for the Annual General Meeting

To be held at the

Royal Festival Hall, Southbank Centre,

Belvedere Road, London SE1 8XX

on Wednesday, 27th April 2011 at 11.00am

This card should only be completed during the meeting

Holders of ordinary shares as well as proxies and authorised representatives of corporations are entitled to vote.

Please write an **X** in the For, Against or Vote Withheld box for each resolution below. If you wish to cast your votes partly for, partly vote withheld or partly against a resolution, you should write the number of votes cast For, Against or Vote Withheld in the appropriate box.

Signature(s)

Date

Resolutions

		For	Against	Vote Withheld			For	Against	Vote Withheld
1.	To receive the Reports of the Directors and Auditors and the audited accounts for the year ended 31st December 2010.				13.	To re-elect Chris Lucas as a Director of the Company.			
2.	To approve the Remuneration Report for the year ended 31st December 2010.				14.	To re-elect Sir Michael Rake as a Director of the Company.			
3.	To re-elect Alison Carnwath as a Director of the Company.				15.	To re-elect Sir John Sunderland as a Director of the Company.			
4.	To re-elect Dambisa Moyo as a Director of the Company.				16.	To re-appoint PricewaterhouseCoopers LLP as Auditors of the Company.			
5.	To re-elect Marcus Agius as a Director of the Company.				17.	To authorise the Directors to set the remuneration of the Auditors.			
6.	To re-elect David Booth as a Director of the Company.				18.	To authorise the Company and its subsidiaries to make political donations and incur political expenditure.			
7.	To re-elect Sir Richard Broadbent as a Director of the Company.				19.	To authorise the Directors to allot securities.			
8.	To re-elect Fulvio Conti as a Director of the Company.				20.	To authorise the Directors to allot equity securities for cash other than on a pro rata basis to shareholders or to sell treasury shares.			
9.	To re-elect Robert E Diamond Jr as a Director of the Company.				21.	To authorise the Company to purchase its own shares.			

10. To re-elect Simon Fraser as a Director of the Company.	22. To authorise the Directors to call general meetings (other than an AGM) on not less than 14 clear days notice.
11. To re-elect Reuben Jeffery III as a Director of the Company.	23. To approve and adopt the rules of the Barclays Group Long Term Incentive Plan (LTIP).
12. To re-elect Sir Andrew Likierman as a Director of the Company.	24. To approve and adopt the rules of the Barclays Group Share Value Plan (SVP).

Why not log on to our new look Barclays e-view and see the benefits?

If you join our new look Barclays e-view, we will enter you into our free prize draw to win one of five £200 cash prizes! If you are an existing Barclays e-view member, we will enter you automatically.

An increasing number of shareholders choose to receive their Barclays communications electronically and are discovering the convenience of using the internet and email to find out about their shareholding and Barclays.

To join Barclays e-view, please follow these 3 easy steps:

Step 1

Go to www.eviewsignup.co.uk

Step 2

Register for electronic communications by following the instructions on screen.

Step 3

Prize draw terms and conditions

The prize is a cheque for £200

1. We, Barclays PLC, are promoting the prize draw.

2. There will be five prize draws on Monday, 9th May 2011.

3. The winners of the prizes will be the first five names drawn at random from all eligible entries.

4. The draw will be supervised by an independent observer.

5. The prize draw is open to our private shareholders who are aged 18 or over, live in the United Kingdom and either join e-view or have already joined e-view prior to 11.00am on Friday, 6th May 2011. Each shareholder will be entered into the prize draw once.

6. You do not need to buy further shares to be entered into the prize draw.

7. We will provide the name and county of each winner, and the name of the independent observer, to anyone who sends a stamped address envelope to: The Manager, Shareholder Relations, 1 Churchill Place, London E14 5HP, within 28 days of the date of the draw (Monday, 9th May 2011). The details will also be available on our website.

8. We will contact the prize winners within five working days of the draw and ask them for the address to which we should send the prize. We will send out the prizes within 10 working days of receipt of the address.

You will be sent an access number in the post the next working day. **If you have any questions, please contact The Registrar to Barclays.**	9. We will be responsible for all costs of sending out the prizes to the winners. 10. We can publish the name and county of each winner after the date of the final draw. We may ask each winner to allow us to publish a photograph of them and they must not refuse without good reason. 11. If you enter the prize draw we will assume that you accept these terms and conditions. 12. Our decision is final and we will not respond to any questions or complaints about it. 13. We are not responsible for any injuries, loss or damage of any kind arising from or in connection with the prize draw unless, by law, we must accept responsibility.

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Barclays PLC

Explanatory notes

1. Voting

If you want to attend and vote at the Barclays AGM, you must be entered on the Company s register of members by no later than 6.00pm on Monday, 25th April 2011. This time will still apply for the purpose of deciding if you are entitled to attend and vote if the meeting is adjourned for less than 48 hours. If the meeting is adjourned for a longer time and you still want to attend and vote, you must be on the Barclays register of members by no later than 6.00pm two days before the time fixed for the adjourned meeting.

2. Vote online

You can appoint a proxy to vote your shares online at *www.barclays.com/investorrelations/vote*. To log on you will need your Voting ID, Task ID and Shareholder Reference Number which are printed on the front of this form. Your votes must be registered by no later than 11.00am on Monday, 25th April 2011.

3. Proxy

You are entitled to attend, speak and vote at the AGM or you can appoint one or more people (called proxies) to attend, speak and vote on your behalf. A proxy need not be a Barclays shareholder but must attend the meeting in person.

Write the name of the person you have chosen as your proxy in the box on the Proxy Form unless you wish to appoint the Chairman of the meeting. If no name is inserted, the Chairman of the meeting will be authorised to vote on your behalf.

4. Multiple proxies

If more than one proxy is appointed, each proxy must be appointed to exercise the rights attached to different shares. Unless you complete the form to show how you want them to vote, your proxy or proxies can vote, or not vote, as they see fit, on any matter which is put before the meeting. To appoint more than one proxy, please photocopy the Proxy Form and indicate the number of shares that you are authorising them to act as your proxy for. Mark the box on the Proxy Form to show that you have appointed more than one proxy.

5. Revoking your proxy

If you complete the Proxy Form to appoint a proxy or proxies, this will not stop you from attending and voting at the meeting if you later find you are able to do so.

6. Authority and timing

To be valid, you must return this Proxy Form, together with a certified copy of the power of attorney or other authority (if any) under which it is executed, to The Registrar to Barclays, Aspect House, Spencer Road, Lancing, West Sussex BN99 6NA, United Kingdom, in the pre-paid envelope provided, so that it is received by no later than 11.00am on Monday, 25th April 2011.

7. Joint shareholders

The signature of any one of the joint holders will be enough to appoint either the Chairman or one or more proxies to attend, speak and vote at the meeting.

8. Vote Withheld

The Vote Withheld option is given to enable you to abstain on any particular resolution. The Vote Withheld is not a vote in law and will not be counted in the calculation of the proportion of votes For or Against a resolution.

9. Corporate shareholders

If you are attending as a representative of a shareholder that is a corporation, you will need to show our Registrars evidence that you have been properly appointed as a corporate representative to gain entry to the AGM.

10. Euroclear electronic proxy appointment service (CREST)

If you are a user of the CREST system (including a CREST Personal Member), you may appoint one or more proxies or give an instruction to a proxy by having an appropriate CREST message transmitted. To be valid, the CREST message must be received by the receiving agent (ID RA19) no later than 11.00am on Monday, 25th April 2011. For this purpose the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which the receiving agent is able to retrieve the message. After this time, changes of instructions to proxies appointed through CREST should be communicated to the proxy by other means. If you are a CREST personal member or other CREST sponsored member, you should contact your CREST sponsor for help with appointing proxies via CREST. For further information on CREST procedures, limitations and system timings, please refer to the CREST Manual (available via www.euroclear.com/CREST). The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5) (a) of the Uncertified Securities Regulations 2001.

Shareholder information

If you need help, contact The Registrar to Barclays

Telephone

0871 384 2055* (in the UK)

+44 121 415 7004 (from overseas)

*Calls to this number are charged at 8p per minute if using a BT landline.

Call charges may vary if using other telephone providers.

Email
questions@share-registers.co.uk
Postal address

The Registrar to Barclays

Aspect House

Spencer Road

Lancing, West Sussex

BN99 6DA

United Kingdom

The paper used throughout this document is produced from Elemental Chlorine Free (ECF) pulps. The wood for these is sourced from fully sustainable forests. Additionally, the manufacturing mill is certified to ISO 9002 Quality Assurance standard, the ISO 14001 Environmental Management standard, and registered with EMAS (the Eco-Management and Audit Scheme).

ISO 14001

EMAS Verified Environmental Management. Produced at an EMAS registered mill

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The term Barclays PLC Group or the Group means Barclays PLC together with its subsidiaries and the term Barclays Bank PLC Group means Barclays Bank PLC together with its subsidiaries. Barclays and Group are terms which are used to refer to either of the preceding groups when the subject matter is identical. The term Company , Parent Company or Parent refers to Barclays PLC and the term Bank refers to Barclays Bank PLC. The term Absa Group Limited is used to refer to Absa Group Limited and its subsidiaries and the term Absa is used to refer to the Barclays segment represented by this business as described on page 54. In this report, the abbreviations £m and £bn represent millions and thousands of millions of pounds sterling respectively; the abbreviations US$m and US$bn represent millions and thousands of millions of US Dollars respectively and m and bn represent millions and thousands of millions of euros respectively.

Unless otherwise stated, the income statement analyses compare the 12 months to 31st December 2010 to the corresponding 12 months of 2009 and balance sheet comparisons, relate to the corresponding position at 31st December 2009. Unless otherwise stated, all disclosed figures relate to continuing operations. Relevant terms that are used in this document but are not defined under applicable regulatory guidance or International Financial Reporting Standards (IFRS) are explained in the glossary on pages 278 to 284.

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. Barclays cautions readers that no forward-looking statement is a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking statements. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements sometimes use words such as may , will , seek , continue , aim , anticipate , target , expect , intend , plan , goal , believe or other words of similar meaning. Examples of forward-looking statements include, among others, statements regarding the Group s future financial position, income growth, assets, impairment charges, business strategy, capital ratios, leverage, payment of dividends, projected levels of growth in the banking and financial markets, projected costs, estimates of capital expenditures, and plans and objectives for future operations and other statements that are not historical fact. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances, including, but not limited to, UK domestic and global economic and business conditions, the effects of continued volatility in credit markets, market related risks such as changes in interest rates and exchange rates, effects of changes in valuation of credit market exposures, changes in valuation of issued notes, the policies and actions of governmental and regulatory authorities, including capital requirements, changes in legislation, 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, the outcome of pending and future litigation, the success of future acquisitions and other strategic transactions and the impact of competition a number of such factors being beyond the Group s control. As a result, the Group s actual future results may differ materially from the plans, goals, and expectations set forth in the Group s forward-looking statements.

Any forward-looking statements made herein speak only as of the date they are made. Except as required by the UK Financial Services Authority (FSA), the London Stock Exchange or applicable law, Barclays expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this announcement to reflect any change in Barclays expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. The reader should, however, consult any additional disclosures that Barclays has made or may make in documents it has filed or may file with the SEC.

Cover image:

Barclays is the exclusive sponsor of Barclays Cycle Hire which was launched on 30th July 2010 in London. It already sees more than 5,000 cycles available in central London, with nearly 3 million journeys completed. The scheme makes a positive contribution to society in London and partners Barclays with a sustainable and environmentally friendly mode of transport.

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About Barclays

We are a major global financial services provider engaged in retail banking, credit cards, corporate and investment banking, and wealth management with an extensive international presence.

Group total income

£31,440m

UK Retail Banking £4,518m total income

UK Retail Banking is a leading UK high street bank providing current account and savings products and Woolwich branded mortgages. UK Retail Banking also provides unsecured loans, protection products and general insurance as well as banking and money transmission services to small and medium enterprises.

Barclaycard £4,024m total income

Barclaycard is an international payments business which manages about £200bn in annual payment value and offers a broad range of payment solutions to consumer and business customers in 22 countries throughout the world.

Western Europe Retail Banking £1,164m total income

Western Europe Retail Banking provides retail banking and credit card services in Spain, Italy, Portugal and France. The business is building a differentiated proposition providing banking services to retail and mass affluent customers through a variety of distribution channels.

Barclays Africa £801m total income

Barclays Africa provides retail, corporate and credit card services across Africa and the Indian Ocean. It provides tailored banking (including mobile banking and Sharia-compliant products) to over 2.7m customers and has a top 3 position in 8 of the 10 countries in which we operate.

Absa £2,899m total income

Absa provides a full range of retail banking services and insurance products through a variety of distribution channels. It also offers customised business solutions for commercial and large corporate customers. It is part of one of South Africa s largest financial services organisations.

Barclays Capital £13,600m total income

Barclays Capital is the investment banking division of Barclays. It provides large corporate, government and institutional clients with a full spectrum of solutions to meet their strategic advisory, financing and risk management needs. Barclays Capital has a global presence providing advisory services and distribution power to meet the needs of issuers and investors worldwide.

Barclays Corporate £2,974m total income

Barclays Corporate provides integrated banking solutions to large corporates, financial institutions and multinationals in the UK & Ireland, Continental Europe and New Markets.

Barclays Wealth £1,560m total income

Barclays Wealth is the wealth management division of Barclays. It focuses on private and intermediary clients worldwide, providing international and private banking, investment management, fiduciary services and brokerage. It has offices in Europe, North America, Asia and Africa.

Investment Management £78m total income

Investment Management manages the Group s 19.9% economic interest in BlackRock, Inc. and the residual elements relating to Barclays Global Investors, which was sold on 1st December 2009.

Head Office and Other Operations £178m total loss

Head Office Functions and Other Operations comprise head office and central support functions, businesses in transition and consolidation adjustments.

2010 performance highlights

Profit before tax

£6,065m

Group profit before tax up 32% on 2009, adjusted profit before tax up 11%

Net income

22% up

Net income of £25,768m, up 22% on 2009

Impairment

30% down

Impairment of £5,672m, down 30%, giving a loan loss rate of 118bps compared to 156bps for 2009

Return on equity

7.2%

Improved returns on average shareholders equity of 7.2% (2009: 6.7%)

Core Tier 1 ratio

10.8%

Core Tier 1 capital ratio of 10.8% (2009: 10.0%)

Group liquidity pool

£154bn

Group liquidity pool improved by 21% from £127bn in 2009

Net hiring

2,000

Created 2,000 new jobs, 80% of which were in the UK

Global tax paid

£6.1bn

UK tax paid of £2.8bn, including £1.3bn on behalf of employees

Gross new lending to UK

£43bn

Gross new lending to UK households and businesses increased to £36bn, plus £7.5bn from the acquisition of Standard Life Bank

Executing our strategy

Delivering superior performance through diversification by business, geography and funding sources, and relentless focus on customers and clients

Strategy and business model

We continue to believe that our integrated universal banking strategy is the best model to serve our customers and clients as well as optimising risk-adjusted returns for our shareholders.

Customer and client focus

Our customers and clients are at the centre of our strategy and business model. Putting their needs first is essential to developing a long term sustainable business.

Geographic spread

We aim to meet the needs of our clients and build a business with diverse revenue sources, business segments, customer and clients and geographic exposure.

Product breadth

The most successful banks are those that serve their clients across all their needs though a wide range of distribution channels.

Risk management

Effective risk management underpins all the commercial decisions we take. As a global universal bank we are well placed to understand the risks our clients take because of the breadth and depth of the relationships we have with them.

Financial discipline

As we look to execute on our strategy and build the business, it is essential to ensure that we retain financial discipline required to deliver returns.

How we manage our performance

Whilst business model and strategy determine the shape and direction of Barclays, performance is managed against a specific set of key performance indicators (KPIs).

These KPIs are closely aligned to our execution priorities in order to deliver on our goal of generating top quartile shareholder returns over time.

Our execution priorities are:

- Capital operating within our capital resources
- Returns generating returns in excess of our cost of equity
- Income growth sustainable growth in selected markets and geographies
- Citizenship demonstrating our wider value to society both globally and in every community we serve

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Key performance indicators

Key performance indicators (KPIs)

Our Group KPIs provide a framework of key financial, strategic and citizenship measures which we monitor to assess our aggregate performance. These KPIs are updated periodically as our strategy and execution priorities evolve.

KPIs	Measures	2010	2009	2008
Capital	Core Tier 1 ratio	10.8%	10.0%	5.6%
	Adjusted gross leverage	20x	20x	28x
Returns	Return on average shareholders equity (RoE)	7.2%	6.7%	14.3%
	Return on average tangible shareholders equity (RoTE)	8.7%	9.0%	21.3%
	Profit before tax	£6,065m	£4,585m	£5,136m
	Cost: income ratio	64%	57%	63%
	Loan loss rate	118bps	156bps	95bps
	Dividend	5.5p	2.5p	11.5p
Income growth	Total income	£31,440m	£29,123m	£21,199m
	Income by geography:			
	UK & Ireland	40%	45%	57%
	Europe region	15%	15%	19%
	Americas	25%	22%	0%
	Africa	15%	14%	17%
	Asia	5%	4%	7%
Citizenship	Gross new lending to UK households and businesses	£43bn[a]	£35bn	n/a
	Global investment in our communities	£55.3m	£54.9m	£52.2m

Colleagues involved in volunteering, regular giving and fundraising initiatives	62,000	58,000	57,000
Group Employee Opinion Survey (EOS) Proud to be Barclays	83%	81%	81%
Percentage of senior managers who are female	24%	24%	25%

A fuller analysis of Group KPIs including definitions and why these KPIs are considered important can be found on pages 28 to 31.

Note

a Gross new UK lending of £43 billion includes £7.5 billion arising from the acquisition of Standard Life Bank.

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Group Chairman s statement

Marcus Agius

2010 saw a continuation of the global economic recovery which began in 2009 and while the level of global economic activity remains weak reflected in high unemployment rates the recovery is intact, and the fears of a double-dip recession in developed economies that emerged in the middle of last year have largely abated. Indeed, global GDP growth averaged nearly 5% in 2010, led by the emerging economies although growth in most of the developed world was generally below trend.

Global growth is expected to slow to around 4.25% in 2011, reflecting less rapid growth in Asia and Latin America, where policy has begun to tighten, partly in response to higher inflation. While growth in most of the larger European countries has held up surprisingly well particularly Germany the outlook for the UK is more sobering: activity declined unexpectedly in Q4, and policy tightening is likely to temper the pace of recovery this year. Downside risks remain: we saw, for example, the re-emergence of sovereign risk concerns in certain European countries in the last quarter of 2010 and at the start of this year and more recently the unrest in a number of Middle Eastern and North African countries affecting the price of oil and confidence generally. We expect these problems to be contained, but while the outlook for markets is sanguine for now, it is vulnerable to any hints that monetary policy support might be withdrawn.

Whilst it is too early to say that the financial crisis is over, I believe it is important to reflect on the progress that has been made over the last few years in improving the resilience of the banking sector. This is because there is, in some quarters, the sense that nothing has changed as a result of the crisis: in fact a huge amount has already been achieved. To begin with, the banking system as a whole is now much better capitalised than before the crisis for example, Barclays Core Tier 1 Capital at the end of 2010 was 10.8%, nearly double the level at the end of 2008. We were particularly pleased that the results of the stress tests run by the Committee of European Banking Supervisors (CEBS) in 2010 showed that Barclays Tier 1 ratio was amongst the highest in the European bank sector after application of the CEBS adverse scenario. Liquidity has also been strengthened significantly Barclays held a Liquidity Pool of over £150bn at the end of 2010, more than three times the level at the end of 2008. Considerable change has also been made in other areas across the sector: leverage is lower; stress testing has been institutionalised; the Financial Stability Board principles on Remuneration have been widely implemented and, finally, good progress is being made in the vital area of recovery and resolution planning. We still await final rules in other important areas however, such as the minimum levels of capital to be held by systemically important financial institutions and, of course, we await the report from the Independent Commission on Banking in the UK which is tasked with examining possible measures to promote stability and competition in UK Banking.

The importance of the regulatory reform agenda cannot be overstated. A great deal has already been achieved and we support strong regulation in order to support strong banks for the benefit of all. Accordingly, we have made a significant contribution to the debate. But the significant volume of work involved in responding to the numerous consultations should not be underestimated and much of it necessarily requires the attention of our most senior people. While we recognise the need for this to happen and welcome the prospect of a better outcome we nevertheless also look forward to the time when the new normal in regulatory terms is finally established so that we can focus on our core business of banking, namely supporting our clients and so assisting the creation of economic growth

and jobs. It is now important that the remaining issues and in particular uncertainty are resolved as quickly as possible to allow the sector to manage and plan its activities in a stable regulatory environment.

I stated in my report last year that the new regulatory architecture should meet three objectives and it is important to reiterate them:

- A safer and more secure financial system;

- A banking industry that is well equipped to support the needs of the global economy; and

The ability of the suppliers of financial capital to earn a positive return on their capital.

The Basel Committee is sensibly phasing in over a period of years the new regulatory requirements in respect of both capital and liquidity. This will help ensure that the banking system can continue to support the needs of the global economy and in particular to finance the recovery in the developed economies. The new architecture will need to be kept under close review, however, to ensure that the three objectives set out above continue to be met. History shows that new regulations invariably lead to unintended consequences, so it will be crucial continuously to monitor their effects to ensure that the desired outcomes are achieved. It will also be vital to ensure that the new rules are applied consistently on a worldwide basis in order to allow international banks such as Barclays to operate on a global level playing field. It would be very dangerous if countries such as the UK continued in a position of regulatory super-equivalence, a position that makes it harder to support private sector led economic growth.

A new regulatory architecture is one aspect of restoring trust in banks but it will not be sufficient by itself. Banks must show by their actions that they understand the public concerns over the mistakes of the past, assist and collaborate in the reform process and recognise their obligation to contribute to economic recovery. A successful banking system brings many benefits to society, including:

Lending

The supply of credit is at the heart of economic activity and it is the role of banks in performing this function to facilitate appropriate risk taking in the economy by households and businesses. In Barclays alone, we lend about £500bn to customers and clients worldwide. In 2010, our gross new UK lending totalled £43bn, including £7.5bn arising from the acquisition of Standard Life Bank.

The main UK banks recently made substantial commitments relating to lending to UK businesses, including making available the appropriate capital and resources to support gross new lending of £190bn in 2011, should sufficient demand materialise. In addition, the main UK banks have also agreed to contribute to the creation of an equity fund which the banks expect to grow over the coming years to £1.5bn to support growth in companies with an annual turnover of between £10m-£100m.

Employment

Barclays employs nearly 147,500 people of whom 60,000 are in the UK. The banking sector as a whole employs nearly 500,000 people across the UK and the jobs of many more are related to the success of the wider financial services industry.

Group Chairman s statement

continued

Payment of Tax

Successful banks pay tax on their profits and in the last normal year before the credit crunch (2006), the total direct and indirect taxation paid by the banking sector in the UK was nearly £40bn. As the sector recovers, it will again become a major contributor to Governments across the world and particularly in the UK.

Payment of Dividends

Successful banks pay dividends to their owners typically pension funds and mutual funds and dividend payments from UK banks totalled over 20% of total FTSE dividends in 2006. This figure has been significantly reduced because of the crisis and in Barclays we have had to maintain a conservative dividend policy because of regulatory uncertainty. But it is in the interests of our owners and individual pensioners to see a successful banking system again providing a significant source of income to institutional and private savings vehicles. Our dividend policy has been progressive over the past two years and we expect it to remain so.

Community Support

Investing in the communities in which we operate is something that has always been important to Barclays and our employees around the world.

During difficult economic times, we have even more responsibility to the communities where we live and work. Despite the impact of the crisis, Barclays resolved not to reduce its level of community support and, in 2010, we invested over £55m in carefully targeted programmes around the world.

Our truly global community investment programme now supports projects in 37 countries, reaching more than one and a half million people and providing support to over 8,000 organisations.

To make this happen, over 62,000 colleagues gave their time, energy and expertise to volunteering, fundraising and regular giving initiatives throughout the year a record figure, of which we are justifiably proud. You will see from the Chief Executive s review that Citizenship, and in particular, demonstrating our credentials as a global citizen, is one of our priorities in 2011.

The scale of each of these components of contribution is profoundly affected by the ability of the UK industry to compete with the best international peers. In order to maximise the contribution of UK banks to society, we must be allowed to compete on a level playing field within a secure regulatory framework. We recognise the need to pay responsibly, including much greater levels of deferment, greater use of equity and the ability to claw back payments in specific circumstances. As Chairman, I am acutely aware of the public disquiet over remuneration in the industry. Barclays is committed to acting responsibly in this area. We are fully compliant with all regulatory requirements and our remuneration systems are designed to reward success, not failure. If we are to remain competitive in a global market place, however, it is simply not an option for us unilaterally to reduce compensation levels. We can only contribute to society if we are able to recruit and retain good people. Against the above background, we are very grateful to John Varley in leading the industry discussions with the UK Government which resulted in a collective statement by the principal UK banks on lending, tax, pay and broader contributions to the economy and to society. The statement underlined the banks recognition of their responsibility to support economic recovery and to show responsibility on pay. Accordingly, Barclays 2010 bonus pool was down 7%, despite increased profits and income, in line with our commitment to the UK Government for restraint.

CEO Succession

A key development during the year was the announcement that Bob Diamond would succeed John Varley as Chief Executive. While I set out in the Corporate Governance Report the background to the decision to appoint Bob and in particular, the process that was followed, I would like to pay tribute here to the exceptional job performed by John during his tenure as CEO. Barclays has been transformed since he became CEO in September 2004, enabling Barclays to take its place in the first rank of global universal banks. There can have been no greater test of leadership than to have been CEO during the financial crisis and John brought the bank through this period with courage and creativity. We are fortunate that he will continue to be available to us as an advisor on regulatory matters until September.

We are also fortunate that we have such a capable and qualified replacement in Bob Diamond. He has a proven track record as a business leader and the Board and I are looking forward to working with him to take Barclays forward in the years ahead as he builds on his many achievements to date.

Board Changes

We appointed two new Directors during the year. Dambisa Moyo was appointed in May and her background in financial services and as a global economist will bring valuable insights to the Board. Alison Carnwath was appointed in August. She is Chair of Land Securities and has a long history in financial services as a banker and a director of a number of global financial services businesses. Leigh Clifford retired from the Board on 30 September. He made an extremely valuable contribution to the Board and we benefitted greatly from his experience and his wisdom, particularly during the financial crisis. We wish him well for the future.

In conclusion, I would like on behalf of the Board to thank two particular groups of stakeholders. First, our many shareholders for their support in 2010. We weathered the storm as well as we did because of a combination of public support for which we are sincerely grateful proactive management and the underlying strength of our business. Our resolve now is to build on this strength to sustain the delivery of value for our shareholders into the future. Finally, our thanks go out to all Barclays 147,500 employees who have continued to work very hard and to show dedication to the service of our customers and clients. This lies at the heart of any success we may achieve.

Marcus Agius
Group Chairman

10th March 2011

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Leadership and governance

Board of Directors

	Marcus Agius (64)	**Bob Diamond** (59)	**Sir Richard Broadbent** (57)	**David Booth** (56)
	Group Chairman	Chief Executive, Executive Director	Deputy Chairman and Senior Independent Director	Non-executive Director
Biography	Marcus extensive background in banking began at Lazard where he worked from 1972 to 2006, latterly as Chairman of Lazard in London and Deputy Chairman of Lazard LLC. He is currently Chairman of the British Bankers Association, Senior Independent Director of the British Broadcasting Corporation (BBC) and Chairman of the Trustees of The Royal Botanic Gardens. Marcus is also a Business Ambassador for UK Trade and Investment, a member of the Advisory Council of TheCityUK, and a member of the Takeover Panel. He was formerly Chairman of BAA plc, a position he held from 2002 until 2006.	Bob became Chief Executive on 1st January 2011. Previously, he was President of Barclays PLC and Chief Executive of Corporate & Investment Banking and Wealth Management, comprising Barclays Capital, Barclays Corporate and Barclays Wealth. Before joining Barclays, Bob was Vice Chairman and Head of Global Fixed Income and Foreign Exchange at CS First Boston, where he was also a member of the Executive Board and Operating Committee. Prior to this, he was Managing Director and Head of Fixed Income Trading at Morgan Stanley International, spending 13 years with the firm. Bob is a non-executive Director of BlackRock, Inc.	Sir Richard has experience of both the private and public sector having worked in high-level banking roles and the Civil Service. He was the Executive Chairman of HM Customs and Excise from 2000 to 2003. Formerly he was a member of the Group Executive Committee of Schroders PLC and a non-executive Director of the Securities Institute. He was Chairman of Arriva PLC until August 2010.	David manages his own venture capital investments, having retired from the Management Committee of Morgan Stanley in 1997. David was employed by Morgan Stanley from 1982 to 1992, and again from 1995 to 1997 where he held various key positions, including Head of Government Bond Trading, Head of Mortgage Trading, Sales and Finance and Head of Global Operations and Technology.
Term of office	Marcus joined the Board in September 2006 as a non-executive Director and was appointed Chairman on 1st January 2007. Marcus was last re-elected by shareholders at the AGM in 2010.	Bob was appointed President and became an executive Director in June 2005. He has been a member of the Barclays Executive Committee since September 1997. Bob was last re-elected by shareholders at the AGM in 2009.	Sir Richard joined the Board in September 2003. Appointed Senior Independent Director on 1st September 2004 and Deputy Chairman on 16 July 2009. Sir Richard was last re-elected by shareholders at the AGM in 2010.	David joined the Board in May 2007. David was last re-elected by shareholders at the AGM in 2010.

Independent	On appointment	No	Yes	Yes
External appointments	Chairman of the British Bankers Association since 2010. Senior Independent Director of the BBC since 2006. Member of the Executive Committee of the Institut International D Etudes Bancaires. Business Ambassador for UK Trade and Investment. Member of the Advisory Council of TheCityUK. Member of the Takeover Panel. Chairman of the Trustees of the Royal Botanic Gardens, Kew. Chairman of The Foundation and Friends of the Royal Botanic Gardens, Kew. Chairman of Lazard in London and Deputy Chairman of Lazard LLC until 2006. Chairman of BAA plc until 2006.	Non-executive Director of BlackRock, Inc. Chairman, Board of Trustees of Colby College, Waterville, Maine. Chairman, Old Vic Productions,Plc. Trustee, The Mayor s Fund for London. Member of the Advisory Board, Judge Business School at Cambridge University. Board Member, The Diamond Family Foundation. Member of International Advisory Board, British-American Business Council. Life Member of The Council on Foreign Relations. Member of The International Advisory Board, The Atlantic Council.	Chairman of Arriva PLC until 2010. Trustee of Relate since 2011. Executive Chairman of HM Customs and Excise until 2003. Former Group Executive Committee member of Schroders PLC. Non-executive Director of the Securities Institute until 1995.	Director of East Ferry Investors, Inc. Various positions at Morgan Stanley & Co. until 1997. Director of the Discount Corporation of New York until 1993.
Committee membership	Chairman of the Board Corporate Governance and Nominations Committee since January 2007. Member of the Board Remuneration Committee since January 2007.		Chairman of the Board Remuneration Committee since January 2007 (member since April 2004). Member of the Board Corporate Governance and Nominations Committee since September 2004. Former member of the Board Risk Committee (April 2004 until September 2010), which he chaired between January 2006 and December 2009.	Chairman of the Board Risk Committee since January 2010 (member since January 2008). Member of the Board Corporate Governance and Nominations Committee since January 2010.

Leadership and governance

Board of Directors continued

	Alison Carnwath (58) Non-executive Director	**Fulvio Conti** (63) Non-executive Director	**Simon Fraser** (51) Non-executive Director	**Reuben Jeffery III** (57) Non-executive Director
Biography	Alison worked in investment banking and corporate finance for 20 years from 1980 to 2000, before pursuing a portfolio career. During her career, Alison became a director of J. Henry Schroder Wagg & Co, where she worked for 10 years. Alison also held the positions of a senior partner of Phoenix Securities and Managing Director, New York at Donaldson, Lufkin & Jenrette. Alison has wide board level experience and is currently non-executive Chairman of Land Securities Group PLC, Senior Independent Director at Man Group plc, non-executive Director of Paccar Inc, and non-executive Chairman of ISIS EP LLP.	Fulvio is currently Chief Executive Officer and General Manager of Enel SpA, the Italian energy group, where he was previously Chief Financial Officer from 1999-2005. Fulvio has held a number of high-level financial roles, including Chief Financial Officer and General Manager of Telecom Italia and General Manager and Chief Financial Officer of Ferrovie dello Stato. He was also head of the accounting, finance, and control department of Montecatini and was in charge of finance at Montedison-Compart. He has held positions in finance and operations in various affiliates of Mobil Oil Corporation in Italy and Europe.	Simon has extensive experience of the institutional fund management industry, having worked at Fidelity International from 1981 to 2008, latterly as President of the Investment Solutions Group and President of the Retirement Institute. Simon held a number of positions during his career at Fidelity International, including President, European & UK Institutional Business, Global Chief Investment Officer, Chief Investment Officer for Asia Pacific and Chief Investment Officer of the European Investment Group. Simon remains a director of Fidelity European Values PLC and Fidelity Japanese Values PLC. He was appointed as the Chairman of Foreign & Colonial Investment Trust PLC and Chairman of The Merchants Trust in May 2010.	Reuben is currently the Chief Executive Officer of Rockefeller & Co., Inc., a member of the Advisory Board of TASC Inc and of TowerBrook Capital Partners LP and Senior Adviser at the Center for Strategic & International Studies in Washington, D.C.. He previously served in the US government as Under Secretary of State for Economic, Energy and Agricultural Affairs (2007-2009). Prior to joining the Department of State, Reuben was the Chairman of the Commodity Futures Trading Commission. He spent eighteen years at Goldman, Sachs & Co. between 1983-2001 where he was managing partner of Goldman Sachs in Paris and led the firm s European Financial Institutions Group in London.
Term of office	Alison joined the Board on 1st August 2010.	Fulvio joined the Board in April 2006. Fulvio was last re-elected by shareholders at the AGM in 2009.	Simon joined the Board in March 2009. Simon was last re-elected by shareholders at the AGM in 2009.	Reuben joined the Board in July 2009. Reuben was last re-elected by shareholders at the AGM in 2010.

Independent	Yes	Yes	Yes	Yes
External appointments	Non-executive Director of CforC Ltd. Non-executive Chairman of Land Securities Group PLC since November 2008. Senior Independent Director at Man Group plc. Non-executive Director of Paccar Inc. Non-executive Chairman of ISIS EP LLP.	Chief Executive of Enel SpA since 2005. Director of ENDESA SA since June 2009. Director of AON Corporation since January 2008. Chief Financial Officer and General Manager of Telecom Italia until 1999. General Manager and Chief Financial Officer of Ferrovie dello Stato until 1998.	Director of Fidelity European Values PLC since July 2002. Director of Fidelity Japanese Values PLC since May 2000. Chairman of The Merchants Trust PLC since May 2010. Chairman of Foreign & Colonial Investment Trust PLC since May 2010.	Chief Executive Officer of Rockefeller & Co., Inc. since September 2010. Senior Adviser at the Center for Strategic & International Studies, Washington D.C.. Member of the Advisory Board of TASC Inc. Member of the Advisory Board of TowerBrook Capital Partners LP. Director of Transatlantic Holdings Inc since May 2010.
Committee membership	Member of the Board Audit Committee since October 2010. Member of the Board Remuneration Committee since October 2010.	Member of the Board Audit Committee since September 2006.	Member of the Board Audit Committee since May 2009. Member of the Board Remuneration Committee since May 2009.	Member of Board Risk Committee since January 2010.

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Sir Andrew Likierman (67)	**Chris Lucas** (50)	**Dambisa Moyo** (42)	**Sir Michael Rake** (63)	**Sir John Sunderland** (65)
Non-executive Director	Group Finance Director, Executive Director	Non-executive Director	Non-executive Director	Non-executive Director
Sir Andrew is the Chairman of the National Audit Office, having held a number of public roles in the financial services sector, including Managing Director, Financial Management, Reporting and Audit and Head of the Government Accountancy Service at HM Treasury and non-executive Director of the Bank of England. Sir Andrew is also Dean of the London Business School. He has been at the London Business School from 1974-1976, 1979-1993 and since 2004.	Chris has worked across financial services for most of his career, including three years in New York as Head of the US Banking Audit Practice of PricewaterhouseCoopers LLP. Chris joined Barclays from PricewaterhouseCoopers LLP, where he was UK Head of Financial Services and Global Head of Banking and Capital Markets. He was Global Relationship Partner for Barclays for the 1999 2004 financial years and subsequently held similar roles for other global financial services organisations.	Dambisa is an international economist who writes on the macroeconomy and global affairs. Dambisa worked for the World Bank from 1993 to 1995. After completing a PhD in Economics, she worked for Goldman Sachs for eight years until November 2008 in the debt capital markets, hedge funds coverage and global macroeconomics teams. Dambisa currently serves as a non-executive Director on the Boards of SABMiller plc and Lundin Petroleum AB (publ).	Sir Michael is currently Chairman of BT Group PLC and Chairman of easyJet plc. Sir Michael previously worked at KPMG from 1974-2007 where he spent a number of years in Continental Europe and the Middle East. He was Senior Partner of the UK firm from 1998-2000 and Chairman of KPMG International from 2002-2007.	Sir John is Chairman of Merlin Entertainments Group. Until July 2008 he was Chairman of Cadbury Schweppes PLC, having worked at Cadbury s in various roles, including that of Chief Executive and then Chairman, since 1968. He is a Director of the Financial Reporting Council, an Adviser to CVC Capital Partners, an Association Member of BUPA and a Governor of both Reading and Aston University Councils.
Sir Andrew joined the Board in September 2004. Sir Andrew was last re-elected by shareholders at the AGM in 2010.	Chris was appointed Group Finance Director and became a member of the Executive Committee in April 2007. Chris was last re-elected by shareholders at the AGM in 2010.	Dambisa joined the Board on 1st May 2010.	Sir Michael joined the Board in January 2008. Sir Michael was last re-elected by shareholders at the AGM in 2010.	Sir John joined the Board in June 2005. Sir John was last re-elected by shareholders at the AGM in 2009.
Yes	No	Yes	Yes	Yes

Dean of the London Business School since January 2009. Chairman of the National Audit Office since December 2008. Trustee of the Institute for Government since September 2008. Chairman of Applied Intellectual Capital Inc. until 2008. Non-executive Director of the Bank of England until 2008. Non-executive Director and Vice-Chairman of the Tavistock and Portman NHS Trust until 2008. Non-executive Director and Chairman of the MORI Group until 2005.	UK Head of Financial Services and Global Head of Banking and Capital Markets of PricewaterhouseCoopers LLP until 2006.	Non-executive Director of SABMiller plc since 2009. Non-executive Director of Lundin Petroleum AB (publ) since 2009.	Chairman of BT Group PLC since 2007. Chairman of easyJet Plc since January 2010 (Deputy Chairman June 2009 December 2009). Director of the Financial Reporting Council since 2007. Director of the McGraw-Hill Companies since 2007. Chairman of the UK Commission for Employment and Skills until 2010. Chairman of KPMG International until 2007. Chairman of Business in the Community from 2004 until 2007.	Chairman of Merlin Entertainments Group since December 2009. Director of the Financial Reporting Council since 2004. Adviser to CVC Capital Partners. Deputy President of the Chartered Management Institute until 2009 (President 2007-2008). Chairman of Cadbury Schweppes PLC until July 2008. Deputy President of the CBI until June 2008 (former member and President). Non-executive Director of the Rank Group PLC until 2006.
Member of the Board Audit Committee since September 2004. Member of the Board Risk Committee since September 2004.		Member of the Board Risk Committee since October 2010**.**	Chairman of the Board Audit Committee since March 2009 (member since January 2008). Member of the Board Risk Committee since May 2009. Member of Board Corporate Governance and Nominations Committee since May 2009.	Member of the Board Corporate Governance and Nominations Committee since September 2006. Member of the Board Remuneration Committee since July 2005.

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Leadership and governance

Group Executive Committee

Bob Diamond (59)

Chief Executive,

Executive Director

Chris Lucas (50)

Group Finance Director,

Executive Director

See pages 9 and 11 for full biographies.

Robert Le Blanc

Chief Risk Officer

Robert has been the Chief Risk Officer for Barclays Group since 2004. He first joined Barclays in 2002 as Head of Risk Management at Barclays Capital. Robert is a non-executive Director of Absa, which is majority owned by Barclays. Before joining Barclays, Robert spent most of his career at JP Morgan in the capital markets, fixed income, emerging market and credit areas in New York and London.

Mark Harding

Group General Counsel

Mark joined Barclays as Group General Counsel in 2003. Included within his area of responsibility are legal and regulatory compliance issues throughout the bank. He chairs the Group Operating Committee and Group Governance and Control Committee. Previously, Mark was a partner in the international law firm, Clifford Chance, where his practice spanned bank finance, capital markets and financial services regulation. He spent four years at UBS as General Counsel of its investment bank. Mark is past Chairman of the General Counsel 100 Group and of the Board of the International Swaps and Derivatives Association (ISDA). He is a Governor of the College of Law.

Antony Jenkins

Chief Executive of

Global Retail Banking

Antony was appointed Chief Executive of Global Retail Banking and joined the Barclays Executive Committee in November 2009. Prior to that he had been Chief Executive of Barclaycard since January 2006. Antony is a Barclays appointed non-executive Director of Absa, which is majority owned by Barclays. Since October 2008, Antony has been on the Board of Visa Europe Ltd.

Thomas L Kalaris

Chief Executive of Barclays Wealth

Tom joined Barclays in September 1996 after 18 years at JP Morgan where he held a number of roles, including Head of Fixed Income Sales, Trading and Research, and was responsible for all activities with investors in the United States. He has served on the US Treasury Borrowing Advisory Committee and is a former Chair of the US Bond Market Association, a predecessor organisation to SIFMA (Securities Industry and Financial Markets Association).

Key responsibilities

Jerry del Missier

Maria Ramos

Rich Ricci

Cathy Turner

Co-Chief Executive of Barclays Capital and Co-Chief Executive of Corporate and Investment Banking

Jerry joined Barclays Capital in June 1997 from Bankers Trust in London where he had been a Senior Managing Director of Derivatives Products, responsible for the European business. Prior to this, he was based in Toronto, Canada, where he was responsible for the Canadian Dollar interest rate derivatives business. Before Bankers Trust, he worked for the Bank of Nova Scotia. Jerry currently serves on the Boards of Room to Read, the Securities Industry and Financial Markets Association (SIFMA), the Global Financial Markets Association (GFMA), the Markets Management Group (MMG) of the International Institute of Finance (IIF), and the Advisory Board of the Queen s University School of Business in Kingston, Ontario.

Group Chief Executive of Absa

Maria is the Group Chief Executive of Absa Group Ltd, which is majority owned by Barclays. Prior to joining Absa on 1st March 2009, she was the Group Chief Executive of Transnet Limited, the state-owned South African freight transport and logistics service provider. This was after a successful term as Director-General of the National Treasury (formerly the Department of Finance). She currently serves on the executive committees of the International Business Council, the World Bank Chief Economist Advisory Panel, Business Leadership South Africa and the Banking Association of South Africa.

Co-Chief Executive of Barclays Capital and Co-Chief Executive of Corporate and Investment Banking

Rich joined Barclays Capital in 1994 and assumed responsibility for several of its support areas. He became Chief Operating Officer (COO) of Barclays Global Investors (BGI) and a member of the BGI Executive Committee in December 2002. In January 2005, Rich was appointed COO of Barclays Investment Banking and Investment Management businesses comprising Barclays Capital, Barclays Wealth and BGI. Prior to joining Barclays Capital, Rich held senior front-office, finance and technology positions at the Bank of Boston and the Bank of New England.

Barclays Human Resources Director

Cathy was appointed as Group Human Resources Director in April 2005 prior to which she held the position as Investor Relations Director for four years. In July 2008 her remit was extended to include Strategy, Corporate Affairs and Brand and Marketing. Prior to Barclays, Cathy was a Practice Leader at Ernst and Young and has previously held roles at Deloitte, Watson Wyatt, Percom and Volex Plc. Cathy is a Council Member of the Royal College of Art and a Board Member of the IFS School of Finance. Cathy has announced her departure from Barclays and will be leaving on 31st March 2011.

Board of Directors

The Board is collectively responsible for the success of the Group: the executive Directors are directly responsible for running the business operations and the non-executive Directors are responsible for bringing independent judgement and scrutiny to decisions taken by the Board. In addition to their statutory duties, the Directors must ensure that the Board focuses effectively on all its accountabilities. The Board determines the strategic objectives and policies of the Group to deliver long-term value, providing overall strategic direction within an appropriate framework of rewards, incentives and controls.

Executive Committee

The Board delegates the responsibility for the day-to-day management of the Company to the Chief Executive and he is responsible for ensuring that the business is operating effectively. The Chief Executive chairs the Executive Committee, which supports him in this role. The Executive Committee is supported by a number of management committees, including the Disclosure Committee, the Group Governance and Control Committee, the Group Risk Oversight Committee and the Group Brand and Reputation Committee.

Further information on the responsibilities of the Board and the Executive Committee can be found in the Corporate Governance Report on pages 149 to 165.

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Chief Executive s review

Bob Diamond

Summary

Barclays delivered a significant increase in profit before tax in 2010 on both a headline and underlying basis. This was despite continued economic challenges in our principal markets: historically low interest rates; sluggish volumes in many market segments; and considerable regulatory uncertainty. In light of those circumstances, I am proud of what my colleagues have achieved.

We have much more to do to ensure that we can continue to deliver on our goal to produce top quartile total shareholder returns (TSR) over time. Over 2010, we ranked in the top quartile of our global peer group[a] against which we measure our relative TSR performance with a performance of minus 4% reflecting difficult market conditions for bank stocks globally. I focus the latter half of this review on the commitments against which I believe we must deliver to continue to achieve our TSR goal.

We continue to believe that our integrated model provides superior benefits to our customers, clients and broader stakeholders because of its diversity by business, geography, customer and client type and funding source

2010 Performance

In his review a year ago, John Varley reiterated our focus on the three priorities that had guided us through the financial and economic crises to that point: staying close to customers and clients; managing our risks, and maintaining strategic momentum. That is where we focused our energy throughout 2010, so I will use these priorities for my review of the year.

Staying Close to Customers and Clients

Many of our customers and clients faced continued challenges throughout 2010. Our responsibility was clear to be there for them, whatever their needs, whenever those needs arose. Our income performance in 2010 provides a good indication of the health of those customer and client relationships, with overall income up 8% to another new record. Our success by business was more mixed than I would like, reflecting either specific market dynamics or purposeful rebalancing on our part. I was particularly pleased with our income performance in UK Retail Banking, Barclays Africa and Absa, the non-US parts of our Barclaycard portfolio, the core UK arm of Barclays Corporate and Barclays Wealth. In Barclays Capital, while the absolute revenues are not yet where we want them, our progress in Equities and Investment Banking was demonstrably better in the latter half of the year and I am pleased by the way we outperformed most of our peers in the final quarter of the year.

Lending is a fundamental part of what we do to support economic growth and our customers and clients. In the UK, there remains significant political and media attention on the banks lending delivery. In 2010, we provided £43bn of gross new lending to UK households and businesses including £7.5bn of UK loans when we acquired Standard Life Bank at the beginning of the year. We are open for business.

Note

a 2010 Peer group: Bank of America, BBVA, BNP Paribas, Credit Suisse, Deutsche Bank, HSBC, JPMorgan, Morgan Stanley, Santander, Société Générale and UniCredit.

Managing Our Risks

I believe the outcomes on key risk-related metrics demonstrate clearly our success here over the past year.

- We ended 2010 with even stronger positions on capital (10.8% Core Tier 1 ratio) and liquidity (£154bn) than we started the year, whilst maintaining our adjusted gross leverage at 20x;

- Balance sheet growth was modest, particularly on a risk-weighted asset basis; and

- Impairment was down considerably, and our 2010 loan loss rate of 118bps was materially lower than the 156bps charge in 2009, though still above our long term average of around 90bps over the last two decades.

Maintaining Strategic Momentum

We will continue to pursue the same strategic priorities under my leadership in 2011 that we have pursued under John Varley in 2010. We remain focused on ensuring that we capitalise on the value that our universal banking model brings to our customers and clients. A key part of that remains the diversification of our business by geography, business line, client and customer types, and funding sources.

Compensation

In making decisions around compensation for 2010, we have sought to balance the responsibility to be sensitive to the external environment with the commercial necessity of ensuring that our decisions allow us to attract and retain the talent we need to deliver for all our stakeholders. This was not an easy task. Our decisions are also fully compliant with the significantly altered regulations that now govern discretionary pay awards, especially the re-written FSA Remuneration Code, and with our commitments made under Project Merlin. As a result, the amount of discretionary compensation awards that are deferred has increased further; the proportion of equity in the deferral structures has increased; and we have developed an innovative structure for a deferred compensation scheme for our most senior employees that links future pay-outs under the scheme to the Group s core capital position at the time. In total, and against a backdrop of a 32% increase in Group profit before tax for 2010, our performance awards (which exclude charges relating to prior year deferrals but include current year awards vesting in future years) were down 7% on 2009.

Our focus is on execution, which means delivering on our commitments in four key areas: maintaining a strong capital base; improving returns; delivering selective income growth; and demonstrating our credentials as a global citizen

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Chief Executive s review

continued

2011 Execution Priorities

At the time my succession was announced, I made it clear that I had no intention of materially altering the strategy that the Group has been pursuing for some time. My attention has been, and will continue to be, focused squarely on increasing the pace and intensity of execution of that strategy. The level of uncertainty in the economic and regulatory environment remains high, but we cannot allow that to distract us. We must make clear commitments to the market, and then deliver against them, in four areas.

1. Capital

We must remove the uncertainty associated with the impact of the implementation of new Basel rules on our capital ratios. The combination of where we finished 2010 and the continued demonstration of our ability to generate substantial equity organically should go some way towards this. While there are significant regulatory questions to be resolved in 2011 especially the outcome of the Financial Stability Board s deliberations on so-called G-SIFIs (i.e. systemically important financial institutions at a global level, one of which we expect to be Barclays) and, in the UK, the recommendations of the Independent Commission on Banking we believe that we will be able to manage those impacts. But we recognise that we must maintain a strict and pro-active focus on our capital levels, leverage, balance sheet growth and utilisation and the disposal of legacy assets.

2. Returns

The new environment will necessitate lower returns than the period just preceding the recent crisis but I believe the difference in performance between winners and losers by this vital measure will be stark. Our priority is to ensure we are a winner. The returns we are currently generating will not be acceptable to our shareholders over the medium term.

We must be in a position to deliver at least a 13% return on equity and a 15% return on tangible equity by the end of our planning cycle. We also expect our cost of equity to decline towards 10% relative to a 12.5% cost in 2010 and the 11.5% cost we have set for 2011 over this period as the worst impacts of the credit crisis abate and the major economies in which we operate return to growth.

We have instigated a disciplined, rigorous and continuous review of our portfolio to ensure that we can achieve those levels of return. We have already undertaken a strategic review of our operating model that should take out considerable running costs over the medium-term, and you should expect us to continue to act to adjust our business and asset portfolio mix as required to achieve our return goals.

3. Top-line growth

While we are focused on improving returns, we cannot take our eye off the top-line, so we will selectively invest for growth in business areas where the return justifies it. There are clear examples across the Group, including: Barclays Wealth (where our strategic investment programme, known as our Gamma plan, is now one year into delivery); Barclaycard s Global Business Solutions activities which provides commercial payment services; monetising the build-out of Equities and Investment Banking in Barclays Capital; and capitalising on opportunities in Asia and Africa. We expect that this continued investment in growth will be largely organic, as was our development over the past decade of Barclays Capital and Barclays Global Investors.

4. Citizenship

In general we as banks need to do more to help foster economic growth and job creation as well as helping the public understand better the significant role we already play in this regard. I take pride in the culture at Barclays, where many of my colleagues work selflessly to help those in need in their local communities and we apply our expertise to real world issues. We must do a better job of helping those outside the organisation see the scale of what we do and the impact it has as we seek to intensify our efforts here. You can expect to hear much more from us in this space later this year.

Job creation, stimulating economic growth and investing in communities in which we work are at the core of our citizenship agenda

Conclusion

I have 147,500 colleagues around the world who are focused on bringing the best of Barclays to everything that they do, everyday. They have delivered unfailingly over the past three years. We have many more challenges ahead, but I know I have their support in tackling them. It is my honour to lead them, and this great institution, as we look to deliver against the expectations of all of our stakeholders, most importantly our customers and clients, over the coming months and years.

Bob Diamond
Chief Executive

Financial strength

Barclays overall financial strength remains of central importance to the Group. Following the financial crisis we took an early decision to get ahead of regulatory change and manage our business to higher standards than those required by current regulation. We did this because we recognised the importance of providing stability at a time of extreme uncertainty.

Capital Management

At 31st December 2010, on a Basel II basis, the Group s Core Tier 1 ratio was 10.8% (2009: 10.0%) and the Tier 1 ratio was 13.5% (2009: 13.0%), representing a strengthening of our capital ratios ahead of the effects of expected regulatory capital changes. Retained profit contributed approximately 70bps to the increase in the Core Tier 1 ratio. Other movements in Core Tier 1 included the exercise of warrants in February and October 2010, which generated shareholders equity of £1.5bn, contributing approximately 40bps to the Core Tier 1 ratio. The movement in the fair value of the Group s holding in BlackRock, Inc. resulted in an adverse impact of approximately 20bps on the Core Tier 1 ratio over the year.

Adjusted Gross Leverage

Barclays continues to operate within limits and targets for balance sheet usage as part of its balance sheet management activities. The adjusted gross leverage was 20x as at 31st December 2010 (2009: 20x) principally as a result of a £3.9bn increase in Tier 1 Capital to £53.5bn offset by the impact of a £84.6bn increase in adjusted total tangible assets. At month ends during 2010 the ratio moved within a range from 20x to 24x, with fluctuations arising as a result of normal trading activities, primarily due to increases in reverse repurchase trading and changes in holdings of trading portfolio assets.

The Basel Committee of Banking Supervisors (BCBS) issued final guidelines for Basel III: a global regulatory framework for more resilient banks and banking systems in December 2010. The guidelines include a proposed leverage metric, to be implemented by national supervisors in parallel run from 1st January 2013 (migrating to a Pillar 1 measure by 2018). Based on our interpretation of the current BCBS proposals the Group s Basel III leverage ratio as at 31st December 2010 would be within the proposed limit of 33x.

Liquidity and Funding

The Group liquidity pool as at 31st December 2010 was £154bn gross (2009: £127bn) and comprised the following cash and unencumbered assets (of which £140bn are FSA eligible). The Group maintains additional liquid assets to support ongoing business requirements such as payment services. The cost of the Group liquidity pool for 2010 is approximately £900m, an increase on the previous year. This cost has been allocated on the basis of the projected stress outflows arising in each relevant business.

	Cash and deposits with central banks £bn	Government guaranteed bonds £bn	Governments and supranational bonds £bn	Other available liquidity £bn	Total £bn
As at 31.12.10	**96**	**1**	**46**	**11**	**154**
As at 31.12.09	81	3	31	12	127

Since June 2010, the Group has reported its liquidity position against backstop Individual Liquidity Guidance (ILG) provided by the FSA. Calibration of the Group s Liquidity Framework anticipated final FSA rules and is therefore broadly consistent with current FSA standards.

The Basel Committee of Banking Supervisors (BCBS) issued its final guidelines for liquidity risk management, standards and monitoring in December 2010. These guidelines include a short term liquidity stress metric (the Liquidity Coverage Ratio (LCR)) and a longer term liquidity metric (the Net Stable Funding Ratio (NSFR)). The BCBS guidelines have yet to be implemented into European and UK law and therefore remain subject to refinement and change.

However, the Group monitors compliance against these BCBS metrics and the FSA is expected to bring its ILG metrics into line with the Basel LCR over time. Applying the expected BCBS guidelines to the Group s liquidity position as at 31st December 2010, the relevant ratios were estimated at 80% of the LCR requirement and 94% of the NSFR requirement.

Credit Ratings

In addition to monitoring and managing key metrics related to the financial strength of Barclays, we also subscribe to independent credit rating agency reviews by Standard & Poor s, Moody s Fitch and DBRS. These ratings assess the credit worthiness of Barclays and are based on reviews of a broad range of business and financial attributes including; risk management processes and procedures; capital strength, earnings, funding, liquidity, accounting, and governance.

As at 31.12.10	Barclays PLC	Barclays Bank PLC
Standard & Poor s		
Long Term	A+	AA-
Short Term	A- 1	A- 1+
Moody s		
Long Term	A1	Aa3
Short Term	P-1	P-1
BFSR	n/a	C(Stable)
Fitch		
Long Term	AA-	AA-
Short Term	F1+	F1+
DBRS		
Long Term		AA (High)
Short Term		R-1 (High)

Business review

Global Retail Banking

In 2010 we delivered a good financial performance with increasing momentum through the year and made strong progress against our strategic and financial goals

Our promises

Global Retail Banking	2013 Targets
Income and profit growth	Strong compound annual profit growth
	Income growth in excess of cost growth
Stable funding ratio	Deposits and secured funding to keep pace with asset growth
Depth, not breadth	Existing markets focus and continued product diversification
Strong returns and net equity generation	c 2% RoRWA
	13-15% RoE
	c 20% RoTE

At the Global Retail Banking investor day in June 2010, we said our strategic goals were Happy customers, strong profit growth, good returns . We are making significant progress against these goals.

We are focused on improving the service we provide to our customers and have seen positive results from this. For example, we ve reduced the time it takes to issue a replacement debit card in the UK from five to two days.

Our use of innovation is also transforming the customer experience. Our pioneering contactless payment strategy in the UK has resulted in a much easier experience for our customers. Ninety percent of the contactless cards issued in the UK are now issued by Barclays, which puts us in a leading position. In Kenya and Botswana, registration for our mobile banking service increased almost four-fold over the year. In Western Europe, we continued to expand our network, increasing the number of distribution points by over a hundred, making it easier for customers to access our banking services. These are just some examples of what we have done to improve the customer experience. Further progress needs to be made and this is a key priority for us.

This focus on our customers will generate sustainable value for our shareholders. We made a strong start in 2010. GRB improved its loan to deposit ratio by 4 percentage points to 140%. Return on equity increased from 10% to 11% reflecting strong profit growth in UKRB, Barclaycard and Barclays Africa. We are facing challenging economic conditions in Western Europe but remain committed to a presence in the region and to converting the investment we have made into sustainable profit. We ve achieved greater depth through the integration of Standard Life Bank in the UK and Citigroup s card business in Italy.

I am confident that we are on the right track to meet our objectives and deliver significant value to all our stakeholders.

Antony Jenkins

Chief Executive, Global Retail Banking

Reinforcing our leading position in technology and innovation

At Barclays, we continue to lead the technological revolution that is sweeping across the banking world. We have pioneered contactless payments in the UK and we will be offering contactless mobile phone payment solution for customers in the summer of 2011. In addition, customers can also use their GPS facility on their mobiles to find the nearest Barclays branch and cash machines.

Recognising that mobile access is fast becoming the new frontier in the banking space, and building upon our achievements with Barclays.mobi in the UK, we recently went live in France and in Portugal, giving customers access to banking at a place and time that suits them. In Kenya and Botswana, registration for our mobile banking service this year increased almost four-fold. from a Barclays-issued card, and transaction volumes more than doubling in the last year.

Our innovative edge will allow us to move one step further in 2011. In the UK, in association with Orange (or Everything Everywhere as they are now known), Barclaycard customers, from the summer of 2011, will be able to use their mobiles for contactless payments of up to £15 for goods and services at retailers by simply waving their handset against a contactless reader.

This is the beginning of a revolution in how we pay for things on the high street. It s a cultural shift that is as important as the launch of the personal credit card or ATMs. (Gerry McQuade, Chief Development Officer at Everything Everywhere)

Supporting financial literacy

Helping people manage their money is at the core of our business, and is an important part of Barclays citizenship strategy. In 2010 we delivered more than 8,500 financial literacy workshops around the world, and through a combination of face-to-face seminars and online content, reached more than half a million people, helping them build the skills and confidence to manage their money effectively, achieve financial independence and build a secure future.

In the UK, Barclays Money Skills is working with key partners to develop a range of projects and tools to help vulnerable young people. For example, we re working in partnership with Action for Children to benefit more than 2,500 of the hardest to reach young people. A case in point is Sean. Sean is 16 years old and lives in Glasgow. He is currently in the process of moving from a care home into supported living accommodation, where he will gradually be assuming responsibility for paying bills, furnishing his flat and providing meals for himself. Sean said: because of what I ve learnt on the Barclays Money Skills course, I ve made a spending plan, so I know what cash I have for food, travel, bills and my social life .

GRB is also delivering financial literacy programmes in a number of other countries including Ghana, Mauritius, Zambia and Egypt. In Botswana, Barclays launched a financial literacy campaign in 2010 with the Baylor s Teen Club. The Club is an organisation that provides life skills training and counselling to HIV positive adolescents. With Barclays support, the Teen Club is now working in six villages across the country and has partnered with Barclays colleagues to deliver training to 280 HIV positive teens.

At the same time, we continue to be leaders in bringing contactless technology to the UK, with approximately 90% of contactless transactions

Go online

For more information go to

www.barclays.com/annualreport10

Go online

For more information go to

www.barclays.com/annualreport10

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Business review

Corporate and Investment Banking

Our integrated universal banking model allows us to meet the needs of our clients by connecting capabilities from across the Barclays Group

Our promises

Barclays Capital	2013 Targets
Strong returns	c 15% RoE on Basel III basis
Income growth	Additional £2bn in Equities and Investment Banking revenues
Cost management	60-65% cost: net income ratio

Barclays Corporate	2012 Target
Profitability	Return to aggregate profitability

Our Corporate and Investment Banking business provides clients with the lending, finance, risk management, advice, and transactional payments support that they need to succeed, whatever the economic environment. The strength of our model ensures that we are able to focus on their needs when they need us most.

Barclays Capital is a premier global investment bank operating at the very top of the investment banking industry. In a challenging year, the business increased profit before tax by 2%, and generated a 17% increase in total income by remaining close to its clients.

Barclays Corporate is strengthening its relationship-led core UK business, where significantly reduced impairment and a focus on clients drove a 16% increase in profit before tax. Overall though, Barclays Corporate recorded a loss and we have taken decisive action in Russia and Spain to either exit or refocus operations that are not generating the returns we expect.

Corporate and Investment Banking plays a crucial role in supporting corporate clients to achieve growth and job creation in the real economy; governments to deliver their stability and growth plans; and institutional clients to meet the long-term investment needs of their customers.

The strategic build in key growth areas at Barclays Capital is delivering tangible benefits to clients around the world, alongside the focused execution of robust plans for the future right across the business. Barclays Corporate continues to invest in the people, products and infrastructure to support clients in its core UK market, and strengthen its offering for multi-nationals and large companies in overseas markets.

Our integrated universal banking model allows us to meet the needs of our clients by connecting capabilities from across the Barclays Group, and our focus on bringing clients the best solution continues to underpin our commitment to their success.

Jerry del Missier
Co-Chief Executive,
Corporate and
Investment Banking

Rich Ricci
Co-Chief Executive,
Corporate and
Investment Banking

What is corporate and investment banking?

Corporate and Investment Banking is about helping corporate, government and institutional clients to finance and grow their operations, manage their risks and invest their capital.

Capital raising and financing We lend money, and enable companies, banks, cities and countries to raise equity capital and issue debt in the capital markets; to provide cash flow and enable investment in the future. The right type of lending is different for every client: from overdraft facilities and asset-based finance, to rights issues and syndicated loans.

Providing opportunities to generate returns We support clients, like pension managers and investment funds, in making decisions on where to make their investments and in executing those investments. With our support, they can achieve the returns they need to meet their obligations and satisfy their customers.

Risk management We can help clients manage many of the risks they face, from foreign exchange and interest rate risk, to the varying price of commodities. This reduces uncertainty and allows clients to focus on their core operations.

Strategic and financial advice We advise clients on how to manage and expand their businesses. That might be through a merger or an acquisition, or it might be through the best way to manage their balance sheet, capital or cash flow.

Go online
For more information go to
www.barclays.com/annualreport10

Resolution acquires AXA s UK Life business

Barclays Capital played multiple roles across all aspects of Resolution s £2.75bn acquisition of the AXA UK Life Business last June. The success of the deal, and strength of relationships, led to the firm being appointed Joint Corporate Broker to Resolution in November the third FTSE client and seventh overall Corporate Broking win last year. In order to fund the cash component of the acquisition, Resolution announced a fully underwritten rights issue of approximately £2bn, and agreed a fully underwritten bridge facility of £400m.

Financing and executing the deal saw Barclays Capital hold multiple roles, including Joint Underwriter, Joint Bookrunner and Joint Corporate Broker on the rights issue, Joint Lead Arranger on the bridge facility and Joint Financial Adviser to Resolution on both the rights issue and the acquisition. The bridge facility was also jointly underwritten by Barclays Capital.

In the firm s first lead role in a significant equity capital raising in Europe, and its first advisory role for Resolution, Barclays Capital demonstrated the strength of teamwork across the firm in delivering seamless capital markets, acquisition financing and advisory capabilities.

Mayfly Containers expands into overseas markets

Established in 1983 Mayfly is a family-run business based in Derbyshire which manufactures containers used for the

In 2009, Mayfly identified an opportunity to expand into overseas markets, focusing primarily on China and Brazil. Barclays Corporate was able to assist the company with their expansion strategy by providing foreign exchange expertise, information on deep-sea off-shore oil and gas industries. Barclays Corporate has banked the business since 1985.

rates, and risk management solutions to help protect the business from currency fluctuations.

David Rudge, Finance Director, said: When we took the decision to expand into overseas markets, Barclays Corporate was able to assist us with our foreign exchange requirements. Our joint venture established in Brazil is proving successful and we continue to expand our operations in the export markets.

Business review

Barclays Wealth

We are transforming Barclays Wealth into a premier global wealth manager

In 2010, we launched a five-year strategy to transform Barclays Wealth and, in our first year, financial results were strong, with total income up by 18% to £1.56bn and profit before tax up by 14% to £163m. Adding back investment expenditure of £112m, we achieved a 92% increase in underlying profitability.

The early stages of 2010 marked a pivotal point for the wealth management industry. After the disruptive events of the financial crisis, we entered a more benign environment, with global wealth assets returning to pre-crisis levels. At Barclays Wealth, conditions were particularly favourable thanks to the strength of our balance sheet and brand and the successful consolidation of our Americas business which made us a truly global player for the first time.

In this context we launched the Gamma programme in March. Gamma is a five-year project to invest £350m in our people, platforms and processes in order to achieve a step change in client experience and a significant improvement to our productive efficiency. We believe we can set a standard for the industry.

At the end of 2010 we are on or ahead of all our target metrics. Client assets grew by 8% over the year to £164bn, and we showed a net increase in banker headcount. We have seen an 18% improvement in the productivity of our relationship managers and 30% in our core High Net Worth business.

2011 will be a challenging year as we take on the next set of Gamma targets. These include material upgrades to our core platforms, an accelerated on-boarding process for clients and a refresh of our banker training and marketing tools. I remain confident that we can meet all of our commitments to our clients, thereby beginning to redefine the landscape of the wealth management industry.

Thomas Kalaris

Chief Executive, Barclays Wealth

Barclays Wealth enters Japan

In July 2010, Barclays Wealth launched a unique joint venture in Japan with two highly qualified partners. SMBC Barclays Wealth Division brings together the local knowledge and heritage of the Japanese bank Sumitomo Mitsui Banking Corporation (SMBC), with the expert wealth management capabilities of Barclays Wealth, and the platform expertise of Nikko Cordial Securities, a wholly-owned subsidiary of SMBC. In its first six months, SMBC Barclays Wealth Division is running successfully and has received a very promising response from the market.

The need to demonstrate established trust and reputation in Japan has historically been a barrier for foreign firms wanting to enter the market. The success of the Barclays Wealth joint venture is testament to the determination of all three partners in building the right proposition for our Japanese clients.

Business review

Absa

Aligning Absa more closely with Barclays Africa gives us better opportunities to serve clients across the continent

As expected, 2010 was another challenging year given a slow, uneven economic recovery both globally and in South Africa. In particular, retail and corporate credit demand and transaction volumes remained muted.

Nonetheless, Absa managed to report 17% higher profit before tax, while continuing to invest significantly in our strategic growth initiatives. Lower interest rates and our enhanced collections capability improved our retail impairments materially. Moreover, our margin hedging strategy protected net interest income as rates fell to 36-year lows.

Our One Absa strategy is on track. It is enhancing business as usual, improving sustainable growth in target areas and strengthening the core fundamentals underlying our operations. While we believe that our operating environment will remain challenging, we also believe that we have the right strategy to grow the business and generate the returns that will keep us competitive.

As you know, Africa presents a significant opportunity for Barclays and the decision to align Absa more closely with Barclays Africa by executing One Bank in Africa strategy gives us better opportunities to serve clients across the continent, thereby enhancing our joint competitive advantage.

Maria Ramos

Group Chief Executive, Absa Group Limited

Citizenship Financial Inclusion

A key component of our strategy is to find innovative and cost effective ways to serve Absa s existing mass segment customers. As such in 2010 we launched a number of innovative offerings:

a refocused branch approach called Absa 1234 offering transactional, loan, savings and insurance products;

a branchless banking approach which includes in-store banking (deposits, withdrawals, balance inquiry, air time purchases) with the merchant providing these services using a point of sale terminal with our In-Store Banking application;

a remote account opening service for savings and transmission accounts using mobile phone technology; and

a tap-and-go card product for low value payments.

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Citizenship

Our role is to help improve the lives of our customers. We must provide mortgages, allow businesses to invest and create jobs, protect savings, pay tax, be a good neighbour in the community while also generating positive economic returns for our investors

Bob Diamond, Chief Executive

Our key areas of focus are contributing to growth and supporting our communities. Underpinning these is a foundation of sound business principles and practice that ensures integrity in the way we do business.

Our Group Executive Committee is responsible for our overall citizenship strategy, and supports the Chief Executive in its implementation. This Committee, along with the Board, uses a robust reporting framework to review progress.

Contributing to growth

We employ nearly 150,000 people around the world. In 2010, 2,000 new jobs were created and 1,200 graduates were hired in the UK, bringing the total employed in the UK to 65,000. Our global tax contributions amounted to £6.1bn, including £2.8bn paid on behalf of our employees. In addition, we paid more than £8.7bn to suppliers in 37 countries.

In 2010, Barclays provided £43bn of gross new lending in the UK including £7.5bn from the acquisition of Standard Life Bank and assisted more than 106,000 business start-ups, an increase of 12% over 2009. In South Africa, Absa s Enterprise Development Centres helped almost 5,000 new businesses to start up in 2010.

In the last five years, Barclays employees have volunteered over one million hours in their local communities and raised more than £75m through our matched fundraising scheme

Barclays Climate Action Programme 2011-2015 is our direct response to issues concerning the environment and climate change. We are focusing on the areas where we have the greatest potential to make a difference, including:

Managing our carbon footprint including a commitment to reduce absolute carbon emissions by 4% by 2013 and creating an African Carbon Fund to supply seed capital to carbon mitigation projects in Africa

Developing products and services to help enable the transition to a low-carbon economy including financing and risk-management solutions to enable capital to flow to lower carbon opportunities

Managing climate change risks including collaborating with other stakeholders to manage the risks of climate change to our operations, our clients and to society at large.

In 2010, four out of five Barclays UK business lending application were approved

We re helping our customers, clients and other stakeholders invest in ways that contribute to growth tomorrow. We are providing financing solutions to private and public sector clients, facilitating investment in infrastructure, development and the low carbon economy.

Supporting our communities

In 2010, we committed over £55m to community programmes across 37 countries. Our programmes are driven by the passion and energy of 62,118 colleagues around the world, who volunteered their time or took part in fundraising and regular giving. These efforts benefitted 1.5 million people and supported more than 8,000 organisations.

Citizenship

Contributing to growth	**Supporting our communities**
Direct contribution, employment and economic value added	Supporting social infrastructure
Supporting growth today: customers and clients	Increasing access to financial services
Investing in tomorrow	Investing in the community
	Building a diverse workforce

Managing our environmental

footprint

The way we do business

Go online

Further information on citizenship can be found online at *www.barclays.com/citizenship*

£43bn gross new lending to UK households and businesses
106,000 business start-ups supported in the UK

Supporting UK SMEs

Barclays Business Support Team identifies and works with customers who are experiencing financial difficulty.

In 2010, 80% of the small and medium sized business customers with whom we agreed turnaround strategies were successfully restored to financial health.

The Business Support Team engages with a number of businesses at the earliest signs of difficulty, facilitating financial and operational advice and creating lending arrangements more suited to the long term needs of the business involved. The credit team undertakes proactive identification of financially stressed customers, with reactive engagement carried out by the Business Support Team working alongside the customer s relationship manager. This maintains close links and consistency throughout the relationship.

£55.3m invested in our communities in 2010
62,000 colleagues engaged in our community programme

Investing in our communities

Barclays Spaces for Sports is a global programme that recognises the power of sport to deliver social change.

Since 2004, Barclays has committed £37m towards bringing sustainable sports sites and projects to disadvantaged communities. After launching 200 community sports sites in the UK, the programme was extended globally in 2008.

In 2010, we offered young people excluded from mainstream education across England the chance to join FairPlay, a rugby-based education programme in partnership with the children s charity Wooden Spoon, the Rugby Football Union and the Education Enterprise Trust. The initiative provides training schemes for more than 2,400 young people in pupil referral units. The scheme also includes classroom sessions where young people are taught how to manage their finances through the Barclays Money Skills programme.

Involved in £7bn worth of total transactions in the clean energy and cleantech sector in 2010
5.37bn tonnes of carbon traded to date, with a notional value of £72bn

Financing a low carbon economy

Barclays assists renewable energy firms to access finance from the capital markets and offers advisory services across the sector.

The transition to a low carbon economy requires a range of solutions, including new clean forms of generating energy, clean technologies and infrastructure improvements. Barclays published the Carbon Capital report to provide analysis of this opportunity over the next ten years.

In Ireland, Barclays has supported the expansion of the onshore wind sector and played a strategic financing role in vital energy infrastructure projects. An example of this is our central role in financing EirGrid s East West Interconnector project. This will allow Ireland to integrate more closely with Western European energy markets and release pressure on the domestic grid while still growing its low carbon generation base.

Citizenship

continued

Our People

Global minimum standards

To maintain balance between overall control and effective local decision making we have established global governance frameworks and minimum standards to regulate how we manage and treat our employees around the world. The key areas covered are summarised below.

Performance management and compensation

The performance and development process provides employees with the opportunity to have regular discussions with their line managers about their performance and to receive coaching for their personal development. This is typically assessed twice a year and a performance rating agreed. We believe in pay for performance based on the performance of individuals and their businesses.

Diversity and inclusion

Barclays operates across the globe and engages with employees across a wealth of diverse and rich cultures. Our mission is to create a truly inclusive environment through ensuring that we treat people fairly and value diversity.

Health and safety

Our commitment is to ensure the health, safety and welfare of our employees and to provide and maintain safe working conditions. Good working climates will help our employees to better serve our customers and create value for all our stakeholders.

Training

Developing both existing and new employees is key to our future prosperity. We undertake this through formal classroom-based training and informal on-the-job training, education and coaching. Minimum mandatory training is provided to all employees on policies and regulatory responsibilities.

Total tax contribution

Barclays role as a corporate citizen remained a key priority in 2010 and an important aspect of this was the tax contribution made to governments in the countries in which we operate.

In 2010 we made global tax payments of £6,149m, made up of £3,138m of taxes borne by Barclays and £3,011m of taxes collected from others on behalf of governments, principally being employee income taxes which arise through Barclays economic activity. Barclays paid corporate income tax of £1,458m in 2010.

The total tax paid to the UK Exchequer in 2010 was £2,827m, made up of £1,381m of taxes borne by Barclays and £1,446m of taxes collected on behalf of governments which includes £1,347m of tax payments made on behalf of staff.

Note

a Taxes collected on behalf of governments, including income tax and social security payments for employees (of which £1,347m relates to UK employees).

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Key performance indicators

Capital KPIs

Definition | **Why it s important to the business and management**

Core Tier 1 ratio

Capital requirements are part of the regulatory framework governing how banks and depository institutions are managed. Capital ratios express a bank s capital as a percentage of its risk weighted assets. Both Core Tier 1 and Tier 1 capital resources are defined by the UK FSA. Core Tier 1 is broadly tangible shareholders funds less certain capital deductions from Tier 1.

The Group s capital management activities seek to maximise shareholders value by prudently optimising the level and mix of its capital resources. The Group s capital management objectives are to maintain sufficient capital resources to: ensure the financial holding company is well capitalised relative to the minimum regulatory capital requirements set by the UK FSA and US Federal Reserve; ensure locally regulated subsidiaries can meet their minimum regulatory capital requirements; support the Group s risk appetite and economic capital requirements; and support the Group s credit rating.

During 2010, the Group s Core Tier 1 ratio improved 0.8% to 10.8%, largely through £3.6bn of attributable profits, demonstrating the Group s ability to generate capital organically.

10	10.8%
09	10.0%
08	5.6%

Adjusted gross leverage

Adjusted gross leverage is defined as the multiple of adjusted total tangible assets over total qualifying Tier 1 capital. Adjusted total tangible assets are total assets less derivative counterparty netting, assets under management on the balance sheet, settlement balances, goodwill and intangible assets. Tier 1 capital is defined by the UK FSA.

Barclays believes that there will be more capital and less leverage in the banking system and that lower levels of leverage are regarded as a key measure of stability going forward. This is consistent with the views of our regulators and investors.

10	20x
09	20x
08	28x

In 2010, adjusted gross leverage remained stable at 20 times principally as a result of a £3.9 billion increase in Tier 1 Capital to £53.5 billion offset by the impact of a £84.6 billion increase in adjusted total tangible assets.

Returns KPIs

Definition | **Why it s important to the business and management**

Return on average shareholders equity (RoE) is calculated as profit after tax attributable to equity holders of the parent divided by the average shareholders equity for the year. Shareholders equity is made up of share capital, retained earnings and other

These measures indicate the returns generated by the management of business based on the allocation of shareholders equity to each component business. Achieving target returns demonstrates the organisation s ability to execute

RoE

10	7.2%

reserves.

its strategy and align interests of management and shareholders. We allocate capital to business units based on an assumed Core Tier 1 ratio of 9% and we retain excess capital at Group Centre as a buffer.

09	6.7%
08	14.3%

Return on average tangible equity (RoTE) is calculated as profit after tax attributable to equity holders of the parent divided by average shareholders equity for the year, excluding non-controlling interests, goodwill and intangible assets.

Returns lie at the heart of our capital allocation. All of our businesses except Western Europe Retail Banking and Barclays Corporate had returns on tangible equity in excess of the 2010 cost of equity of 12.5%. By 2013 the Group has committed to a return on equity of 13% and a return on tangible equity of 15%.

RoTE

10	8.7%
09	9.0%
08	21.3%

Returns KPIs continued

Definition	Why it s important to the business and management	
Profit before tax		
Profit before tax and adjusted profit before tax are the two primary profitability measures used to assess performance. Profit before tax represents total income less impairment charges and operating expenses. Adjusted profit before tax represents profit before tax adjusted for movements on own credit, gains on acquisitions and disposals, and gains on debt buy-backs, for comparative purposes.	Profit before tax is a key indicator of financial performance to many of our stakeholders. Adjusted profit before tax increased 11% to £5,464m from £4,942m.	Profit before tax 10 £6,065m 09 £4,585m 08 £5,136m Adjusted profit before tax 10 £5,464m 09 £4,942m 08 £716m
Cost: income ratio		
Group cost: income ratio is defined as operating expenses compared to total income net of insurance claims.	This is a measure management uses to assess the productivity of the business operations. Restructuring the cost base is a key execution priority for management and includes a review of all categories of discretionary spending and an analysis of how we can run the business to ensure that costs increase at a slower rate than income. We have set a target is to take £1bn off our run-rate cost base on a full year basis by 2013.	10 64% 09 57% 08 63%
Loan loss rate		
The loan loss rate represents the impairment charge on loans and advances as a proportion of the period end balances.	The granting of credit is one of Barclays major sources of income and its most significant risk. The loan loss rate is an	10 118 bps

indicator of the cost of granting credit.

09	156 bps
08	95 bps

During 2010 impairment continued to improve across all our businesses with one exception, the corporate portfolio in Spain, resulting in a loan loss rate of 118bps compared to 156bps reported in 2009.

Dividend

It is the Group s policy to declare and pay dividends on a quarterly basis. In a normal year there will be three equal payments in June, September and December and a final variable payment in March.

The ability to pay dividends demonstrates the financial strength of the Group. Whilst recoginising the market s desire for us to maintain strong capital ratios, in light of the regulatory and economic uncertainty, we have taken a prudent approach of prioritising capital retention and significantly reducing the distribution through dividends from historical levels of 50% whilst seeking to ensure that pay-outs also increase progressively from their low point in 2009.

10	5.5p
09	2.5p
08	11.5p

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Key performance indicators

continued

Income growth KPIs

Definition

Why it s important to the business and management

Total income

Defined as total income net of insurance claims.

Total income is a key indicator of financial performance to many of our stakeholders and income growth a key execution priority for Barclays management.

10	£31,440m
09	£29,123m
08	£21,199m

Group total income increased 8% to £31.4 billion.

Income by geography

Defined as total income net of insurance claims generated in distinct geographic segments. Geographic segmental analysis is based on customer location and the definition of the countries within each region are provided in the glossary.

The goal of increasing the international diversification of our income helps to reduce risk by providing exposure to different economic cycles and is demonstrated by our ratio of non-UK to UK business income.

Geographic split of income

	2010 %	2009 %	2008 %
UK & Ireland	**40**	45	57
European Region	**15**	15	19
Americas	**25**	22	0
Africa	**15**	14	17
Asia	**5**	4	7

Citizenship KPIs

Definition	Why it s important to the business and management		
Gross new lending to UK households and businesses			
Defined as lending to UK households and those businesses with UK-based activities.	We have remained open for business during the economic downturn, and are focused on lending responsibly to our customers and clients around the world. In 2009, we committed to make an additional £11 billion of credit available to the UK economy, and by the end of 2009, we had lent an additional £35 billion to UK households and businesses. Supporting customers in difficulty has never been more critical, but providing access to credit must be based on the ability to repay. We increased our lending across the UK to £43 billion in 2010, including £7.5 billion arising from the acquisition of Standard Life Bank. We see this as an important performance metric and have formally measured UK gross lending since 2009.	10 09 08	£43bn £35bn n/a
Global investment in our communities			
Defined as Barclays total contribution to supporting the communities where we operate.	The success and competitiveness of a business and the extent to which it contributes to and is integrated in the communities in which it operates are closely related. We are committed to maintaining investment in our communities for the long-term both in good times and in bad. This performance metric demonstrates the consistency of our commitment over time.	10 09 08	£55.3m £54.9m £52.2m
Colleagues involved in volunteering, regular giving and fundraising initiatives			
Defined as the total number of Barclays employees taking part in volunteering, giving or fundraising activities.	Barclays community investment programme aims to engage and support colleagues around the world to get involved with our main partnerships, as well as the local causes they care about. Harnessing their energy, time and skills delivers real benefit to local communities, to their own personal development and to their engagement with Barclays.	10 09 08	62,000 58,000 57,000

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Citizenship KPIs continued

Definition	Why it s important to the business and management		
Group Employee Opinion Survey (EOS) Proud to be Barclays			
Employee opinions surveys are used across the organisation to understand our employees views and prioritise management actions in order to meet employee needs. This KPI is a calibration of different survey scores across Barclays for a question measuring sense of pride in being associated with or working for Barclays. The average scores for each year are given.	Understanding levels of employee engagement and sense of commitment to Barclays is important as there is a strong correlation between these factors and our employees commitment to serving the needs of our customers and clients.	10 09 08	83% 81% 81%
Percentage of senior managers who are female			
The number of female colleagues who are working across all Barclays businesses at the senior management level as a percentage of the total senior manager population.	Diversity is important to Barclays as we believe that only through access to the most diverse pool of talent will we recruit and retain the most talented individuals to serve our customers and clients.	10 09 08	24% 24% 25%
	The number of females at the senior management level has remained flat demonstrating that there is still work to be done to increase the number of women reaching and retaining roles at this level of management.		

Previously reported KPIs:

KPIs are updated periodically as our strategy and execution priorities evolve. Measures no longer identified as KPIs that were reported in the prior year are as follows:

Measures	2010	2009	2008
Total shareholder return[a]	1st quartile	1st quartile	2nd quartile
Economic (loss)/profit	(£2,488m)	(£1,890m)	£1,173m
Tier 1 ratio	13.5%	13.0%	8.6%
Loan funding ratio	77%	81%	93%
Average term of unsecured liabilities	30 months	26 months	14 months
UK Retail Banking customer satisfaction	64.0%	62.5%	n/a
Barclaycard International number of customers	10.5m	10.8m	11.8m
Number of distribution outlets outside the UK	2,906	3,603	3,158
Proportion of Global Retail and Commercial Banking international income	Replaced by income by geography following Group reorganisation		
Net lending in Barclays Commercial Bank	Replaced by Gross new lending to UK households and businesses		

Note

a 2010 peer group comprises: Bank of America, BBVA, BNP Paribas, Credit Suisse, Deutsche Bank, HSBC, JP Morgan, Morgan Stanley, Santander, Société Générale and UniCredit. 2009 and 2008 peer group includes Citigroup, Lloyds Banking Group, Royal Bank of Scotland and UBS, but excludes Bank of America, Credit Suisse, Morgan Stanley and Société Générale.

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Consolidated summary income statement

For the year ended 31st December	2010 £m	2009 £m	2008 £m	2007 £m	2006 £m
Continuing operations					
Net interest income	**12,523**	11,918	11,469	9,598	9,133
Non-interest income	**19,681**	18,036	9,967	11,938	11,372
Net claims and benefits incurred on insurance contracts	**(764)**	(831)	(237)	(492)	(575)
Total income net of insurance claims	**31,440**	29,123	21,199	21,044	19,930
Impairment charges and other credit provisions	**(5,672)**	(8,071)	(5,419)	(2,795)	(2,154)
Operating expenses	**(19,971)**	(16,715)	(13,391)	(12,096)	(11,723)
Share of post-tax results of associates and joint ventures	**58**	34	14	42	46
Profit on disposals and gain on acquisitions	**210**	214	2,733	28	323
Profit before tax	**6,065**	4,585	5,136	6,223	6,422
Tax	**(1,516)**	(1,074)	(453)	(1,699)	(1,611)
Profit after tax from continuing operations	**4,549**	3,511	4,683	4,524	4,811
Profit for the year from discontinued operations, including gain on disposal		6,777	604	571	384
Net profit for the year	**4,549**	10,288	5,287	5,095	5,195
Profit attributable to equity holders of the Parent	**3,564**	9,393	4,382	4,417	4,571
Profit attributable to non-controlling interests	**985**	895	905	678	624
	4,549	10,288	5,287	5,095	5,195
Selected financial statistics					
Basic earnings per share	**30.4p**	86.2p	59.3p	68.9p	71.9p
Basic earnings per share from continuing operations	**30.4p**	24.1p	51.4p	60.6p	66.6p
Diluted earnings per share	**28.5p**	81.6p	57.5p	66.9p	69.8p
Dividends per ordinary share	**5.5p**	2.5p	11.5p	34.0p	31.0p
Dividend payout ratio	**18.1%**	2.9%	19.4%	49.3%	43.1%
Profit attributable to the equity holders of the Parent as a percentage of:					
average shareholders equity	**7.2%**	23.8%	16.5%	20.3%	24.7%
average total assets	**0.2%**	0.5%	0.2%	0.3%	0.4%
Average United States Dollar exchange rate[a]	**1.55**	1.57	1.86	2.00	1.84
Average Euro exchange rate[a]	**1.17**	1.12	1.26	1.46	1.47
Average Rand exchange rate[a]	**11.31**	13.14	15.17	14.11	12.47

The financial information above is extracted from the published accounts. This information should be read together with the information included in the accompanying consolidated financial statements.

Note

a The average rates are derived from daily spot rates during the year used to convert foreign currency transactions into Sterling for accounting purposes.

Financial review

Income statement commentary

2010

Barclays delivered profit before tax of £6,065m in 2010, an increase of 32% (2009: £4,585m). Excluding movements on own credit, gains on debt buy-backs and gains on acquisitions and disposals, Group profit before tax increased 11% to £5,464m (2009: £4,942m).

Income increased 8% to £31,440m (2009: £29,123m). Barclays Capital reported a 17% increase in total income to £13,600m (2009: £11,625m). This reflected a substantial reduction in losses taken through income relating to credit market exposures which fell to £124m (2009: £4,417m) and a gain relating to own credit of £391m (2009: loss of £1,820m). Top-line income at Barclays Capital, which excludes these items, declined 25% to £13,333m relative to the exceptionally strong levels seen in 2009. Overall activity levels improved towards the end of the year, with top-line income in the fourth quarter of 2010 increasing 20% on the third quarter to £3,380m. Global Retail Banking income increased 1% to £10,507m, with good growth in UK Retail Banking and Barclays Africa, with income flat in Barclaycard, and a decline in Western Europe Retail Banking. Income was up 14% in Absa. Barclays Corporate reported a decrease in income of 7% and income was up 18% in Barclays Wealth.

Impairment charges and other credit provisions improved 30% to £5,672m (2009: £8,071m). This was after an increase of £630m in impairment on the Spanish loan book in Barclays Corporate Continental Europe and impairment of £532m relating to the Protium loan in Barclays Capital. All businesses other than Barclays Corporate reported improvements in impairment charges. Overall impairment charges as a proportion of Group loans and advances as at 31st December 2010 was 118bps, compared to 156bps for 2009.

As a result, net income for the Group after impairment charges increased 22% to £25,768m (2009: £21,052m).

Operating expenses increased £3,256m to £19,971m, a 19% rise compared to the 22% growth in net income. Costs at Barclays Capital increased £1,703m, largely reflecting investment in the business across sales, origination, trading and research functions, investment in technology and infrastructure and increased charges relating to prior year deferrals. Across the Group, restructuring charges totalled £330m (2009: £87m) particularly in Barclays Corporate (£119m) and Barclays Capital (£90m) focusing on delivering future cost and business efficiencies. Goodwill of £243m was written off in Barclays Corporate New Markets to reflect impairment to the carrying value of Barclays Bank Russia business as our activities there are refocused. As a result, the Group s cost: income ratio increased to 64% (2009: 57%). The cost: net income ratio improved from 79% to 78%, reflecting the reduced impairment charges compared with 2009.

Staff costs increased 20% to £11.9bn (2009: £9.9bn), of which performance costs amounted to £3.5bn (2009: £2.8bn). Within this total, 2010 charges relating to prior year deferrals increased by £0.7bn relative to 2009. The Group 2010 performance awards (which exclude charges relating to prior year deferrals but include current year awards vesting in future years) were down 7% on 2009 at £3.4bn. Within this, the Barclays Capital 2010 performance awards were down 12% at £2.6bn, compared to an increase in headcount of 7%.

2009

Barclays delivered profit before tax of £4,585m in 2009 (2008: £5,136m), a decrease of 11% on 2008, after absorbing £6,086m in write downs on credit market exposures (including impairment of £1,669m), other Group impairment of £6,402m and a charge of £1,820m relating to the tightening of own credit spreads. Profit also included £1,249m of gains on debt buy-backs and extinguishment.

Total income net of insurance claims grew 37% to £29,123m, with particularly strong growth in Barclays Capital. Within Global Retail Banking, Barclaycard and Western Europe Retail Banking also reported good income growth. The aggregate revenue performance of the Global Retail Banking businesses was, however, affected by the impact of margin compression on deposit income as a result of the very low absolute levels of interest rates. Barclays Capital income was up 122% compared to 2008. Top-line income rose by £8,004m reflecting the successful integration of the acquired Lehman Brothers North American businesses, buoyant market conditions observed across most financial markets in the first half of 2009 and a good relative performance in the second half of 2009 despite weaker markets. Income in Barclays Capital was impacted by write downs of £4,417m (2008: £6,290m) relating to credit market exposures held in its trading books and by a charge of £1,820m (2008: gain of £1,663m) relating to own credit.

Impairment charges against loans and advances, available for sale assets and reverse repurchase agreements increased 49% to £8,071m, reflecting deteriorating economic conditions in 2009, portfolio maturation and currency movements. The impairment charge against credit market exposures included within this total reduced 5% to £1,669m. Impairment charges as a percentage of Group loans and advances as at 31st December 2009 increased to 156bps from 95bps, or 135bps on constant 2008 year end balance sheet amounts and average foreign exchange rates.

Total operating expenses increased 25% to £16,715m, but by 12% less than the rate of increase in Group total income. Expenses in GRB were well controlled, with the cost:income ratio improving from 54% to 53%. Operating expenses in Barclays Capital increased by £2,818m to £6,592m reflecting the inclusion of the acquired Lehman Brothers North American business. The Group total cost:income ratio improved from 63% to 57%. At Barclays Capital the compensation:income ratio improved from 44% to 38%.

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Financial review

Income statement commentary continued

Net interest income

2010

Group net interest income increased £605m to £12,523m (2009: £11,918m) and includes the impact of the acquisitions of Standard Life Bank and the Portuguese and Italian credit card businesses of Citigroup in Western Europe Retail Banking, and currency translation gains in Absa. These impacts have been partly off-set by the continued effects of liability margin compression being felt across the Group.

Group net interest income includes the impact of economic equity structural hedges used to manage the volatility in earnings on the Group s equity. The impact is allocated to the businesses as part of the share of the interest income benefit on Group equity through net interest income. Equity structural hedges generated a gain of £1,788m in 2010 (2009: gain £1,162m) including net gains on disposal of gilts of approximately £500m.

2009

Group net interest income increased £449m to £11,918m (2008: £11,469m) reflecting growth in average customer balances primarily in Barclaycard and Western Europe Retail Banking, and net funding costs and hedging recognised in Head Office Functions and Other Operations.

Group net interest income includes the impact of structural hedges which function to reduce the impact of the volatility of short-term interest rate movements on equity and customer balances that do not re-price with market rates. In total, equity structural hedges generated a gain of £1,162m (2008: £21m gain).

Further discussion of margins is included in the analysis of results by business.

Net interest income	2010 £m	2009 £m	2008 £m
Cash and balances with central banks	**271**	131	174
Available for sale investments	**1,483**	1,937	2,355
Loans and advances to banks	**440**	513	1,267
Loans and advances to customers	**17,677**	18,456	23,754
Other interest income	**164**	199	460
Interest income	**20,035**	21,236	28,010
Deposits from banks	**(370)**	(634)	(2,189)
Customer accounts	**(1,410)**	(2,716)	(6,697)
Debt securities in issue	**(3,632)**	(3,889)	(5,910)
Subordinated liabilities	**(1,778)**	(1,718)	(1,349)
Other interest expense	**(322)**	(361)	(396)
Interest expense	**(7,512)**	(9,318)	(16,541)
Net interest income	**12,523**	11,918	11,469

Non-interest income

2010

Net fee and commission income increased £453m to £8,871m (2009: £8,418m). Banking and credit related fees and commissions increased £485m to £10,063m (2009: £9,578m), primarily due to Barclays Capital performance across Investment Banking and Equities.

Net trading income increased £1,077m to £8,078m (2009: £7,001m). The majority of the Group s trading income arises in Barclays Capital. Trading income decreased 14% to £7,017m (2009: £8,139m) reflecting a more challenging market environment compared with the very strong prior year performance. The impact from difficult trading conditions was more than offset by a £4,293m reduction in credit market fair value losses to £124m (2009: £4,417m) and a gain on own credit of £391m (2009: £1,820m loss).

Net investment income increased £1,421m to £1,477m (2009: £56m) driven by the disposal of Gilts held as part of the economic structural hedge portfolio together with realised gains on principal investments, the disposal of available for sale assets and a reduction in fair value losses held at fair value within Barclays Capital.

Net premiums from insurance contracts remained stable at £1,137m (2009: £1,172m).

Gains on debt buy-backs and extinguishments were £nil (2009: £1,249m).

Non-interest income	2010 £m	2009 £m	2008 £m
Net fee and commission income	**8,871**	8,418	6,491
Net trading income	**8,078**	7,001	1,339
Net investment income	**1,477**	56	680
Net premiums from insurance contracts	**1,137**	1,172	1,090
Gains on debt buy-backs and extinguishments		1,249	24
Other income	**118**	140	343
Non-interest income	**19,681**	18,036	9,967

Net fee and commission income	2010 £m	2009 £m	2008 £m
Banking and credit related fees and commissions	**10,063**	9,578	7,208
Brokerage fees	**77**	88	56
Investment management fees	**79**	133	120
Foreign exchange commission	**149**	147	189
Fee and commission income	**10,368**	9,946	7,573
Fee and commission expense	**(1,497)**	(1,528)	(1,082)
Net fee and commission income	**8,871**	8,418	6,491

2009

Net fee and commission income increased £1,927m to £8,418m (2008: £6,491m). Banking and credit related fees and commissions increased £2,370m to £9,578m (2008: £7,208m), primarily due to Barclays Capital strong performance in Equities and Investment Banking.

Net trading income increased £5,662m to £7,001m (2008: £1,339m). The majority of the Group s trading income arises in Barclays Capital. Fixed Income, Currency and Commodities drove the very strong increase in trading income as the expansion of the business and client flows more than absorbed gross credit market losses of £4,417m (2008: £6,290m) and losses relating to own credit of £1,820m (2008: £1,663m gain).

Net investment income decreased £624m to £56m (2008: £680m) driven by realised losses in commercial real estate equity investments and losses in the principal investments business, partially offset by gains on disposal of available for sale investments within Barclays Capital.

Net premiums from insurance contracts increased £82m to £1,172m (2008: £1,090m) primarily reflecting expansion in Western Europe Retail Banking and Absa, partially offset by the impact of the sale of the closed life assurance business in the second half of 2008.

Gains on debt buy-backs and extinguishments includes £1,170m gains relating to Upper Tier 2 perpetual debt and its corresponding hedge and £85m (2008: £24m) from the repurchase of securitised debt issued by Barclays Corporate.

Net Trading Income	2010 £m	2009 £m	2008 £m
Trading income/(loss)	**7,017**	8,139	(1,596)
Gain on foreign exchange dealings	**670**	682	1,272
Own Credit gain/(charge)	**391**	(1,820)	1,663
Net trading income	**8,078**	7,001	1,339

Net investment income	2010 £m	2009 £m	2008 £m
Net gain from disposal of available for sale assets	**1,027**	349	212
Dividend income	**116**	6	196
Net gain/(loss) from financial instruments designated at fair value	**274**	(208)	33
Other net investment income/ (losses)	**60**	(91)	239
Net investment income	**1,477**	56	680

Impairment charges and other credit provisions

2010

Impairment charges on loans and advances fell 24% to £5,625m (2009: £7,358m), reflecting improving credit conditions in the main sectors and geographies in which Barclays lends, which led to lower charges across the majority of businesses. The largest reduction was in the wholesale portfolios, due to lower charges against credit market exposures and fewer large single name charges. This reduction was partially offset by the impact of deteriorating credit conditions in the Spanish property and construction sectors which resulted in an increase of £630m in impairment against the Barclays Corporate loan book in Spain, and £532m impairment relating to the Protium loan in Barclays Capital. In the retail portfolios, impairment performance improved as delinquency rates fell across Barclays businesses, most notably the UK, US, Spanish, Indian and African portfolios.

As a result of this fall in impairment and the 1% rise in loans and advances, the loan loss rate decreased to 118bps (2009: 156bps).

The impairment charges against available for sale assets and reverse repurchase agreements fell by 93% to £47m (2009: £713m), principally driven by lower impairment against credit market exposures.

2009

Impairment charges on loans and advances and other credit provisions increased £2,445m to £7,358m (2008: £4,913m). The increase was primarily due to economic deterioration and portfolio maturation, currency movements and methodology enhancements, partially offset by a contraction in loan balances.

Impairment charges and other credit provisions	2010 £m	2009 £m	2008 £m
Impairment charges on loans and advances			
New and increased impairment allowances	**6,939**	8,111	5,116
Releases	**(1,189)**	(631)	(358)
Recoveries	**(201)**	(150)	(174)
Impairment charges on loans and advances	**5,549**	7,330	4,584
Charge in respect of provision for undrawn contractually committed facilities and guarantees provided	**76**	28	329
Impairment charges on loans and advances and other credit provisions	**5,625**	7,358	4,913
Impairment charges/(writebacks) on reverse repurchase agreements	**(4)**	43	124
Impairment charges on available for sale assets	**51**	670	382
Impairment charges and other credit provisions	**5,672**	8,071	5,419

Financial review

Income statement commentary continued

As a result of this increase in impairment and the fall in loans and advances, the impairment charges as a percentage of period end Group total loans and advances increased to 156bps (2008: 95bps).

The impairment charges against available for sale assets and reverse repurchase agreements increased £207m to £713m (2008: £506m), driven by impairment against credit market exposures.

Operating expenses

2010

Operating expenses increased 19% to £19,971m (2009: £16,715m) driven by increases in staff costs, administration and general expenses and impairment of goodwill.

The impairment of goodwill reflects the write off of the goodwill relating to Barclays Bank Russia of £243m as our activities there are refocused.

2009

Operating expenses increased 25% to £16,715m (2008: £13,391m). The increase was driven by a 38% increase in staff costs to £9,948m (2008: £7,204m).

Amortisation of intangibles increased £171m to £447m (2008: £276m) primarily related to the intangible assets arising from the acquisition of the Lehman Brothers North American businesses.

Operating expenses	2010 £m	2009 £m	2008 £m
Staff costs	**11,916**	9,948	7,204
Administration and general expenses	**6,585**	5,560	5,193
Depreciation	**790**	759	606
Amortisation of intangible assets	**437**	447	276
Impairment of goodwill	**243**	1	112
Operating expenses	**19,971**	16,715	13,391

Staff costs

2010

Staff costs increased 20% to £11,916m (2009: £9,948m). This was driven by a 13% increase in salaries and accrued performance costs and a £574m increase in share based payments. These increases are primarily due to increased charges relating to prior year awards, the continued build-out in Equities and Investment Banking at Barclays Capital and strategic growth initiatives at Barclays Wealth.

The UK Government applied a bank payroll tax of 50% to all discretionary bonuses over £25,000 awarded to UK bank employees between 9th December 2009 and 5th April 2010. The total bank payroll tax paid was £437m, of which £225m was recognised in 2009 in respect of 2009 cash awards and certain prior year deferrals distributed during the taxable period. For 2010 a charge of £96m has been recognised in relation to prior year deferrals, with the remaining £116m recognised over the period 2011 to 2013.

The defined benefit post retirement charge increased by £246m reflecting the non-recurrence of the benefit of the £371m one-off credit arising on closure of the final salary scheme in 2009 offset by the credit of £250m resulting from amendments to the treatment of minimum defined benefits and £54m relating to the Group s recognition of a surplus in Absa, as well as favourable investment returns over the period.

Staff costs	2010	2009	2008
	£m	£m	£m
Salaries and accrued performance costs	**8,809**	7,795	5,562
Share based payments	**860**	286	225
Social security costs	**719**	606	444
Bank payroll tax	**96**	225	
Post-retirement benefits			
defined contribution plans	**297**	224	221
defined benefit plans	**213**	(33)	89
other post-retirement benefits	**18**	16	1
Other	**904**	829	662
Staff costs	**11,916**	9,948	7,204

2009

Staff costs increased 38% to £9,948m (2008: £7,204m) driven by a 40% increase in salaries and accrued performance costs, primarily in Barclays Capital, reflecting the inclusion of the acquired Lehman Brothers North American businesses and associated net increase of 7,000 employees in September 2008.

For 2009, £190m of bank payroll tax costs were included within Other Staff Costs in respect of 2009 cash awards. A further provision of £35m was also included in Other Staff Costs in respect of certain prior year awards being distributed during the tax window.

Defined benefit plan pension costs decreased £122m to £33m credit (2008: cost of £89m) primarily due to the UK Retirement Fund whose charges decreased as a result of a one-off credit of £371m from the closure of the final salary scheme to existing members.

Staff numbers

2010

Total Group permanent and fixed term contract staff comprised 58,100 (2009: 55,700) in the UK and 89,400 (2009: 88,500) internationally.

Staff numbers have increased by 1,900 to 67,900 (2009: 66,000) for Global Retail Banking largely due to the acquisition of Standard Life Bank, the build-out of Barclays Shared Services in India, the insourcing of operations and the further international development of technology infrastructure.

Staff numbers (full time equivalent) As at 31st December	**2010**	**2009**	**2008**
UK Retail Banking	**34,700**	31,900	33,800
Barclaycard	**9,900**	10,100	10,300
Western Europe Retail Banking	**9,400**	9,600	9,300
Barclays Africa	**13,900**	14,400	16,500
Barclays Capital	**24,800**	23,200	23,100
Barclays Corporate	**11,900**	12,900	14,800
Wealth	**7,700**	7,400	7,900
Absa	**33,700**	33,200	35,700
Head Office Functions and Other Operations	**1,500**	1,500	1,400
Total Group permanent and fixed-term contract staff worldwide[a]	**147,500**	144,200	152,800

Note

a Excludes 2,400 employees (2009: 2,500; 2008: Nil) of consolidated entities engaged in activities that are not closely related to our principal businesses.

Barclays Capital staff numbers increased 1,600 to 24,800 (2009: 23,200) as a result of investment in sales, origination, trading and research activities. Barclays Corporate staff numbers decreased 1,000 to 11,900 (2009: 12,900) primarily reflecting restructuring in New Markets.

2009

Total Group permanent and fixed-term contract staff comprised 55,700 (2008: 59,600) in the UK and 88,500 (2008: 93,200) internationally.

Global Retail Banking number of employees decreased by 3,900 to 66,000 (2008: 69,900), reflecting active cost management and restructuring in Spain and Africa, partially offset by increases in Portugal and Italy to support the expansion of the network in these countries. Absa number of employees decreased 2,500 to 33,200 (2008: 35,700), reflecting restructuring and a freeze on recruitment.

Barclays Capital number of employees increased 100 to 23,200 (2008: 23,100) as a net reduction in the first half of the year was offset by strategic growth in the business and the annual graduate intake. Barclays Corporate number of employees decreased 1,900 to 12,900 (2008: 14,800) reflecting tightly managed costs, partly offset by the expansion of risk and offshore support operations. Barclays Wealth number of employees decreased 500 to 7,400 (2008: 7,900) reflecting active cost management, including efficiency savings in non-client facing areas.

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Financial review

Income statement commentary continued

Administration and general expenses

2010

Administration and general expenses increased £1,025m to £6,585m (2009: £5,560m). The increase is principally due to greater regulatory-related costs across the Group (including a settlement in resolution of the investigation into Barclays compliance with US economic sanctions), investment in technology and infrastructure, the acquisitions of Standard Life Bank within UK Retail Banking and the Portuguese and Italian credit card businesses of Citigroup within Western Europe Retail Banking and adverse impacts of foreign currency movements. Impairment charges on property, equipment and intangible assets of £125m (2009: £61m) were principally driven by restructuring in Barclays Corporate New Markets and Barclays Capital.

In June 2010, the UK Government announced its intention to introduce a bank levy, which will apply to elements of the Group s consolidated liabilities and equity held as at 31st December 2011. The draft legislation is expected to be enacted by the UK Parliament later this year. Based on the 31st December 2010 balance sheet position and the draft requirements, we estimate that the bank levy would result in an annual charge to the income statement of approximately £400m from 2011 onwards.

2009

Administration and general expenses grew £367m to £5,560m (2008: £5,193m) reflecting the impact of acquisitions made during 2008, the costs of servicing an expanded distribution network across Global Retail Banking, and expenses relating to the Financial Services Compensation Scheme. There were also decreases of £119m in gains from sale of property (included in other administration and general expenses) as the Group wound down its sale and leaseback programme.

Administration and general expenses	2010 £m	2009 £m	2008 £m
Property and equipment	**1,813**	1,641	1,356
Outsourcing and professional services	**1,705**	1,496	1,472
Operating lease rentals	**637**	639	520
Marketing, advertising and sponsorship	**631**	492	591
Subscriptions, publications and stationery	**584**	519	458
Travel and accommodation	**358**	273	275
Other administration and general expenses	**732**	439	491
Impairment of property, equipment and intangible assets	**125**	61	30
Administration and general expenses	**6,585**	5,560	5,193

Share of post-tax results of associates and joint ventures

2010

The share of post-tax results of associates and joint ventures increased £24m to £58m (2009: £34m), reflecting a £24m increase in results from joint ventures largely from Barclaycard and Absa. Results from associates remained constant at £19m (2009: £19m) since the prior year.

2009

The share of post-tax results of associates and joint ventures increased £20m to £34m (2008: £14m), reflecting a £23m increase in results from joint ventures largely from Barclaycard and Barclays Capital, and a £3m decrease in results from associates, mainly due to reduced contributions from private equity instruments.

Profit on disposals and gain on acquisitions

2010

The profit on disposal of £81m (2009: £188m) is largely attributable to the £77m profit arising from sale of Barclays Africa custody business to Standard Chartered Bank.

On 1st January 2010, the Group acquired 100% ownership of Standard Life Bank PLC realising a gain on acquisition of £100m. On 31st March 2010, the Group acquired 100% of the Italian credit card business of Citibank International PLC realising a gain on acquisition of £29m. On 26th July 2010 the Group acquired 86% of Tricorona recognising goodwill of £13m.

2009

The profit on disposal of £188m (2008: £327m) is largely attributable to the sale of 50% of Barclays Vida y Pensiones Compañía de Seguros (£157m), and the 7% sale of Barclays Africa Botswana business (£24m).

Share of post-tax results of associates and joint ventures	2010 £m	2009 £m	2008 £m
Profit from associates	**19**	19	22
Profit/(loss) from joint ventures	**39**	15	(8)
Share of post-tax results of associates and joint ventures	**58**	34	14

Profit on disposals and gain on acquisitions	2010 £m	2009 £m	2008 £m
Profit on disposal of subsidiaries, associates and joint ventures	**81**	188	327
Gain on acquisitions	**129**	26	2,406

Gains of £26m for the year relate to the acquisition of the Portuguese credit card business of Citibank International PLC in December 2009. A gain on acquisition of the North American businesses of Lehman Brothers of £2,262m was recorded in 2008. Details of current litigation relating to the acquisition are disclosed on page 227.

Tax

2010

The tax charge for continuing operations for 2010 was £1,516m (2009: £1,074m) representing an effective tax rate of 25% (2009: 23.4%). The effective tax rate differs from the UK tax rate of 28% (2009: 28%) because of non-taxable gains and income, different tax rates that are applied to the profits and losses outside of the UK, and deferred tax assets previously not recognised.

2009

The effective tax rate for 2009, based on profit before tax on continuing operations, was 23.4% (2008: 8.8%). The effective tax rate differs from the UK tax rate of 28% (2008: 28.5%) because of non-taxable gains and income, different tax rates applied to taxable profits and losses outside the UK, disallowable expenditure and adjustments in respect of prior years. The low effective tax rate of 8.8% on continuing operations in 2008 mainly resulted from the Lehman Brothers North American businesses acquisition.

Profit for the year from discontinued operations

2010

There were no discontinued operations in 2010.

2009

The profit after tax from discontinued operations increased £6,173m to £6,777m, reflecting the gain on sale of Barclays Global Investors (BGI) of £6,331m (2008: £nil) and other profit before tax from BGI of £726m (2008: £941m). The results for 2009 included 11 months of operations compared to 12 months for 2008.

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Financial review

Consolidated summary balance sheet

As at 31st December	2010 £m	2009 £m	2008 £m	2007 £m	2006 £m
Assets					
Cash, balances at central banks and items in the course of collection	**99,014**	83,076	31,714	7,637	9,753
Trading portfolio assets	**168,867**	151,344	185,637	193,691	177,867
Financial assets designated at fair value	**41,485**	42,568	121,199	147,480	114,597
Derivative financial instruments	**420,319**	416,815	984,802	248,088	138,353
Loans and advances to banks	**37,799**	41,135	47,707	40,120	30,926
Loans and advances to customers	**427,942**	420,224	461,815	345,398	282,300
Reverse repurchase agreements and other similar secured lending	**205,772**	143,431	130,354	183,075	174,090
Available for sale financial investments	**65,110**	56,483	64,976	43,072	51,703
Other assets	**23,337**	23,853	24,776	18,800	17,198
Total assets	**1,489,645**	1,378,929	2,052,980	1,227,361	996,787
Liabilities					
Deposits and items in the course of collection due to banks	**79,296**	77,912	116,545	92,338	81,783
Customer accounts	**345,788**	322,429	335,505	294,987	256,754
Repurchase agreements and other similar secured borrowing	**225,534**	198,781	182,285	169,429	136,956
Trading portfolio liabilities	**72,693**	51,252	59,474	65,402	71,874
Financial liabilities designated at fair value	**97,729**	87,881	146,075	167,128	138,624
Derivative financial instruments	**405,516**	403,416	968,072	248,288	140,697
Debt securities in issue	**156,623**	135,902	149,567	120,228	111,137
Subordinated liabilities	**28,499**	25,816	29,842	18,150	13,786
Other liabilities	**15,705**	17,062	18,204	18,935	17,786
Total liabilities	**1,427,383**	1,320,451	2,005,569	1,194,885	969,397
Shareholders equity					
Shareholders equity excluding non-controlling interests	**50,858**	47,277	36,618	23,291	19,799
Non-controlling interests	**11,404**	11,201	10,793	9,185	7,591
Total shareholders equity	**62,262**	58,478	47,411	32,476	27,390
Total liabilities and shareholders equity	**1,489,645**	1,378,929	2,052,980	1,227,361	996,787
Risk weighted assets and capital ratios[a]					
Risk weighted assets	**398,031**	382,653	433,302	353,878	297,833
Core Tier 1 ratio	**10.8%**	10.0%	5.6%	4.7%	n/a
Tier 1 ratio	**13.5%**	13.0%	8.6%	7.6%	7.7%
Risk asset ratio	**16.9%**	16.6%	13.6%	11.2%	11.7%
Selected financial statistics					
Net asset value per ordinary share	**417p**	414p	437p	353p	303p
Number of ordinary shares of Barclays PLC (in millions)	**12,182**	11,412	8,372	6,601	6,535
Year-end United States Dollar exchange rate	**1.55**	1.62	1.46	2.00	1.96
Year-end Euro exchange rate	**1.16**	1.12	1.04	1.36	1.49
Year-end Rand exchange rate	**10.26**	11.97	13.74	13.64	13.71

The financial information above is extracted from the published accounts. This information should be read together with the information included in the accompanying consolidated financial statements.

Note

a Risk weighted assets and capital ratios for 2006 are calculated on a Basel I basis.
Risk weighted assets and capital ratios for 2010, 2009, 2008 and 2007 are calculated on a Basel II basis.

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Financial review

Balance sheet commentary

Total assets

Total assets increased £111bn to £1,490bn.

Cash, balances at central banks and items in the course of collection have increased £15.9bn contributing to the increase in the Group liquidity pool. Trading portfolio assets increased £17.5bn and reverse repurchase and other similar secured lending increased £62.3bn reflecting business growth while maintaining adjusted gross leverage at 20x. Financial assets designated at fair value have decreased by £1.1bn primarily due to a decrease in debt securities.

Derivative financial assets increased £3.5bn reflecting increases in the mark to market positions in interest rate and foreign exchange derivatives due to movements in forward interest rate curves and volatility in the foreign exchange market. This was partially offset by decreases in credit, equity and commodities derivatives due to reduced volatility.

Loans and advances to banks and customers increased £4.4bn due to an increase in lending to retail customers, including the effect of the acquisition of Standard Life Bank, offset by a reduction in borrowings by wholesale customers and banks.

Available for sale financial investments increased £8.6bn primarily driven by purchase of government bonds increasing the Group s liquid assets and the transfer from loans and advances to available for sale assets of the receivables arising as part of the acquisition of the North American business of Lehman Brothers. This was partially offset by a £0.8bn reduction in the fair value of the Group s investment in BlackRock, Inc.

Total liabilities

Total liabilities increased £107bn to £1,427bn.

Deposits and items in the course of collection from banks and customer accounts increased £24.7bn reflecting the acquisition of Standard Life Bank and customer deposit growth across the Group. Financial liabilities designated at fair value increased £9.8bn primarily due to increased debt securities and debt issuances strengthening the Group s liquidity position. Debt securities in issue increased £20.7bn primarily due to increases in bonds, medium term notes, certificates of deposit and commercial paper. This growth was primarily to fund the increased liquidity pool and business growth.

Trading portfolio liabilities increased £21.4bn and repurchase agreements and other similar secured borrowing increased £26.8bn reflecting business growth. Derivative financial liabilities increased £2.1bn broadly in line with the increase in gross derivative assets.

Subordinated liabilities increased £2.7bn primarily reflecting issuances and acquisitions partially offset by redemptions. Other liabilities decreased £1.4bn reflecting reduced retirement benefit liabilities, current tax liabilities and other creditors.

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Financial review

Balance sheet commentary continued

Shareholders equity

Total shareholders equity increased £3.8bn to £62.3bn (2009: £58.5bn), with share capital and share premium increasing £1.5bn to £12.3bn as a result of the issue of new ordinary shares. Retained earnings increased £2.9bn to £36.8bn (2009: £33.8bn). Profit attributable to the equity holders of the Parent of £3.6bn were partially offset by dividends paid to shareholders of £0.5bn.

Significant movements in other reserves comprise: available for sale reserve movement of £1.2bn, primarily due to the decrease in the fair value of the Group s investment in BlackRock Inc. of £0.8bn and a decrease of £0.3bn of hedged foreign exchange movements related to this investment that have been transferred to the income statement. Currency translation reserve movement of £0.7bn is largely due to the appreciation in the Rand and US Dollar, offset by the depreciation in the Euro.

Non-controlling interests increased £0.2bn to £11.4bn (2009: £11.2bn). The increase primarily reflects profit for the year attributable to non-controlling interests of £1.0bn and currency translation differences of £0.4bn, offset by distributions of £0.8bn and the redemption of £0.5bn reserve capital instruments.

Adjusted gross leverage

Barclays continues to operate within limits and targets for balance sheet usage as part of its balance sheet management activities.

The adjusted gross leverage was 20x as at 31st December 2010 (2009: 20x) principally as a result of a £3.9bn increase in Tier 1 Capital to £53.5bn offset by the impact of a £84.6bn increase in adjusted total tangible assets. At month ends during 2010 the ratio moved in a range from 20x to 24x, with fluctuations arising as a result of normal trading activities, primarily due to increases in reverse repurchase trading and changes in holdings of trading portfolio assets.

The ratio of total assets to total shareholders equity was 24x as at 31st December 2010 (2009: 24x). The ratio moved within a month end range of 24x to 29x, driven by trading activity fluctuations noted above, as well as changes in gross interest rate derivatives and settlement balances.

The Basel Committee of Banking Supervisors (BCBS) issued final guidelines for Basel III: a global regulatory framework for more resilient banks and banking systems in December 2010. The guidelines include a proposed leverage metric, to be implemented by national supervisors in parallel run from 1st January 2013 (migrating to a Pillar 1 measure by 2018). Based on our interpretation of the current BCBS proposals the Group s Basel III leverage ratio as at 31st December 2010 would be within the proposed limit of 33x.

Further details on leverage are provided on page 128.

Capital management

At 31st December 2010, on a Basel II basis, the Group s Core Tier 1 ratio was 10.8% (2009: 10.0%) and the Tier 1 ratio was 13.5% (2009: 13.0%), representing a strengthening of our capital ratios ahead of the effects of expected regulatory capital changes.

Risk weighted assets increased 4% from £383bn to £398bn in 2010. Year on year there was a £22bn reduction in underlying risk weighted assets (predominantly in Barclays Capital) as a result of capital management efficiencies and reduced levels of risk and inventory. This was offset by both methodology and model changes, which increased risk weighted assets by approximately £28bn. Foreign exchange and other movements accounted for a further increase of £9bn.

Retained profit contributed approximately 70bps increase to Core Tier 1 ratio from 10.0% to 10.8%. Other movements in Core Tier 1 included the exercise of warrants in February and October 2010, which generated shareholders equity of £1.5bn, contributing approximately 40bps to the Core Tier 1 ratio. The movement in the fair value of the Group s holding in BlackRock, Inc. resulted in an adverse impact of approximately 20bps on the Core Tier 1 ratio over the year.

The Basel Committee of Banking Supervisors issued final Basel III guidelines in December 2010 and January 2011. The new standards include changes to risk weights applied to our assets and to the definition of capital resources and are applicable from 1st January 2013 with some transitional rules to 2018. The Basel III guidelines have yet to be implemented into European and UK law and therefore remain subject to refinement and change. Recognising the new rules are not complete, based on our current assessment of the guidelines, we expect that we will continue to have a strong capital position post implementation.

Liquidity and Funding

The liquidity pool held by the Group increased £27bn to £154bn at 31st December 2010 (2009: £127bn), of which £140bn was in FSA-eligible pool assets.

The Basel III guidelines propose two new liquidity metrics: the Liquidity Coverage Ratio, which measures short-term liquidity stress and is broadly consistent with the FSA framework, and the Net Stable Funding Ratio, which measures the stability of long-term structural funding. Applying the metrics to the Group balance sheet as at 31st December 2010, the Liquidity Coverage Ratio was estimated at 80% and the Net Stable Funding Ratio was estimated at 94%.

The Group continues to attract deposits in unsecured money markets and to raise additional secured and unsecured term funding in a variety of markets. As at 31st December 2009, the Group had £15bn of publicly issued term debt maturing during 2010. The corresponding figure for 2011 is £25bn. During 2010 the Group issued approximately £35bn of term funding, which refinanced the 2010 requirement, comprising both maturities and early repayments, as well as pre-financed some of the 2011 and 2012 maturities. Additional term funding raised in 2011 will support balance sheet growth, further extension of liability maturities and strengthening of our liquidity position.

Financial review

Analysis of results by business

Business performance

Global Retail Banking

Global Retail Banking (GRB) performance exhibited encouraging signs of growing momentum against a challenging backdrop. Overall profit before tax was £1,829m (2009: £1,821m) with strong profit growth in UK Retail Banking and Barclays Africa, good growth in Barclaycard and a loss in Western Europe Retail Banking. Total GRB income increased 1% to £10,507m (2009: £10,374m) reflecting business growth, increased net interest margins in Barclaycard and Barclays Africa, a stable margin in UK Retail Banking and a lower margin in Western Europe Retail Banking. Risk appetite remained consistent with improved collections and better economic conditions leading to lower impairment which drove an improved risk adjusted net interest margin. Operating expenses increased 10% to £6,020m (2009: £5,490m) primarily due to higher pension costs, the impact of acquisitions and higher regulatory-related costs. Overall GRB

return on average risk weighted assets improved to 1.7% (2009: 1.5%) and GRB s loan to deposit ratio improved to 140% (2009: 144%). The performance of the businesses within GRB is summarised below:

UK Retail Banking

UK Retail Banking (UKRB) profit before tax increased 39% to £989m (2009: £710m), including a £100m gain on the acquisition of Standard Life Bank, with good income growth and lower impairment charges more than offsetting an increase in operating expenses. Income increased 6% to £4,518m (2009: £4,276m). Impairment charges decreased 21% to £819m (2009: £1,031m), reflecting good risk management and improving economic conditions. As a result, net income grew 14% to £3,699m (2009: £3,245m). Operating expenses increased 11% to £2,809m (2009: £2,538m), reflecting higher pension costs, the impact of the acquisition of Standard Life Bank and increased regulatory-related costs. Excluding these items, operating expenses were in line with prior year.

Analysis of results by business	UK Retail Banking £m	Barclaycard £m	Western Europe Retail Banking £m	Barclays Africa £m	Absa £m	Barclays Capital £m	Barclays Corporate £m	Barclays Wealth £m	Investment Manage-ment £m	Head Office Functions and Other Operations £m
As at 31st December 2010										
Total income net of insurance claims	4,518	4,024	1,164	801	2,899	13,600	2,974	1,560	78	(178)
Impairment charges and other credit provisions	(819)	(1,688)	(314)	(82)	(480)	(543)	(1,696)	(48)		(2)
Net income	3,699	2,336	850	719	2,419	13,057	1,278	1,512	78	(180)
Operating expenses	(2,809)	(1,570)	(1,033)	(608)	(1,810)	(8,295)	(1,907)	(1,349)	(11)	(579)
Share of post tax results of associates and joint ventures	(1)	25	15		3	18	(2)			
Profit on disposal of subsidiaries, associates and joint ventures				77	4					
Gain on acquisitions	100		29							
Profit /(loss) before tax from continuing operations	989	791	(139)	188	616	4,780	(631)	163	67	(759)
Total assets (£bn)	121.6	30.3	53.6	7.9	52.4	1,094.8	85.7	17.8	4.6	20.9

Risk Weighted Assets (£bn)	**35.3**	**31.9**	**17.3**	**8.0**	**30.4**	**191.3**	**70.8**	**12.4**	**0.1**	**0.6**
As at 31st December 2009										
Total income net of insurance claims	4,276	4,041	1,318	739	2,553	11,625	3,181	1,322	40	28
Impairment charges and other credit provisions	(1,031)	(1,798)	(338)	(121)	(567)	(2,591)	(1,558)	(51)		(16)
Net income	3,245	2,243	980	618	1,986	9,034	1,623	1,271	40	12
Operating expenses	(2,538)	(1,527)	(887)	(538)	(1,451)	(6,592)	(1,466)	(1,129)	(17)	(570)
Share of post tax results of associates and joint ventures	3	8	4		(4)	22				1
Profit/(loss) on disposal of subsidiaries, associates and joint ventures		3	157	24	(3)			1	(1)	7
Gain on acquisitions			26							
Profit/(loss) before tax from continuing operations	710	727	280	104	528	2,464	157	143	22	(550)
Total assets (£bn)	109.3	30.3	51.0	7.9	45.8	1,019.1	88.8	14.9	5.4	6.4
Risk Weighted Assets (£bn)	35.9	30.6	16.8	7.6	21.4	181.1	76.9	11.4	0.1	0.9

Barclaycard

Barclaycard profit before tax increased 9% to £791m (2009: £727m) largely as a result of lower impairment charges. Income was £4,024m (2009: £4,041 m) with the impact of regulation offset by business growth. Impairment charges reduced 6% to £1,688m (2009: £1,798m) as a result of focused risk management and improving economic conditions. Delinquency trends were lower in all major areas of the Barclaycard business. Operating expenses increased 3% to £1,570m (2009: £1,527m).

Western Europe Retail Banking

Western Europe Retail Banking incurred a loss before tax of £139m (2009: profit of £280m). The deterioration was driven by the challenging economic environment, continued investment in the franchise and £157m of profit on disposal recognised in 2009. Income fell 12% to £1,164m (2009: £1,318m) principally due to margin compression and the decline in the average value of the Euro against Sterling, partially offset by higher fees and commissions and the growth in credit cards. Impairment charges improved by 7% to £314m (2009: £338m). Operating expenses increased 16% to £1,033m (2009: £887m) mainly due to continued investment in developing the franchise in Portugal and Italy, notably the expansion of the credit card businesses in these countries.

Barclays Africa

Barclays Africa profit before tax increased 81% to £188m (2009: £104m). 2010 included a one-off gain of £77m from the sale of the custody business to Standard Chartered Bank which was partially offset by £40m of restructuring costs. 2009 included a one-off gain of £24m from the sale of shares in Barclays Bank of Botswana Limited. Income grew 8% to £801m (2009: £739m) as a result of improved net interest margins and income from treasury management. Impairment charges decreased 32% to £82m (2009: £121m) as a result of a better economic environment and improved collections. Operating expenses increased 13% to £608m (2009: £538m) reflecting £40m of restructuring costs, investment in infrastructure and an increase in staff-related costs.

Absa

Absa Group Limited reported profit before tax of R11,851m (2009: R9,842m), an increase of 20%. In Barclays segmental reporting, the results of the Absa credit card business are included in Barclaycard, the investment banking operations in Barclays Capital and wealth operations in Barclays Wealth. The other operations of Absa Group Limited are reported in the Absa segment. Absa profit before tax increased 17% to £616m (2009: £528m), driven by the appreciation in the average value of the Rand against Sterling. The impact of exchange rate movements also impacted income, which increased 14%, operating expenses, which increased 25%, and impairment charges, which decreased 15%. Impairment charges in Rand terms improved 26% reflecting an improvement in economic conditions.

Barclays Capital

Barclays Capital profit before tax increased to £4,780m (2009: £2,464m). Excluding own credit, profit before tax grew 2% to £4,389m (2009: £4,284m). Total income increased 17% to £13,600m (2009: £11,625m). This reflected a significant reduction in losses taken through income relating to credit market exposures which fell to £124m (2009: £4,417m) and a gain relating to own credit of £391m (2009: loss of £1,820m). Top-line income, which excludes these items, was £13,333m, down 25% on the very strong prior year performance. Fixed Income, Currency and Commodities (FICC) top-line income of £8,811m declined 35%, reflecting lower contributions from Rates and Commodities. Equities and Prime Services top-line income of £2,040m declined 6%, as growth in cash equities and equity financing was more than offset by subdued market activity in European equity derivatives. Investment Banking top-line income of £2,243m increased 3%.

Top-line income in the fourth quarter of 2010 was £3,380m, up 20% on the third quarter of 2010 reflecting higher activity levels and contributions from Equities and Prime Services up 74% and Investment Banking up 45%. FICC top-line income was broadly in line with the prior quarter.

Impairment charges, including impairment of £532m relating to the Protium loan which follows a reassessment of the expected realisation period, improved significantly to £543m (2009: £2,591m), resulting in a 45% increase in net income to £13,057m. Operating expenses increased 26% which largely reflected the continuing investment in our sales, origination, trading and research activities, increased charges relating to prior year deferrals and restructuring costs. Excluding the impact of own credit, the cost: net income ratio was 65% (2009: 61%) and compensation costs represented 43% of income (2009: 33%).

Barclays Corporate

Barclays Corporate recorded a loss before tax of £631m (2009: profit of £157m). An improvement in the results of the profitable UK & Ireland business was more than offset by increased losses in New Markets and Continental Europe, notably Spain. Total income decreased 7% to £2,974m (2009: £3,181), reflecting lower treasury management income and reduced risk appetite outside the UK. Impairment charges increased £138m to £1,696m, with significant improvements in UK & Ireland and New Markets more than offset by an increase of £630m in Spain to £898m due to depressed market conditions in the property and construction sector. Operating expenses increased to £1,907m, principally reflecting the write down of the £243m of goodwill relating to Barclays Bank Russia and associated restructuring costs of £25m, as well as previously announced restructuring costs of £94m in other geographies within New Markets (predominantly relating to Indonesia).

Barclays Wealth

Barclays Wealth profit before tax increased 14% to £163m (2009: £143m) as very strong growth in income was partially offset by costs of the strategic investment in growing the business. Income increased 18% to £1,560m principally from strong growth in the High Net Worth businesses and higher attributable net interest income from the revised internal funds pricing mechanism. Impairment charges reduced slightly to £48m (2009: £51m). Operating expenses increased 19% to £1,349m (2009: £1,129m), principally due to the start of Barclays Wealth s strategic investment programme which accounted for £112m of additional costs, as well as the impact of growth in High Net Worth business revenues on staff and infrastructure costs.

Investment Management

Investment Management profit before tax of £67m (2009: £22m) principally reflected dividend income from the 19.9% holding in BlackRock, Inc. Total assets decreased to £4.6bn (2009: £5.4bn) reflecting the fair value of the 37.567m shares held in BlackRock, Inc.

Head Office Functions and Other Operations

Head Office Functions and Other Operations loss before tax increased by £209m to £759m (2009: loss of £550m). The results for 2009 reflected a net gain on debt buy-backs of £1,164m, while 2010 benefited from a significant decrease in the costs of the central funding activity as money market dislocations eased and a reclassification of profit from the currency translation reserve to the income statement.

In the following results by business pages, return measures for 2008 data have not been calculated under the current business segments due to the recalibration of our execution priorities in 2010.

Financial review

Analysis of results by business continued

Global Retail Banking

UK Retail Banking

UK Retail Banking is a leading UK high street bank providing current account and savings products and Woolwich branded mortgages. UK Retail Banking also provides unsecured loans, protection products and general insurance as well as banking and money transmission services to small and medium enterprises.

Performance

2010

UK Retail Banking profit before tax increased 39% to £989m (2009: £710m), driven by good income growth and lower impairment charges, more than offsetting an increase in operating expenses. The 2010 results also reflected a gain of £100m on the acquisition of Standard Life Bank.

Income increased 6% to £4,518m (2009: £4,276m) reflecting strong balance sheet growth.

Net interest income increased 11% to £3,165m (2009: £2,842m) reflecting business growth. The net interest margin for UK Retail Banking remained stable at 145bps (2009: 145bps) with the risk adjusted net interest margin increasing to 108bps (2009: 93bps). Total average customer deposit balances increased 12% to £104.5bn (2009: £93.6bn), reflecting good growth in personal customer balances and the impact of Standard Life Bank. The liability margin increased to 157bps (2009: 138bps) reflecting the impact of the revised internal funds pricing mechanism. Total customer account balances increased to £108.4bn (2009: £96.8bn).

Total average customer asset balances increased 11% to £113.7bn (2009: £102.0bn), reflecting good growth in Home Finance mortgage balances and the acquisition of Standard Life Bank. The average asset margin decreased to 121bps (2009: 139bps) reflecting the impact of the revised internal funds pricing mechanism. Total loans and advances to customers increased to £115.6bn (2009: £103.0bn).

Average mortgage balances grew 16%, reflecting strongly positive net lending and the acquisition of Standard Life Bank. As at 31st December 2010 mortgage balances were £101.2bn (2009: £87.9bn), a share by value of 8% (2009: 7%). Gross new mortgage lending increased to £16.9bn (2009: £14.2bn), a share by value of 13% (2009: 10%). Mortgage redemptions increased to £11.0bn (2009: £8.5bn), resulting in net new mortgage lending of £5.9bn (2009: £5.7bn). The average loan to value ratio of the mortgage portfolio (including buy-to-let) on a current valuation basis was 43% (2009: 43%). The average loan to value ratio of new mortgage lending was 52% (2009: 48%).

Barclays Business had good income growth driven by an increase in net interest income with customer numbers increasing to 760,000 (2009: 742,000).

Net fee and commission income decreased 3% to £1,255m (2009: £1,299m) reflecting reduced income from Current Accounts and Barclays Financial Planning.

Total impairment charges represented 70bps (2009: 98bps) of total gross loans and advances to customers and banks. This translates to a reduction in impairment charges of 21% to £819m (2009: £1,031m), reflecting focused risk management and improved economic conditions. Impairment charges within Consumer Lending and Current Accounts decreased 29% to £418m (2009: £592m), and 27% to £134m (2009: £183m) respectively. Home Finance impairment charges remained low at £29m (2009: £26m). As a percentage of the portfolio, three-month arrears rates for the UK loans improved to 2.6% (2009: 3.8%).

Operating expenses increased 11% to £2,809m (2009: £2,538m), reflecting higher pension costs, increased regulatory-related costs and the impact of the acquisition of Standard Life Bank. Excluding these items operating expenses were in line with prior year.

Total assets increased 11% to £121.6bn (2009: £109.3bn) driven by growth in Home Finance. Risk weighted assets remained broadly flat at £35.3bn (2009: £35.9bn) with growth in Home Finance offset by a decline in Consumer Lending balances and improvements in operational risk weighted assets.

	2010	2009	2008
	£m	£m	£m
Income statement information			
Net interest income	**3,165**	2,842	3,245
Net fee and commission income	**1,255**	1,299	1,384
Net trading (loss)	**(2)**		
Net premiums from insurance contracts	**130**	198	205
Other income	**1**	5	21
Total income	**4,549**	4,344	4,855
Net claims and benefits incurred under insurance contracts	**(31)**	(68)	(35)
Total income net of insurance claims	**4,518**	4,276	4,820
Impairment charges and other credit provisions	**(819)**	(1,031)	(642)
Net income	**3,699**	3,245	4,178
Operating expenses excluding amortisation of intangible assets	**(2,779)**	(2,496)	(2,606)
Amortisation of intangible assets	**(30)**	(42)	(22)
Operating expenses	**(2,809)**	(2,538)	(2,628)
Share of post-tax results of associates and joint ventures	**(1)**	3	8
Gains on acquisition	**100**		
Profit before tax	**989**	710	1,558
Balance sheet information			
Loans and advances to customers at amortised cost [a]	**£115.6bn**	£103.0bn	£98.8bn
Customer accounts [a]	**£108.4bn**	£96.8bn	£93.8bn
Total assets	**£121.6bn**	£109.3bn	£105.9bn
Risk weighted assets	**£35.3bn**	£35.9bn	£34.3bn

Note

a In 2010 the acquisition of Standard Life Bank contributed £5.9bn loans and advances and £5.2bn customer accounts.

£4,518m

total income net of insurance claims

£989m

profit before tax

Improvements in the return on average equity to 12% (2009: 8%), return on average tangible equity to 24% (2009: 17%) and return on average risk weighted assets to 2.2% (2009: 1.5%) reflected the increase in profit after tax which more than offset the growth in average risk weighted assets.

2009

In the challenging economic environment of 2009, UK Retail Banking profit before tax decreased 54% to £710m (2008: £1,558m), impacted by low interest rates resulting in margin compression on the deposit book and increased impairment charges which together more than offset well-controlled costs and an improved assets margin.

Income decreased 11% to £4,276m (2008: £4,820m) reflecting the impact of margin compression, which more than offset good income growth in Home Finance.

Net interest income decreased 12% to £2,842m (2008: £3,245m) driven by margin compression on liabilities, partially offset by increases in asset driven net interest income. Total average customer deposit balances increased 3% to £93.6bn (2008: £90.5bn), reflecting good growth in Personal Customer Current Account balances. The average liabilities margin declined to 1.38% (2008: 2.03%) reflecting reductions in UK base rates.

Average mortgage balances grew 10%, reflecting strongly positive net lending. Mortgage balances were £87.9bn at the end of the period (31st December 2008: £82.3bn), a share by value of 7% (2008: 7%). Gross advances reduced to £14.2bn (2008: £22.9bn) reflecting a continued conservative approach to lending, with redemptions of £8.5bn (2008: £10.4bn). Net new mortgage lending was £5.7bn (2008: £12.5bn). The average loan to value ratio of the mortgage book (including buy-to-let) on a current valuation basis was 43% (2008: 40%). The average loan to value ratio of new mortgage lending was 48% (2008: 47%) and the assets margin increased to 1.39% (2008: 1.33%) reflecting increased returns from mortgages and consumer loans.

Net fee and commission income decreased 6% to £1,299m (2008: £1,384m) reflecting changing customer usage together with lower mortgage application and redemption fees. Overall sales productivity resulted in fee income growth in investments.

Total impairment charges represented 0.98% of total gross loans and advances to customers and banks. Impairment charges increased 61% to £1,031m (2008: £642m), reflecting lower expectations for recoveries in line with the economic environment in 2009. Impairment charges within Consumer Lending increased 56% to £592m (2008: £380m) with impairment charges increasing 75% to £183m (2008: £105m) in retail current accounts. Home finance impairment charges remained low at £26m (2008: £24m).

Operating expenses remained well-controlled and decreased 3% to £2,538m (2008: £2,628m). This reflected the receipt of a one-off credit of £189m resulting from the closure of the UK final salary pension scheme to existing members, offset by a year on year increase in pension costs of £105m and the non-recurrence of gains of £75m from the sale of property.

Total assets increased 3% to £109.3bn (31st December 2008: £105.9bn) driven by growth in mortgage balances. Risk weighted assets increased 5% to £35.9bn (31st December 2008: £34.3bn), a significant contributor being the growth in the mortgage book.

	2010	2009	2008
Performance Measures			
Return on average equity	**12%**	8%	n/a
Return on average tangible equity	**24%**	17%	n/a
Return on average risk weighted assets	**2.2%**	1.5%	n/a
Loan loss rate (bps)	**70**	98	n/a
3 month arrears rates UK loans	**2.6%**	3.8%	n/a
Cost: income ratio	**62%**	59%	55%
Cost: net income ratio	**76%**	78%	63%
Key Facts			
Number of UK current accounts	**11.6m**	11.2m	11.7m
Number of UK savings accounts [a]	**14.4m**	13.2m	12.0m
Number of UK mortgage accounts [a]	**916,000**	834,000	816,000
Number of Barclays Business customers	**760,000**	742,000	715,000
LTV of mortgage portfolio [a]	**43%**	43%	40%
LTV of new mortgage lending [a]	**52%**	48%	47%
Number of branches	**1,658**	1,698	1,724
Number of ATMs	**3,345**	3,394	3,455

Note

a Data for year ended 31st December 2010 includes the impact of Standard Life Bank.

Financial review

Analysis of results by business continued

Global Retail Banking

Barclaycard

Barclaycard is an international payments business which manages about £200bn in annual payment value and offers a broad range of payment solutions to consumer and business customers in 22 countries throughout the world.

Performance

2010

Barclaycard profit before tax increased 9% to £791m (2009: £727m).

Barclaycard s international businesses reported strong growth in profit before tax, particularly in Absa Card and the US. Absa Card increased 85% to £176m (2009: £95m) primarily through lower underlying impairment. The US business was profitable following adoption of the requirements of the Credit Card Accountability, Responsibility and Disclosure Act in the US (US Credit Card Act).

Income was £4,024m (2009: £4,041m) with the impact of the US Credit Card Act broadly offset by balanced growth across the business. Over 20% of income was generated from products other than consumer credit cards. Barclaycard s UK businesses reported income at £2,453m (2009: £2,493m) reflecting the continued run-off of the FirstPlus secured lending portfolio and lower insurance-related income. International income increased 1% to £1,571m (2009: £1,548m) despite the impact of the US Credit Card Act.

Net interest income increased 3% to £2,814m (2009: £2,723m) reflecting growth in UK consumer card extended credit balances, up 4% to £8.8bn (2009: £8.5bn), and the appreciation of the average value of the Rand against Sterling, partially offset by lower net interest income due to the impact of the US Credit Card Act and the continued run-off of the FirstPlus

portfolio. The asset margin improved to 906bps (2009: 897bps), with the net interest margin at 977bps (2009: 969bps).

Net fee and commission income decreased 11% to £1,136m (2009: £1,271m) primarily due to the impact of the US Credit Card Act.

Investment income of £39m included a gain of £38m from the sale of Visa shares and MasterCard shares (2009: £20m).

Impairment charges reduced 6% to £1,688m (2009: £1,798m) reflecting focused risk management and improving economic conditions. As a result, loan loss rates improved to 570bps (2009: 604bps). In addition, the 30-day delinquency rates for consumer card portfolios in the UK of 3.4% (2009: 4.2%), in the US of 4.6% (2009: 6.1%) and in Absa of 4.9% (2009: 6.7%) all reduced compared to 2009.

Operating expenses increased 3% to £1,570m (2009: £1,527m). Excluding increased pension costs and the appreciation of the average value of the Rand against Sterling, operating expenses decreased compared to the prior year.

Total assets were flat at £30.3bn (2009: £30.3bn) reflecting the appreciation of the US Dollar and the Rand against Sterling offset by the continued run-off of the First Plus portfolio.

Risk weighted assets increased 4% to £31.9bn (2009: £30.6bn), reflecting securitisation redemptions and the appreciation of the US Dollar and the Rand against Sterling.

Return on average equity of 13% (2009: 14%) and return on average tangible equity of 19% (2009: 21%) decreased due to the requirement to hold an increased amount of regulatory capital. Return on average risk weighted assets increased to 1.9% (2009: 1.8%) reflecting increased profit after tax, offset by increased average risk weighted assets.

	2010 £m	2009 £m	2008 £m
Income statement information			
Net interest income	**2,814**	2,723	1,786
Net fee and commission income	**1,136**	1,271	1,299
Net trading (loss)/income	**(8)**	(1)	2
Net investment income	**39**	23	80
Net premiums from insurance contracts	**50**	44	44
Other income	**1**	1	21
Total income	**4,032**	4,061	3,232
Net claims and benefits incurred under insurance contracts	**(8)**	(20)	(11)
Total income net of insurance claims	**4,024**	4,041	3,221
Impairment charges and other credit provisions	**(1,688)**	(1,798)	(1,097)
Net income	**2,336**	2,243	2,124
Operating expenses excluding amortisation of intangible assets	**(1,481)**	(1,445)	(1,386)
Amortisation of intangible assets	**(89)**	(82)	(61)
Operating expenses	**(1,570)**	(1,527)	(1,447)
Share of post-tax results of associates and joint ventures	**25**	8	(3)
Profit on disposal of subsidiaries, associates and joint ventures		3	
Gain on acquisition			92
Profit before tax	**791**	727	766
Balance sheet information			
Loans and advances to customers at amortised cost	**£ 26.6bn**	£ 26.5bn	£ 27.4bn
Total assets	**£ 30.3bn**	£ 30.3bn	£ 31.0bn
Risk weighted assets	**£ 31.9bn**	£ 30.6bn	£ 27.3bn

£4,024m

total income net of insurance claims

£791m

profit before tax

2009

Barclaycard profit before tax decreased 5% to £727m (2008: £766m). Strong income growth across the portfolio driven by increased lending, improved margins and foreign exchange gains, was offset by higher impairment charges, driven by the deterioration in the global economy in 2009.

International businesses profit before tax decreased 59% to £107m (2008: £261m) driven by the US business. Strong income growth driven by higher average extended credit balances was more than offset by impairment growth, especially in the US and South African businesses, and increased operating expenses. In the UK our businesses benefited from an improvement in margins and growth in average extended balances leading to income increasing 18% to £2,493m (2008: £2,114m). Income growth was partially offset by the growth in impairment as worsening economic conditions impacted delinquencies.

Income increased 25% to £4,041m (2008: £3,221m) reflecting strong growth across the portfolio, especially in the international businesses through higher extended credit balances, lower funding rates and the appreciation of the average values of the US Dollar and the Euro against Sterling.

Net interest income increased 52% to £2,723m (2008: £1,786m) driven by strong growth in international average extended credit card balances, up 52% to £7.9bn (2008: £5.2bn), and lower funding rates as margins improved to 8.97% (2008: 6.92%).

Net fee and commission income decreased 2% to £1,271m (2008: £1,299m) through lower volumes in FirstPlus due to the decision taken to stop writing new business in 2008 and lower volumes in the UK card portfolios partially offset by growth in the international businesses.

Investment income of £23m (2008: £80m) included a £20m gain from the sale of MasterCard shares (2008: £16m). Investment income in 2008 included a £64m gain from the Visa IPO.

Other income in 2008 included an £18m gain on the sale of a portfolio in the US.

Impairment charges increased 64% to £1,798m (2008: £1,097m). The rate of growth in the second half of 2009 was lower than that in the first half. Impairment charges in the international businesses increased £444m, driven by higher delinquencies due to deteriorating economic conditions growth in average receivables and the appreciation of the average values of the US Dollar and the Euro against Sterling. UK portfolio charges were higher as a result of rising delinquencies due to the economic deterioration, especially in the loan portfolios, and the inclusion of Goldfish in UK Cards.

Operating expenses increased 6% to £1,527m (2008: £1,447m), due to the appreciation in the average value of the US Dollar and the Euro against Sterling and growth in the portfolios including the acquisitions made in the UK, US and South Africa in 2008.

The purchase of Goldfish resulted in a gain on acquisition of £92m in 2008.

Total assets decreased 2% to £30.3bn (31st December 2008: £31.0bn) reflecting the depreciation in the US Dollar and Euro against Sterling, the decision to stop writing new business in FirstPlus and tighter lending criteria. Risk weighted assets increased 12% to £30.6bn (31st December 2008: £27.3bn) due to higher volumes and the impact of moving toward an advanced risk measurement methodology offset by favourable foreign exchange and lower secured lending balances in FirstPlus.

	2010	2009	2008
Performance Measures			
Return on average equity	**13%**	14%	n/a
Return on average tangible equity	**19%**	21%	n/a
Return on average risk weighted assets	**1.9%**	1.8%	n/a
Loan loss rate (bps)	**570**	604	n/a
1 month arrears rates UK cards	**3.4%**	4.2%	n/a
1 month arrears rates US cards	**4.6%**	6.1%	n/a
1 month arrears rates Absa cards	**4.9%**	6.7%	n/a
Cost: income ratio	**39%**	38%	45%
Cost: net income ratio	**67%**	68%	68%
Key Facts			
Number of Barclaycard UK customers	**11.2m**	10.4m	11.7m
Number of Barclaycard International customers	**10.5m**	10.8m	11.8m
Total number of Barclaycard customers	**21.7m**	21.2m	23.5m
UK credit cards average outstanding balances	**£11.2bn**	£10.8bn	£10.2bn
International average outstanding balances	**£9.7bn**	£9.7bn	£6.5bn
Total average outstanding balances	**£20.9bn**	£20.5bn	£16.7bn
UK credit cards average extended credit balances	**£8.8bn**	£8.5bn	£8.0.bn
International average extended credit balances	**£8.2bn**	£7.9bn	£5.2bn
Total average extended credit balances	**£17.0bn**	£16.4bn	£13.2bn
Loans average outstanding balances	**£5.5bn**	£6.0bn	£5.9bn
Number of retailer relationships	**87,000**	87,000	89,000

Financial review

Analysis of results by business continued

Global Retail Banking

Western Europe Retail Banking

Western Europe Retail Banking provides retail banking and credit card services in Spain, Italy, Portugal and France. The business is building a differentiated proposition providing banking services to retail and mass affluent customers through a variety of distribution channels.

Performance

2010

Western Europe Retail Banking incurred a loss before tax of £139m (2009: profit of £280m). The deterioration in performance was largely driven by the challenging economic environment and continued investment in the franchise. In addition, the 2009 result benefited notably from a £157m gain on the sale of 50% of Barclays Iberian life insurance and pensions business.

Income fell 12% to £1,164m (2009: £1,318m), due to lower net interest income and the 3% decline in the average value of the Euro against Sterling, partially offset by higher net fee and commission income.

Net interest income fell 22% to £679m (2009: £868m), mainly reflecting a decline in treasury interest income and continued underlying liability margin compression due to the highly competitive market, partially offset by the benefit from growth in credit cards. As a result, the net interest margin reduced to 116bps (2009: 166bps). The risk adjusted net interest margin fell to 62bps (2009: 102bps).

Net fee and commission income increased 20% to £421m (2009: £352m). The growth reflects the investment in the network in previous years and the growth in the credit card business.

Net premiums from insurance contracts decreased 12% to £479m (2009: £544m) and net claims and benefits fell correspondingly 11% to £511m (2009: £572m).

Despite the challenging economic conditions, impairment charges improved 7% to £314m (2009: £338m) reflecting focused credit risk management. Delinquency trends improved with the overall 30-day delinquency rate falling to 1.8% (2009: 2.1%).

Operating expenses increased 16% to £1,033m (2009: £887m) due to investment in developing the franchise, in Portugal and Italy in particular, with a net increase of 101 distribution points in 2010, and costs associated with the expansion of the credit card businesses in these countries.

The £29m gain on acquisition was generated on the purchase of Citigroup s Italian card business in March 2010. This resulted in the addition of approximately 200,000 customers and loans and advances to customers of £0.2bn. The £26m gain in 2009 arose on the acquisition of Citigroup s Portuguese card business.

Loans and advances to customers increased 6% to £43.4bn (2009: £41.1bn) and customer accounts increased 7% to £18.9bn (2009: £17.6bn) due to continued growth in the businesses more than offsetting the negative impact of the value of the Euro against Sterling. Risk weighted assets increased 3% to £17.3bn (2009: £16.8bn) in line with the growth in loans and advances to customers.

Negative returns on average equity, average tangible equity and average risk weighted assets in 2010 were the result of the deterioration in profitability.

Customer numbers increased 13% to 2.7 million (2009: 2.4 million) reflecting the growth in the underlying business and the benefit of the purchase of Citigroup s Italian cards business.

	2010 **£m**	2009 £m	2008 £m
Income statement information			
Net interest income	**679**	868	642
Net fee and commission income	**421**	352	327
Net trading income	**20**	14	4
Net investment income	**67**	118	161
Net premiums from insurance contracts	**479**	544	352
Other income/(loss)	**9**	(6)	38
Total income	**1,675**	1,890	1,524
Net claims and benefits incurred under insurance contracts	**(511)**	(572)	(365)
Total income net of insurance claims	**1,164**	1,318	1,159
Impairment charges and other credit provisions	**(314)**	(338)	(172)
Net income	**850**	980	987
Operating expenses excluding amortisation of intangible assets	**(1,001)**	(865)	(794)
Amortisation of intangible assets	**(32)**	(22)	(13)
Operating expenses	**(1,033)**	(887)	(807)
Share of post-tax results of associates and joint ventures	**15**	4	
Profit on disposal of subsidiaries, associates and joint ventures		157	
Gains on acquisition	**29**	26	52
(Loss)/profit before tax	**(139)**	280	232
Balance sheet information			
Loans and advances to customers at amortised cost	**£ 43.4bn**	£ 41.1bn	£ 42.1bn
Customer accounts	**£ 18.9bn**	£ 17.6bn	£ 13.2bn
Total assets	**£ 53.6bn**	£ 51.0bn	£ 52.0bn
Risk weighted assets	**£ 17.3bn**	£ 16.8bn	£ 19.3bn

£1,164m

total income net of insurance claims

£139m

loss before tax

2009

Western Europe Retail Banking profit before tax increased 21% to £280m (2008: £232m) despite a very challenging macroeconomic environment across all geographies, particularly Spain. The results included a gain of £157m on the sale of 50% of Barclays Vida y Pensiones Compañía de Seguros, Barclays Iberian life insurance and pensions business and a restructuring charge of £24m largely concentrated in Spain. All businesses traded profitably. Profit before tax was favourably impacted by the 13% appreciation in the average value of the Euro against Sterling.

Income increased across all countries, improving 14% to £1,318m (2008: £1,159m) driven by the appreciation of the Euro and the significant expansion in the distribution network in 2007 and 2008. The number of distribution points increased to 1,262 (31st December 2008: 1,140) reflecting further selected organic growth and development of the franchise.

Net interest income increased 35% to £868m (2008: £642m). The increase was principally driven by strong growth in customer deposits of 33% to £17.6bn (2008: £13.2bn), an improvement in the customer assets margin to 1.31% (2008: 1.21%) and an increase in treasury interest income. This was partially offset by competitive pressures on liability margin compression.

Net fee and commission income increased 8% to £352m (2008: £327m), generated from asset management and insurance product lines.

Net Investment income fell 27% to £118m (2008: £161m), mainly due to the non-recurrence of the gains from both the Visa IPO (2008: £65m) and the sale of shares in MasterCard (2008: £17m), partially offset by profit on the sale of Government backed bonds.

Net premiums from insurance contracts increased to £544m (2008: £352m) reflecting growth in the life assurance business. Net claims and benefits incurred increased correspondingly to £572m (2008: £365m).

Impairment charges increased to £338m (2008: £172m), principally due to higher impairment in Spain.

Operating expenses increased 10% to £887m (2008: £807m) due to the continued expansion of the Italian and Portuguese networks and restructuring charges of £24m. Underlying costs were tightly controlled.

In September 2009, Barclays established a long-term life insurance joint venture in Spain, Portugal and Italy with CNP Assurances SA (CNP). As part of this transaction Barclays sold a 50% stake in Barclays Vida y Pensiones Compañía de Seguros to CNP. The transaction gave rise to a gain of £157 m. Barclays share of the results of the joint venture with CNP are reported within share of post-tax results of associates and joint ventures.

Barclays acquired the Citigroup cards business in Portugal in December 2009. This resulted in the acquisition of approximately 400,000 customers and loans and advances to customers of £550m. The transaction generated a gain on acquisition of £26m.

Total assets remained stable at £51.0bn (2008: £52.0bn), as underlying asset growth was offset by depreciation in the period end value of the Euro against Sterling. Risk weighted assets decreased 13% to £16.8bn (2008: £19.3bn) driven by active management and the migration of certain retail portfolios onto the advanced credit risk approach.

	2010	2009	2008
Performance Measures			
Return on average equity [a]	**(0.2%)**	10%	n/a
Return on average tangible equity [a]	**(0.3%)**	13%	n/a
Return on average risk weighted assets [a]	**0.0%**	1.2%	n/a
Loan loss rate (bps)	**71**	80	n/a
Cost: income ratio	**89%**	67%	70%
Cost: net income ratio	**122%**	91%	82%
Key Facts			
Number of customers	**2.7m**	2.4m	2.1m
Number of branches	**1,120**	1,094	961
Number of sales centres	**243**	168	179
Number of distribution points	**1,363**	1,262	1,140

Note

a 2010 return on average equity, return on average tangible equity and return on average risk weighted assets reflect a deferred tax benefit of £205m.

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Financial review

Analysis of results by business continued

Global Retail Banking

Barclays Africa

Barclays Africa provides retail, corporate and credit card services across Africa and the Indian Ocean. It provides tailored banking (including mobile banking and Sharia- compliant products) to over 2.7m customers and has a top 3 position in 8 of the 10 countries in which we operate.

Performance

2010

Barclays Africa profit before tax increased 81% to £188m (2009: £104m). 2010 included a one-off gain of £77m from the sale of the custody business to Standard Chartered Bank which was partially offset by £40m of restructuring costs. Prior year results included a one-off gain of £24m from the sale of shares in Barclays Bank of Botswana Limited. Excluding these one-off items, profit before tax increased 89% to £151m (2009: £80m).

Income increased 8% to £801m (2009: £739m) as a result of improvement across major income categories.

Net interest income increased 7% to £533m (2009: £498m) and the net interest margin increased to 507bps (2009: 460bps). The asset margin improved to 697bps (2009: 575bps) primarily driven by a reduction in

funding costs and changes in business mix. The liability margin decreased to 263bps (2009: 270bps) due to margin compression.

Net fee and commission income increased 10% to £195m (2009: £178m) primarily driven by growth in retail fee income.

Net trading income increased 24% to £67m (2009: £54m) driven by treasury securities sales in Ghana, Kenya and Zambia.

Impairment charges decreased 32% to £82m (2009: £121m) with impairment charges on the retail portfolio decreasing 39% to £54m (2009: £88m) as a result of a better economic environment and improved collections. The retail portfolio 30-day delinquency rate decreased to 2.2% (2009: 2.7%).

Operating expenses increased 13% to £608m (2009: £538m) reflecting £40m of restructuring costs to facilitate the consolidation of operations and infrastructure, and an increase in staff-related costs.

Customer deposits increased 9% to £7.0bn (2009: £6.4bn). Total assets remained flat at £7.9bn (2009: £7.9bn) and risk weighted assets increased 5% to £8.0bn (2009: £7.6bn) reflecting changes in the business mix.

Significant improvements in return on average equity to 20% (2009: 8%), return on average tangible equity 22% (2009: 9%) and return on average risk weighted assets to 2.2% (2009: 1.0%) were due to improved franchise profitability achieved with moderate growth in risk weighted assets.

	2010	2009	2008
	£m	£m	£m
Income statement information			
Net interest income	**533**	498	405
Net fee and commission income	**195**	178	162
Net trading income	**67**	54	70
Net investment (loss)/income	**(1)**	7	87
Other income	**7**	2	2
Total income	**801**	739	726
Impairment charges and other credit provisions	**(82)**	(121)	(71)
Net income	**719**	618	655
Operating expenses excluding amortisation of intangible assets	**(600)**	(533)	(472)
Amortisation of intangible assets	**(8)**	(5)	(3)
Operating expenses	**(608)**	(538)	(475)
Profit on disposal of subsidiaries, associates and joint ventures	**77**	24	
Profit before tax	**188**	104	180
Balance sheet information			
Loans and advances to customers at amortised cost	**£ 3.6bn**	£ 3.9bn	£ 5.0bn
Customer accounts	**£ 7.0bn**	£ 6.4bn	£ 7.3bn
Total assets	**£ 7.9bn**	£ 7.9bn	£ 8.5bn
Risk weighted assets	**£ 8.0bn**	£ 7.6bn	£ 8.7bn

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£801m

total income

£188m

profit before tax

2009

Profit before tax for Barclays Africa decreased 42% to £104m (2008: £180m) primarily due to the allocation of gains from the Visa IPO and sale of shares in MasterCard during 2008.

Income increased 2% to £739m (2008: £726m). After adjusting for one-off gain of £65m from the Visa IPO and sale of shares in MasterCard during 2008, underlying income increased 12% due to strong business growth in Egypt, Botswana and Zambia.

Net interest income increased 23% to £498m (2008: £405m) driven by the increase in interest margins. The assets margin increased to 575bps (2008: 464bps) mainly due to lower funding costs. The liabilities margin increased to 270bps (2008: 233bps) mainly driven by customer pricing.

Net fee and commission income increased 10% to £178m (2008: £162m) primarily driven by growth in retail fee income.

Net Investment income decreased £80m to £7m (2008: £87m). 2008 included a gain of £65m from the sale of shares in MasterCard and Visa.

Impairment charges increased to £121m (2008: £71m) reflecting the impact of the economic recession across the business with continued pressure on default rates.

Operating expenses increased 13% to £538m (2008: £475m) reflecting continued investment in infrastructure across markets.

Profit on disposal of subsidiaries, associates and joint ventures of £24m represented the sale of a 7% stake in the Barclays Africa Botswana business. The residual holding of Barclays in Barclays Bank of Botswana Limited following the sale is 68%.

Total assets decreased 7% to £7.9bn (2008: £8.5bn), and risk weighted assets decreased 13% to £7.6bn (2008: £8.7bn) due to the business pro-actively managing down portfolio exposures driven by a realignment of lending strategy in light of the economic downturn and the impact of exchange rate movements.

	2010	2009	2008
Performance Measures			
Return on average equity	**20%**	8%	n/a
Return on average tangible equity	**22%**	9%	n/a
Return on average risk weighted assets	**2.2%**	1.0%	n/a
Loan loss rate (bps)	**186**	252	n/a
Cost: income ratio	**76%**	73%	65%
Cost: net income ratio	**85%**	87%	73%
Key Facts			
Number of customers	**2.7m**	2.8m	2.6m
Number of branches	**481**	490	484
Number of sales centres	**55**	83	169
Number of distribution points	**536**	573	653

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Financial review

Analysis of results by business continued

Absa

Absa provides a full range of retail banking services and insurance products through a variety of distribution channels. It also offers customised business solutions for commercial and large corporate customers. It is part of one of South Africa s largest financial services organisations.

2010

Impact of Absa Group Limited on Barclays results

Absa Group Limited profit before tax of R11,851m (2009: R9,842m), an increase of 20%, is translated in Barclays results at an average exchange rate of R11.31/£ (2009: R13.14/£), a 16% appreciation in the average value of the Rand against Sterling. Consolidation adjustments reflected the amortisation of intangible assets of £69m (2009: £61m) and internal funding and other adjustments of £52m (2009: £83m). The resulting profit before tax of £927m (2009: £605m) is included within the following Barclays business segments: Absa £616m (2009: £528m), Barclays Capital £136m (2009: £16m loss), Barclaycard £176m (2009: £95m) and Barclays Wealth £1m loss (2009: £2m loss).

Absa Group Limited s total assets were R716.5bn (2009: R710.8bn), an increase of 1%. This is translated into Barclays results at a year-end exchange rate of R10.26/£ (2009: R11.97/£).

Performance

Absa profit before tax increased 17% to £616m (2009: £528m) mainly as a result of the 16% appreciation in the average value of the Rand against Sterling. In Rand terms, income declined 1% with 10% cost growth, offset by 26% lower impairments.

Income increased 14% to £2,899m (2009: £2,553m) primarily reflecting the impact of exchange rate movements.

Net interest income improved 15% to £1,500m (2009: £1,300m) reflecting the appreciation in the average value of the Rand against Sterling. Average customer assets increased 15% to £37.4bn (2009: £32.5bn) driven by the

appreciation of the Rand. In Rand terms, retail loans and commercial mortgages remained stable as personal loans increased while cheque, instalment finance and commercial property finance balances showed a decline as a result of a slower take up of new loans by customers. The asset margin increased to 272bps (2009: 268bps) as a result of the pricing of new loans and a change in the product mix as higher margin products grew faster than low margin products. Average customer liabilities increased 21% to £21.1bn (2009: £17.4bn), primarily driven by the appreciation of the Rand. In Rand terms, retail and commercial deposits increased by 4.1% and 7.4% respectively. The liability margin decreased to 240bps (2009: 243bps) as a result of significant competition for deposits. Absa s hedging programme partly offset the impact of lower interest rates.

Net fee and commission income increased 19% to £1,123m (2009: £943m), mainly reflecting the impact of exchange rate movements and volume growth.

Net investment income decreased to £59m (2009: £128m) reflecting prior year gains of £17m from the sale of shares in MasterCard and an adverse impact of the mark to market adjustment on Visa of £12m (2009: gain of £19m). Net premiums from insurance contracts increased 36% to £399m (2009: £294m) reflecting good growth in new business in life and short-term insurance in addition to the impact of exchange rate movements. Other income decreased to £47m (2009: £64m) reflecting lower profits on the sale of repossessed properties and lower mark to market adjustments on investment property portfolios.

Impairment charges decreased by 15% to £480m (2009: £567m) mainly as a result of the 26% lower impairments in Rand terms, particularly in retail, due to an improving economy.

Operating expenses increased 25% to £1,810m (2009: £1,451m) due to exchange rate movements and continued investment in growth initiatives, partially offset by a one-off credit of £54m relating to the Group s recognition of a pension fund surplus. The cost: income ratio deteriorated to 62% from 57%.

Total assets increased 14% to £52.4bn (2009: £45.8bn) mostly due to the impact of exchange rate movements. Risk weighted assets increased 42%

	2010	2009	2008
	£m	£m	£m
Income statement information			
Net interest income	**1,500**	1,300	1,104
Net fee and commission income	**1,123**	943	762
Net trading (loss)/income	**(14)**	(5)	6
Net investment income	**59**	128	105
Net premiums from insurance contracts	**399**	294	234
Other income	**47**	64	102
Total income	**3,114**	2,724	2,313
Net claims and benefits incurred under insurance contracts	**(215)**	(171)	(126)
Total income net of insurance claims	**2,899**	2,553	2,187
Impairment charges and other credit provisions	**(480)**	(567)	(347)
Net income	**2,419**	1,986	1,840
Operating expenses excluding amortisation of intangible assets	**(1,753)**	(1,400)	(1,233)
Amortisation of intangible assets	**(57)**	(51)	(50)
Operating expenses	**(1,810)**	(1,451)	(1,283)
Share of post-tax results of associates and joint ventures	**3**	(4)	5
Profit/(loss) on disposal of subsidiaries, associates and joint ventures	**4**	(3)	1
Profit before tax	**616**	528	563
Balance Sheet Information			
Loans and advances to customers at amortised cost	**£41.8bn**	£36.4bn	£32.7bn
Customer accounts	**£24.3bn**	£19.7bn	£17.0bn
Total assets	**£52.4bn**	£45.8bn	£40.3bn
Risk weighted assets	**£30.4bn**	£21.4bn	£18.8bn

£2,899m

total income net of insurance claims

£616m

profit before tax

to £30.4bn (2009: £21.4bn), due to the impact of exchange rate movements, enhancements to the retail model and wholesale credit remediation plan.

Return on average equity increased 1% as the improved profit before tax more than offset the increased allocation of equity from the Group which, in turn, reflected an increase in risk weighted assets. This increase led to a decline in the return on average risk weighted assets. Return on average tangible equity decreased due to the effect of the equity allocation and an increase in non-controlling interests.

2009

Impact of Absa Group Limited on Barclays results

Absa Group Limited profit before tax of R9,842m (2008: R15,305m), a decrease of 36%, is translated in Barclays results at an average exchange rate of R13.14/£ (2008: R15.17/£), a 15% appreciation in the average value of the Rand against Sterling. Consolidation adjustments reflected the amortisation of intangible assets of £61m (2008: £58m) and internal funding and other adjustments of £83m (2008: £155m). The resulting profit before tax of £605m (2008: £796m) is represented within the Barclays Group business segments as follows: Absa £528m (2008: £563m), Barclays Capital £16m loss (2008: £175m profit), Barclaycard £95m (2008: £58m) and Barclays Wealth £2m loss (2008: £nil).

Absa Group Limited s total assets were R710.8bn (2008: R773.3bn), a decline of 8%. This is translated into Barclays results at a period-end exchange rate of R11.97/£ (2008: R13.74/£).

Performance

Profit before tax decreased 6% to £528m (2008: £563m) owing to challenging market conditions. Modest Rand income growth and tight cost control were offset by increased impairment.

Income increased 17% to £2,553m (2008: £2,187m) predominantly reflecting the impact of exchange rate movements.

Net interest income improved 18% to £1,300m (2008: £1,104m) reflecting the appreciation in the average value of the Rand against Sterling and modest balance sheet growth. Average customer assets increased 17% to £32.5bn (2008: £27.7bn) driven by appreciation of the Rand against

Sterling and modest growth in loans and advances. Retail and commercial mortgages remained relatively flat in 2009 while instalment finance showed a slight decline with the run-off outweighing new sales. The assets margin decreased to 268bps (2008: 279bps) as a result of the higher cost of wholesale funding and significant reductions in interest recognised on delinquent accounts. Average customer deposits increased 29% to £17.4bn (2008: £13.5bn), primarily driven by the appreciation of the Rand and the increase in the number of customers. Retail and commercial deposits increased 3.9% and 4.6% respectively. The liabilities margin was down to 243bps (2008: 306bps) reflecting stronger growth in lower margin retail deposits, pricing pressure from competitors and the impact of margin compression due to the decrease in interest rates.

Net fee and commission increased 24% to £943m (2008: £762m), reflecting pricing increases, volume growth and the impact of exchange rate movements.

Net investment income increased to £128m (2008: £105m) reflecting the impact of exchange rate movements and gains of £17m from the sale of shares in MasterCard, slightly offset by lower gains on economic hedges. Net premiums from insurance contracts increased 26% to £294m (2008: £234m) reflecting volume growth in short-term insurance contracts and the impact of exchange rate movements. Other income decreased to £64m (2008: £102m) reflecting the non-recurrence of the gain of £46m recorded on the Visa IPO in 2008.

Impairment charges increased to £567m (2008: £347m) due to high delinquency levels in the retail portfolios as a result of continued consumer indebtedness, despite the decline in interest and inflation rates during the first half of the year. There was a slight improvement in impairment ratios in the second half of 2009.

Operating expenses increased 13% to £1,451m (2008: £1,283m) reflecting the impact of exchange rate movements. Costs were tightly controlled in Rand.

Total assets increased 14% to £45.8bn (2008: £40.3bn) and risk weighted assets increased 14% to £21.4bn (2008: £18.8bn), reflecting the impact of exchange rate movements.

	2010	2009	2008
Performance Measures			
Return on average equity [a]	**11%**	10%	n/a
Return on average tangible equity [b]	**20%**	24%	n/a
Return on average risk weighted assets	**1.7%**	1.9%	n/a
Loan loss rate (bps)	**112**	152	n/a
Cost: income ratio	**62%**	57%	59%
Cost: net income ratio	**75%**	73%	70%
Key Facts			
Number of corporate customers	**83,000**	89,000	107,000
Number of retail customers	**11.6m**	11.4m	10.4m
Number of ATMs	**8,578**	8,560	8,719
Number of branches	**840**	857	877
Number of sales centres	**167**	205	300
Number of distribution points	**1,007**	1,062	1,177

Notes

a The return on average equity differs from the return on equity reported by Absa Group Ltd of 15.1% as the latter does not include goodwill arising from Barclays acquisition of Absa and does include other Absa Group businesses that Barclays Group reports within Barclaycard, Barclays Capital and Barclays Wealth.

b Including non-controlling interests

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Analysis of results by business continued

Barclays Capital

Barclays Capital is the investment banking division of Barclays. It provides large corporate, government and institutional clients with a full spectrum of solutions to meet their strategic advisory, financing and risk management needs. Barclays Capital has a global presence providing advisory services and distribution power to meet the needs of issuers and investors worldwide.

Performance

2010

Barclays Capital profit before tax increased to £4,780m (2009: £2,464m). Excluding own credit, profit before tax increased 2% to £4,389m (2009: £4,284m). Top-line income of £13,333m (2009: £17,862m) was down 25% on the very strong prior year performance, reflecting a more challenging market environment. Top-line income in the fourth quarter of 2010 was £3,380m, up 20% on the third quarter of 2010 reflecting higher activity levels and contributions from Equities and Prime Services up 74% and Investment Banking up 45%. Fourth quarter FICC top-line income, which benefited from non-recurring gains, was broadly in line with the prior quarter with higher contributions from Rates, Currency and Commodities. Net income for 2010, excluding an own credit gain of £391m (2009: loss of £1,820m), increased 17% to £12,666m (2009: £10,854m). There was a significant reduction both in credit market losses taken through income to £124m (2009: £4,417m) and in impairment charges to £543m (2009: £2,591m).

Income increased 17% to £13,600m (2009: £11,625m). The impact on top-line income of difficult trading conditions from the second quarter onwards was more than offset by the significant reduction of credit market losses in income and the impact of the gain in own credit in 2010. Fixed Income, Currency and Commodities top-line income declined 35% to £8,811m (2009: £13,652m), reflecting lower contributions particularly from Rates and Commodities. Higher funding costs also led to a reduction in net

interest income. Equities and Prime Services decreased 6% to £2,040m (2009: £2,165m) due to the subdued market activity in European equity derivatives, partially offset by improved client flow in cash equities and equity financing, as the benefits of the build-out of the cash equities business started to come through. Investment Banking, which comprises advisory businesses and equity and debt underwriting, increased 3% to £2,243m (2009: £2,188m) as a result of continued growth in banking activities. Fee and commission income increased 12% to £3,347m (2009: £3,001m) across Investment Banking and Equities with a higher contribution from Asia. Principal Investments generated income of £239m (2009: loss of £143m) which contributed to the increase in net investment income to £752m (2009: loss of £164m) in addition to an increase in income from the disposal of available for sale assets and a reduction in fair value losses on assets held at fair value.

Impairment charges of £543m (2009: £2,591m) included credit market impairment of £621m (2009: £1,669m) primarily relating to the difference between the carrying value of the Protium loan and the fair value of the underlying assets supporting the loan which follows a reassessment of the expected realisation period. Non-credit market related impairment was a release of £78m (2009: charge of £922m).

Operating expenses increased 26% to £8,295m (2009: £6,592m) which largely reflected investment in our sales, origination, trading and research activities, increased charges relating to prior year compensation deferrals and restructuring costs. Excluding the impact of own credit, the cost: net income ratio was 65% (2009: 61%) and compensation costs represented 43% of income (2009: 33%).

Total assets increased 7% to £1,095bn (2009: £1,019bn). The increase reflected the net depreciation in the value of Sterling relative to other currencies in which our assets are denominated, growth in reverse repurchase trading and an increase in the liquidity pool to £154bn (2009: £127bn). Assets contributing to adjusted gross leverage increased 8% to £668bn (2009: £618bn). Risk weighted assets increased 6% to £191bn (2009: £181bn) due to changes in methodology and the impact of foreign exchange rate movements, offset by reductions resulting from capital

	2010 £m	2009 £m	2008 £m
Income statement information			
Net interest income	**1,121**	1,598	1,724
Net fee and commission income	**3,347**	3,001	1,429
Net trading income	**8,377**	7,185	1,506
Net investment income/(loss)	**752**	(164)	559
Other income	**3**	5	13
Total income	**13,600**	11,625	5,231
Impairment charges and other credit provisions	**(543)**	(2,591)	(2,423)
Net income	**13,057**	9,034	2,808
Operating expenses excluding amortisation of intangible assets	**(8,151)**	(6,406)	(3,682)
Amortisation of intangible assets	**(144)**	(186)	(92)
Operating expenses	**(8,295)**	(6,592)	(3,774)
Share of post-tax results of associates and joint ventures	**18**	22	6
Gains on acquisitions			2,262
Profit before tax	**4,780**	2,464	1,302
Profit/(loss) before tax (excluding own credit)	**4,389**	4,284	(361)
Balance sheet information			
Loans and advances to banks and customers at amortised cost	**£149.7bn**	£162.6bn	£206.8bn
Total assets	**£1,094.8bn**	£1,019.1bn	£1,629.1bn
Assets contributing to adjusted gross leverage [a]	**£668.1bn**	£618.2bn	£681.0bn
Risk weighted assets	**£191.3bn**	£181.1bn	£227.4bn
Liquidity pool	**£154bn**	£127bn	£43bn

Note

a 31st December 2010 uses a revised definition.

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£13,600m

total income

£4,780m

profit before tax

management efficiencies. Return on average equity increased to 16% (2009: 9%), return on average tangible equity increased to 17% (2009: 9%) and return on average risk weighted assets increased to 1.6% (2009: 0.8%) reflecting a significant increase in profit before tax. Average DVaR decreased to £53m (2009: £77m), due to lower client activity. Spot DVaR at 31st December 2010 reduced to £48m (2009: £55m).

2009

Barclays Capital profit before tax increased 89% to £2,464m (2008: £1,302m). The substantial increase in income and profit reflected very strong performances in the UK and Europe, and a transformation in the scale and service offering in the US through the integration of the Lehman Brothers North American businesses acquired in September 2008. Profit before tax was struck after credit market write downs of £6,086m (2008: £8,053m), including £4,417m credit market losses (2008: £6,290m) and £1,669m of impairment (2008: £1,763m). The loss on own credit was £1,820m (2008: £1,663m gain).

Income of £11,625m was up 122% (2008: £5,231m), reflecting excellent growth across the client franchise. Top-line income increased 81% to £17,862m (2008: £9,858m). Fixed Income, Currency and Commodities increased 75% and drove the strong increase in trading income following the expansion of the business and the associated increase in client flows. Equities and Prime Services increased 202% driven by the acquisition of the Lehman Brothers North American businesses with particularly strong performances in cash equities and equity derivatives. Investment Banking more than doubled to £2,188m (2008: £1,053m) driven by origination and advisory activity. The cash equity business, along with Investment Banking, drove a significant rise in fee and commission income. Losses in Principal Investments of £143m (2008: income of £299m) contributed to the overall net investment loss of £164m (2008: income of £559m).

Impairment charges of £2,591m (2008: £2,423m) included credit market impairment of £1,669m (2008: £1,763m). Non-credit market related impairment of £922m (2008: £660m) principally related to charges in the portfolio management, global loans and principal investment businesses. Impairment charges declined significantly in the second half of 2009.

Operating expenses increased 75% to £6,592m (2008: £3,774m), reflecting the inclusion of the acquired Lehman business. Compensation costs represented 38% of income, a reduction of 6 percentage points compared to 2008.

Total assets reduced 37% to £1,019.1bn (2008: £1,629.1bn) primarily as a result of derivative balances. There were further reductions in the trading portfolio and lending as well as depreciation in the value of other currencies relative to Sterling. These reductions contributed to an overall decrease of 9% in assets contributing to adjusted gross leverage to £618.2bn (2008: £681.0bn). Risk weighted assets reduced 20% to £181.1bn (2008: £227.4bn) following the reductions in the balance sheet, reclassification of certain securitisation assets to capital deductions and depreciation on the value of other currencies against Sterling, partially offset by a deterioration in credit conditions which increased probabilities of default.

Analysis of Total Income	Year ended 31st December		
	2010	2009	2008
	£m	£m	£m
Fixed Income, Currency and Commodities	**8,811**	13,652	7,789

Equities and Prime Services	**2,040**	2,165	717
Investment Banking	**2,243**	2,188	1,053
Principal Investments	**239**	(143)	299
Top-line income	**13,333**	17,862	9,858
Credit market losses in income	**(124)**	(4,417)	(6,290)
Total income (excluding own credit)	**13,209**	13,445	3,568
Own credit	**391**	(1,820)	1,663
Total Income	**13,600**	11,625	5,231

	2010	2009	2008
Performance Measures			
Return on average equity	**16%**	9%	n/a
Return on average tangible equity	**17%**	9%	n/a
Return on average risk weighted assets	**1.6%**	0.8%	n/a
Loan loss rate (bps)	**42**	115	n/a
Cost: income ratio	**61%**	57%	72%
Cost: net income ratio	**64%**	73%	134%
Cost: net income ratio (excluding own credit)	**65%**	61%	n/a
Compensation: income ratio (excluding own credit)	**43%**	33%	44%
Other Financial Measures			
Average DVaR (95%)	**£53m**	£77m	£53m
Average income per employee (000s)	**£548**	£515	£281

Financial review

Analysis of results by business continued

Barclays Corporate

Barclays Corporate provides integrated banking solutions to large corporates, financial institutions and multinationals in the UK & Ireland, Continental Europe and New Markets.

Performance

2010

Barclays Corporate recorded a loss before tax of £631m (2009: profit of £157m). An improvement in the result of the profitable UK & Ireland business was more than offset by increased losses in Continental Europe, notably Spain, and New Markets.

Profit before tax in the UK & Ireland increased 16% to £851m. Performance was primarily driven by significantly reduced impairment. Loss before tax in Continental Europe increased £728m to a loss of £870m mainly due to impairments on property and construction exposures in Spain. New Markets recorded a loss before tax of £612m (2009: £433m loss) reflecting the write down of the £243m goodwill relating to Barclays Bank Russia and restructuring costs totalling £119m, including £25m relating to restructuring of the Russian business. These were partially offset by a substantial reduction in impairment charges and tight control of operating expenses.

Total income decreased 7% to £2,974m mainly as a result of lower treasury management income and reduced risk appetite outside the UK. Excluding the 2009 gains on buy-backs of securitised debt of £85m and fair value adjustments in 2010, UK income remained resilient.

Net interest income fell 4% to £2,004m (2009: £2,083m) reflecting lower treasury management income and higher funding charges in Continental Europe and reduced average asset balances in New Markets. UK & Ireland net interest income increased 3% (£36m), with higher deposit income reflecting strong growth in balances, offset by reduced demand for lending and higher funding costs. Barclays Corporate net interest margin decreased 12bps to 153bps (2009: 165bps).

Non-interest related income decreased 12% to £970m. Net fees and commissions fell 9% to £910m (2009: £1,002m) driven by lower debt fees and treasury income.

Net trading income increased to £80m (2009: £18m) mainly as a result of loan fair value adjustments in the UK. Net investment loss decreased to £32m (2009: £46m) reflecting reduced write downs in venture capital investments.

Other income decreased to £12m (2009: £39m) due to lower operating lease income.

Impairment charges increased to £1,696m (2009: £1,558m), primarily in Spain where a £630m increase to £898m was driven by depressed market conditions in the property and construction sector, including some significant single name cases. This was partly offset by an improvement of £302m in UK & Ireland reflecting lower default rates and fewer insolvencies; and an improvement in New Markets of £206m, including £130m in the retail book. Loan loss rates increased to 226bps (2009: 211bps).

Operating expenses grew 30% to £1,907m (2009: £1,466m), reflecting the write down of the £243m of goodwill relating to Barclays Bank Russia and associated restructuring costs of £25m, as well as previously announced restructuring costs of £94m in other geographies within New Markets (predominantly relating to Indonesia), higher pension costs in the UK, and increased investment spend as Barclays Corporate continues to invest in its infrastructure to deliver leading product and superior client service capabilities.

Total average lending fell 8% to £69.8bn (2009: £75.7bn). In the UK, this was due to reduced utilisation of overdraft facilities and reduced demand in asset based lending. There was strong growth in total average customer accounts which grew 21% to £60.9bn, mostly within the UK & Ireland, as a result of significant increases in current account balances and deposits benefiting from product innovation. As a result, the balance between loans and deposits, including banks, in the UK & Ireland moved by £8bn to surplus deposits of £2.4bn.

Risk weighted assets fell 8% to £70.8bn (2009: £76.9bn) reflecting lower levels of customer assets across the business and improvements in the credit quality of the UK portfolio.

	2010	2009	2008
	£m	£m	£m
Income statement information			
Net interest income	**2,004**	2,083	1,934
Net fee and commission income	**910**	1,002	904
Net trading income	**80**	18	11
Net investment income/(loss)	**(32)**	(46)	23
Gains on debt buy-backs and extinguishments		85	
Other income	**12**	39	120
Total income	**2,974**	3,181	2,992
Impairment charges and other credit provisions	**(1,696)**	(1,558)	(593)
Net income	**1,278**	1,623	2,399
Operating expenses excluding amortisation of intangible assets and goodwill impairment	**(1,616)**	(1,430)	(1,310)
Amortisation of intangible assets	**(48)**	(36)	(19)
Goodwill impairment	**(243)**		
Operating expenses	**(1,907)**	(1,466)	(1,329)
Share of post-tax results of associates and joint ventures	**(2)**		(2)
(Loss)/profit before tax	**(631)**	157	1,068
Balance sheet information			
Loans and advances to customers at amortised cost	**£65.7bn**	£70.7bn	£79.8bn
Loans and advances to customers at fair value	**£14.4bn**	£13.1bn	£13.0bn
Customer accounts	**£71.0bn**	£66.3bn	£60.9bn
Total assets	**£85.7bn**	£88.8bn	£98.5bn
Risk weighted assets	**£70.8bn**	£76.9bn	£82.8bn

£2,974m

total income

£631m

loss before tax

Negative returns on average equity, average tangible equity and average risk weighted assets in 2010 were the result of the increased losses in Continental Europe and New Markets, which more than offset the improved profitability of UK & Ireland.

2009

Barclays Corporate recorded a profit before tax of £157m (2008: £1,068m). Profits in the UK & Ireland were partially offset by losses within Continental Europe and New Markets.

Profit before tax in the UK & Ireland decreased by 31% to £732m. Performance was primarily driven by significantly increased impairment charges. Profit before tax in Continental Europe decreased by £195m to a loss of £142m driven by impairment on property exposures in Spain partially offset by strong income growth across all countries. New Markets recorded a loss before tax of £433m (2008: £49m loss) reflecting significantly increased impairment charges and continued investment across the business.

Total income increased 6% to £3,181m reflecting strong performance from net fees and commissions offsetting lower net investment income in the UK. In Continental Europe and New Markets income increased significantly due to exceptionally strong growth in net interest income.

Net interest income increased 8% to £2,083m (2008: £1,934m) reflecting an improvement in asset margins of 11bps to 165bps (2008: 154bps). Deposit margin fell 27 bps to 1.10% (2008: 1.37%) reflecting the fall in UK base rate and margin compression in Continental Europe. UK & Ireland net interest income was steady, with the benefit of increased average lending balances and higher deposit volumes offset by margin compression in the deposit book of £171m. Continental Europe net interest income increased 25% while New Markets increased by 26%.

Non-interest related income increased 4% to £1,098m. Net fees and commissions increased 11% to £1,002m (2008: £904m) driven by debt fees, trade guarantees and other fee income.

Net trading income increased to £18m (2008: £11m) and net investment income decreased to a loss of £46m (2008: profit of £23m) as a result of investment write downs and fewer opportunities for equity realisation within the current market environment.

Other income grew 3% to £124m (2008: £120m) reflecting increased income from the repurchase of securitised debt issued of £85m (2008: £24m), partially offset by lower rental income from operating leases of £21m (2008: £29m). 2008 income included a £39m gain from the restructuring of Barclays interest in a third-party finance operation.

Impairment charges increased to £1,558m (2008: £593m) reflecting worsening economic conditions across all areas. UK impairment significantly deteriorated reflecting the impact of the economic recession, continued pressure on corporate liquidity, rising default rates and lower asset values. Continental Europe impairment is primarily driven by an increased charge in Spain reflecting depressed market conditions in the property and construction sector. New Markets impairment was mainly driven by India and UAE reflecting challenging economic conditions.

Operating expenses grew 10% to £1,466m (2008: £1,329m), reflecting continued investment in New Markets and business expansion in Continental Europe. UK costs fell 4% driven by tightly managed discretionary costs and a £94m one-off credit for the closure of the UK final salary pensions scheme partially offset by an increase in pension costs of £65m and the non-recurrence of property credits.

Total average lending grew 6% to £75.7bn (2008: £71.5bn) reflecting our continuing commitment to lend to viable business in the UK, along with business expansion outside the UK. Total average customer deposits grew 9% to £50.5bn (2008: £46.5bn) benefiting from ongoing product initiatives.

Total assets fell 10% to £88.8bn (2008: £98.5bn) mostly driven by reduced overdraft borrowings and lower volumes in the Asset and Sales Finance business in the UK. Risk weighted assets fell by 7% to £76.9bn (2008: £82.8bn) reflecting reduced levels of balance sheet commitments in the UK foreign exchange rate impact and balance sheet reduction in Continental Europe and New Markets.

	2010	2009	2008
Performance measures			
Return on average equity	**(8%)**	2%	n/a
Return on average tangible equity	**(9%)**	2%	n/a
Return on average risk weighted assets	**(0.8%)**	0.1%	n/a
Loan loss rate (bps)	**226**	211	n/a
Cost: income ratio	**64%**	46%	44%
Cost: net income ratio	**149%**	90%	55%

Income Statement Information	**2010**				2009 [a]			
	UK & Ireland	**Continental Europe**	**New Markets**	**Total**	UK & Ireland	Continental Europe	New Markets	Total
Year Ended 31st December	**£m**	**£m**	**£m**	**£m**	£m	£m	£m	£m
Income	**2,313**	**394**	**267**	**2,974**	2,380	466	335	3,181
Impairment charges and other credit provisions	**(468)**	**(1,063)**	**(165)**	**(1,696)**	(770)	(417)	(371)	(1,558)
Operating expenses	**(992)**	**(201)**	**(714)**	**(1,907)**	(878)	(191)	(397)	(1,466)
Share of post-tax results of associates and joint ventures	**(2)**			**(2)**				
Profit/(loss) before tax	**851**	**(870)**	**(612)**	**(631)**	732	(142)	(433)	157

Note

a 2009 figures have been revised to reflect the transfer from UK & Ireland to Continental Europe of the Italian business, IVECO (representing £59m loss before tax)

Financial review

Analysis of results by business continued

Barclays Wealth

Barclays Wealth is the wealth management division of Barclays. It focuses on private and intermediary clients worldwide, providing international and private banking, investment management, fiduciary services and brokerage. It has offices in Europe, North America, Asia and Africa.

Performance

2010

Barclays Wealth profit before tax increased 14% to £163m (2009: £143m).

Income increased 18% to £1,560m (2009: £1,322m) principally from growth in the High Net Worth businesses and higher attributable net interest income from the revised internal funds pricing mechanism.

Net interest income increased 35% to £678m (2009: £503m), mostly due to changes in internal funds pricing which gives credit for the behaviourally long-term deposits held by Barclays Wealth. The net interest margin increased to 122bps (2009: 102bps). (This reflects the increase in the liabilities margin from 96bps to 129bps as well as the reduction in the asset margin from 101bps to 81bps. Customer accounts grew 17% to £44.8bn (2009: £38.4bn) and loans and advances to customers grew 24% to £16.1bn (2009: £13.0bn).

Net fee and commission income increased 10% to £869m (2009: £792m) primarily driven by higher transactional activity with High Net Worth clients.

Impairment charges reduced to £48m (2009: £51m).

Operating expenses increased 19% to £1,349m (2009: £1,129m). This was principally due to the impact of the growth in High Net Worth business revenues on staff and infrastructure costs and the start of Barclays Wealth s strategic investment programme. Expenditure in this programme was £33m in the first half of 2010 and £79m for the second half. This programme is focused on hiring client-facing staff to build productive capacity and investment in the facilities and technology required to develop our delivery to clients.

Total client assets, comprising customer deposits and client investments, were £163.9bn (2009: £151.2bn) with underlying net new asset inflows of £6bn. Risk weighted assets increased 9% to £12.4bn (2009: £11.4bn) reflecting growth in loans and advances, impact of exchange rate movements and collateral management.

Stable returns on average equity and average tangible equity, and the improved return on average risk weighted assets reflected the strong performance of the business offset by the cost of strategic investment and the increase in capital allocation.

2009

Barclays Wealth profit before tax reduced 79% to £143m (2008: £671m). The reduction in profit was principally due to the sale of the closed life assurance business in 2008 (2008: profit before tax of £104m and profit on disposal of £326m). Results were also affected by the integration of Lehman Brothers North American businesses (Barclays Wealth Americas), which made a loss of £39m.

Total income increased 1% to £1,322m (2008: £1,312m).

	2010 £m	2009 £m	2008 £m
Income statement information			
Net interest income	**678**	503	485
Net fee and commission income	**869**	792	709
Net trading income/(loss)	**11**	7	(11)
Net investment income/(loss)	**2**	13	(333)
Net premiums from insurance contracts			136
Other income		7	26
Total income	**1,560**	1,322	1,012
Net claims and benefits incurred on insurance contracts			300
Total income net of insurance claims	**1,560**	1,322	1,312
Impairment charges and other credit provisions	**(48)**	(51)	(44)
Net income	**1,512**	1,271	1,268
Operating expenses excluding amortisation of intangible assets	**(1,320)**	(1,105)	(907)
Amortisation of intangible assets	**(29)**	(24)	(16)
Operating expenses	**(1,349)**	(1,129)	(923)
Profit on disposal of subsidiaries, associates and joint ventures		1	326
Profit before tax	**163**	143	671
Balance sheet information			
Loans and advances to customers	**£16.1bn**	£13.0bn	£11.4bn
Customer accounts	**£44.8bn**	£38.4bn	£42.3bn
Total assets	**£17.8bn**	£14.9bn	£13.2bn
Risk weighted assets	**£12.4bn**	£11.4bn	£10.3bn

£1,560m

total income

£163m

profit before tax

Net interest income increased 4% to £503m (2008: £485m) reflecting growth in customer lending. Average lending grew 26% to £12.3bn (2008: £9.7bn). Assets margin reduced to 1.01% from 1.04%. Average 2009 deposits were in line with the prior year (2008: £37.2bn) with a stable liabilities margin of 0.96% (2008: 0.95%).

Net fee and commission income increased by 12% to £792m (2008: £709m) driven by Barclays Wealth Americas.

The movements in net trading income, net investment income, net premiums from insurance contracts and net claims and benefits incurred under insurance contracts were due to the sale of the closed life assurance business in October 2008.

Impairment charges increased 16% to £51m (2008: £44m). This increase reflected the impact of the economic environment in 2009 on client liquidity and collateral values and the substantial increase in the loan book over the period from 2008 to 2009.

Operating expenses increased 22% to £1,129m (2008: £923m) principally reflecting the impact of the acquisition of Barclays Wealth Americas partially offset by the impact of the disposal of the closed life business in 2008.

Total client assets, comprising customer accounts and client investments were £151.2bn (31st December 2008: £145.0bn) with underlying net new asset inflows of £3bn.

	2010	2009	2008
Performance Measures			
Return on average equity	**9%**	9%	n/a
Return on average tangible equity	**14%**	14%	n/a
Return on average risk weighted assets	**1.2%**	1.1%	n/a
Loan loss rate (bps)	**29**	38	n/a
Cost: income ratio	**86%**	85%	70%
Other Financial Measures			
Total client assets	**£163.9bn**	£151.2bn	£145.0bn
Average net income per employee (000s)	**£201**	£168	£175

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Financial review

Analysis of results by business continued

Investment Management

Investment Management manages the Group s 19.9% economic interest in BlackRock, Inc. and the residual elements relating to Barclays Global Investors, which was sold on 1st December 2009.

Performance

2010

Investment Management profit before tax of £67m (2009: £22m) principally reflected dividend income from the 19.9% holding in BlackRock, Inc., which was acquired as part of the consideration for the sale of Barclays Global Investors on 1st December 2009.

Total assets as at 31st December 2010 of £4.6bn (2009: £5.4bn) reflected the fair value of the Group s investment in 37.567 million BlackRock, Inc. shares.

The available for sale reserve impact of £1.1bn relating to this investment as at 31st December 2010 resulted in an adverse impact of approximately 20bps in the Core Tier 1 ratio over the year. The offsetting appreciation in the shares US Dollar value against Sterling of £0.3bn was hedged by foreign exchange instruments.

The holding was assessed for impairment by the Group as at 31st December 2010. This analysis identified that the reduction in fair value from the original acquisition value was not significant or prolonged in the light of an increase in share price through the second half of the year and ongoing price volatility and, as such, no impairment was recognised.

2009

Investment Management s 2009 results reflect the continuing operations of BGI. These consist of residual obligations under the cash support arrangements and associated liquidity support charges. Profit before tax on continuing operations for 2009 increased by £368m to £22m (2008: £346m loss) primarily due to lower liquidity support charges.

Total assets as at 31st December 2009 of £5.4bn reflected the fair value of the Group s investment in 37.567 million of BlackRock, Inc. shares.

	2010 £m	2009 £m	2008 £m
Income statement information			
Net interest (expense)/income	**(6)**	10	(38)
Net fee and commission income/(expense)	**4**	(2)	1
Net trading (loss)/income	**(19)**	20	(4)
Net investment income/(loss)	**100**	11	(29)
Other (loss)/income	**(1)**	1	(2)
Total income	**78**	40	(72)
Operating expenses	**(11)**	(17)	(274)
Loss on disposal of subsidiaries, associates and joint ventures		(1)	
Profit before tax	**67**	22	(346)

Balance Sheet Information			
Total assets	**£4.6bn**	£5.4bn	n/a
Risk weighted assets	**£0.1bn**	£0.1bn	n/a

Head Office Functions and Other Operations

Head Office Functions and Other Operations comprise head office and central support functions, businesses in transition and consolidation adjustments.

Performance

2010

Head Office Functions and Other Operations loss before tax increased £209m to a loss of £759m (2009: loss of £550m). The results for 2009 reflected a net gain on debt buy-backs of £1,164m, while 2010 benefited notably from a significant decrease in the costs of the central funding activity and a reclassification of profit from the currency translation reserve.

Group segmental reporting is consistent with internal reporting to the Executive Committee and the Board, with inter-segment transactions being recorded in each segment as if undertaken on an arm s length basis. Adjustments necessary to eliminate inter-segment transactions are included in Head Office Functions and Other Operations.

Gilts held as part of the structural hedge portfolio were disposed of during the year realising net gains of approximately £500m, which were distributed out to the businesses through net interest income as part of the allocation of the share of the benefit of Group equity. In Head Office Functions and Other Operations these gains were recognised in net investment income.

Income decreased to a loss of £178m (2009: income of £28m). Net interest income improved to £35m (2009: £507m expense) with a significant decrease in the costs of the central funding activity as the money market dislocations eased. In addition, an increase of £336m from the reclassification consolidation adjustment on hedging derivatives from net trading loss was more than offset by the allocation to the businesses of the profit on disposal of gilts. Net fee and commission expense improved to £389m (2009: £418m) reflecting increases in fees for structured capital market activities to £239m (2009: £191m) partially offset by a reduction in fees paid to Barclays Capital for debt and equity raising and risk management advice to £73m (2009: £174m). Net trading loss increased

to £434m (2009: £291m) due to the reclassification to net interest income partially offset by the repatriation of capital from overseas leading to a reclassification of £265m of profit from the currency translation reserve to the income statement. Net investment income increased to £491m (2009: loss of £34m) predominantly due to the gains on disposal of gilts.

Operating expenses increased to £579m (2009: £570m) principally due to payment of a £194m settlement to US regulators in resolution of the investigation into Barclays compliance with US economic sanctions (see page 228), partially offset by a reduction in the bank payroll tax charge to £96m (2009: £225m) and a reduction of £59m in Financial Services Compensation Scheme charges.

Total assets increased to £20.9bn (2009: £6.4bn), largely due to a £7.4bn net increase in gilts held for the equity structural hedge and £6.8bn of covered bonds and other notes.

2009

Head Office Functions and Other Operations loss before tax reduced to £550m (2008: loss of £858m).

Total income increased to £28m (2008: loss of £377m). Net interest income decreased to a loss of £507m (2008: income of £182m) primarily due to an increase in costs in central funding activity. Net fees and commission expense decreased to £418m (2008: £486m) reflecting adjustments to eliminate inter-segmental transactions, offset by increases in fees for structured capital market activities to £191m (2008: £141m) and in fees paid to Barclays Capital for debt and equity raising and risk management advice to £174m (2008: £151m). Other income increased £1,160m to £1,186m (2008: £26m), primarily reflecting gains on debt buy-backs and extinguishments.

Operating expenses increased to £570m (2008: £451m) reflecting a UK bank payroll tax charge of £190m (2008: £nil), partially offset by a reduction of £55m in the costs relating to an internal review of Barclays compliance with US economic sanctions to £33m (2008: £88m).

Total assets increased to £6.4bn (2008: £3.1bn).

	2010 £m	2009 £m	2008 £m
Income statement information			
Net interest income/(expense)	**35**	(507)	182
Net fee and commission expense	**(389)**	(418)	(486)
Net trading loss	**(434)**	(291)	(245)
Net investment income/(loss)	**491**	(34)	27
Net premiums from insurance contracts	**79**	92	119
Gains on debt buy-backs and extinguishments		1,164	
Other income	**39**	22	26
Total (loss)/income	**(179)**	28	(377)
Net claims and benefits incurred under insurance contracts	**1**		
Total (loss)/income net of insurance claims	**(178)**	28	(377)
Impairment charges and other credit provisions	**(2)**	(16)	(30)
Net (loss)/income	**(180)**	12	(407)
Operating expenses	**(579)**	(570)	(451)
Share of post-tax results of associates and joint ventures		1	
Profit on disposal of associates and joint ventures		7	
Loss before tax	**(759)**	(550)	(858)
Balance sheet information			
Total assets	**£20.9bn**	£6.4bn	£3.1bn
Risk weighted assets	**£0.6bn**	£0.9bn	£0.4bn

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Risk management

Barclays risk management strategy

Barclays has clear risk management objectives and a well-established strategy to deliver them, through core risk management processes.

At a strategic level, our risk management objectives are:

To identify the Group s significant risks.

To formulate the Group s Risk Appetite and ensure that business profile and plans are consistent with it.

To optimise risk/return decisions by taking them as closely as possible to the business, while establishing strong and independent review and challenge structures.

To ensure that business growth plans are properly supported by effective risk infrastructure.

To manage risk profile to ensure that specific financial deliverables remain possible under a range of adverse business conditions.

To help executives improve the control and co-ordination of risk taking across the business.

The Group s approach is to provide direction on: understanding the principal risks to achieving Group strategy; establishing Risk Appetite; and establishing

Assigning responsibilities

Responsibility for risk management resides at all levels within the Group, from the Board and the Executive Committee down through the organisation to each business manager and risk specialist. Barclays distributes these responsibilities so that risk/return decisions are taken at the most appropriate level; as close as possible to the business, and subject to robust and effective review and challenge. The responsibilities for effective review and challenges reside with senior managers, risk oversight committees, Barclays Internal Audit, the independent Group Risk function, the Board Risk Committee and, ultimately, the Board.

The *Board* is responsible for approving Risk Appetite (see page 69), which is the level of risk the Group chooses to take in pursuit of its business objectives. The Chief Risk Officer regularly presents a report to the Board summarising developments in the risk environment and performance trends in the key portfolios. The Board is also responsible for the Internal Control and Assurance Framework (Group Control Framework). It oversees the management of the most significant risks through the regular review of risk exposures and related key controls. Executive management responsibilities relating to this are set via the Group s Principal Risks Policy.

The *Board Risk Committee* (BRC) monitors the Group s risk profile against the agreed appetite. Where actual performance differs from expectations, the actions being taken by management are reviewed to ensure that the BRC is comfortable with them. After each meeting, the Chair of the BRC prepares a report for the next meeting of the Board. Barclays first established a separate Board Risk Committee in 1999 and all members are non-executive directors. The Finance Director and the Chief Risk Officer attend each meeting as a matter of course and the Chief Risk Officer has a dotted reporting line to the Chair. The BRC receives regular and comprehensive reports on risk methodologies and the Group s risk profile including the key issues affecting each business portfolio and forward risk trends. The Committee also commissions in-depth analyses of significant risk topics, which are presented by the Chief Risk Officer or senior risk managers in the businesses. The Chair of the Committee prepares a statement each year on its activities (see pages 163 and 164).

and communicating the risk management framework. The process is then broken down into five steps: identify, assess, control, report, and manage/challenge. Each of these steps is broken down further, to establish end to end activities within the risk management process and the infrastructure needed to support it (see panel below). The Group s risk management strategy is broadly unchanged from 2009.

Steps	Activity
Identify	Establish the process for identifying and understanding business-level risks.
Assess	Agree and implement measurement and reporting standards and methodologies.
Control	Establish key control processes and practices, including limit structures, impairment allowance criteria and reporting requirements. Monitor the operation of the controls and adherence to risk direction and limits. Provide early warning of control or appetite breaches. Ensure that risk management practices and conditions are appropriate for the business environment.
Report	Interpret and report on risk exposures, concentrations and risk-taking outcomes. Interpret and report on sensitivities and Key Risk Indicators. Communicate with external parties.
Manage and Challenge	Review and challenge all aspects of the Group s risk profile. Assess new risk-return opportunities. Advise on optimising the Group s risk profile. Review and challenge risk management practices.

The *Board Audit Committee* receives quarterly reports on control issues of significance and a half-yearly review of the adequacy of impairment allowances, which it reviews relative to the risk inherent in the portfolios, the business environment, the Group s policies and methodologies and the performance trends of peer banks. The Chair of the Board Audit Committee also sits on the Board Risk Committee. See pages 160 to 162 for additional details on the membership and activities of the Board Audit Committee.

The *Board Remuneration Committee* receives advice from the Board Risk Committee on the management of remuneration risk, including advice on the setting of performance objectives in the context of incentive packages.

Summaries of the relevant business, professional and risk management experience of the Directors of the Board are given on pages 9 to 11. The terms of reference for each of the principal Board Committees are available from the Corporate Governance section at: *www.aboutbarclays.com.*

The Chief Risk Officer is a member of the *Executive Committee* and has overall day to day accountability for risk management under delegated authority from the Finance Director. The Finance Director must consult the Chairman of the Board Risk Committee in respect of the Chief Risk Officer s performance appraisal and compensation as well as all appointments to or departures from the role.

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Risk management

Barclays risk management strategy continued

The Chief Risk Officer manages the independent Group Risk function and chairs the *Group Risk Oversight Committee,* which monitors the Group s risk profile relative to established risk appetite. Reporting to the Chief Risk Officer, and working in the Group Risk function, are risk-type heads for: retail credit risk, wholesale credit risk, market risk, operational risk, financial crime risk and capital demand. Along with their teams, the risk-type heads are responsible for establishing a Group wide framework for risk control framework and oversight. These risk-type teams liaise with each business as part of the monitoring and management processes.

In addition, each business unit has an embedded risk management function, headed by a business risk director. Business risk directors and their teams are responsible for assisting business heads in the

identification and management of their business risk profiles and for implementing appropriate controls. These teams also assist Group Risk in the formulation of Group policies and their implementation across the businesses. The business risk directors report jointly to their respective business heads and to the Chief Risk Officer.

The risk type heads within the central Group Risk function and the business risk directors within the business units report to the Chief Risk Officer and are members of the Group Risk Oversight Committee.

For further details on the management of each of the principal risks see pages 74 to 81.

Note

a Reporting lines effective from January 2011, previously reported to the Group Finance Director.

Internal Audit is responsible for the independent review of risk management and the control environment. Its objective is to provide reliable, valued and timely assurance to the Board and Executive Management over the effectiveness of controls, mitigating current and evolving high risks and in so doing enhancing the controls culture within the Group. The Board Audit Committee reviews and approves Internal Audit s plans and resources, and evaluates the effectiveness of Internal Audit.

An assessment by external advisers is also carried out periodically. In addition to the Committees shown in the chart, there is a Brand and Reputation Committee reviewing emerging issues with potentially significant reputational impact.

Risk management responsibilities are laid out in the *Principal Risks Policy,* which covers the categories of risk in which the Group has its most significant actual or potential risk exposures.

The Principal Risks Framework:

- creates clear ownership and accountability;
- ensures the Group s most significant risk exposures are understood and managed in accordance with agreed risk appetite (for financial risks) and risk tolerances (for non-financial risks); and
- ensures regular reporting of both risk exposures and the operating effectiveness of controls.

Each of the Principal Risks, which are set out on pages 74 to 81, is owned by a senior individual within Barclays, known as the Group Principal Risk Owner (GPRO). The GPRO is required to document, communicate and maintain a risk control framework which makes clear the mandated control requirements in managing exposures to that Principal Risk, for every business across the firm.

These control requirements are given further specification, according to the business unit or risk type, to provide a complete and appropriate system of internal control.

Business unit and Group centre function heads are responsible for obtaining ongoing assurance that the controls they have put in place to manage the risks to their business objectives are operating effectively. Six-monthly reviews support the regulatory requirement for the Group to make a statement about its system of internal controls (the Turnbull statement), in the Annual Report and Accounts.

GPROs report their assessments of the risk exposure and control effectiveness to Group-level oversight committees. Their assessments form the basis of the reports that go to the Board Risk Committee.

Risk Appetite

Risk Appetite is defined as the level of risk that Barclays is prepared to sustain whilst pursuing its business strategy, recognising a range of possible outcomes as business plans are implemented. Barclays framework combines a top-down view of its capacity to take risk with a bottom-up view of the business risk profile associated with each business area s medium term plans. The appetite is ultimately approved by the Board.

The Risk Appetite framework consists of two elements: Financial Volatility and Mandate & Scale .

Taken as a whole, the Risk Appetite framework provides a basis for the allocation of risk capacity across Barclays Group.

Financial Volatility

Financial Volatility is defined as the level of potential deviation from expected financial performance that Barclays is prepared to sustain at relevant points on the risk profile.

The Board sets the Group s financial volatility risk appetite in terms of broad financial objectives (ie top down) on through the cycle, 1 in 7 and 1 in 25 severity levels. The Group s risk profile is assessed via a bottom-up analysis of the Group s business plans to establish the financial volatility. If the projections entail too high a level of risk (i.e breach the top-down financial objectives at the through the cycle, 1 in 7 or 1 in 25 level), management will challenge each area to rebalance the risk profile to bring the bottom-up risk appetite back within top-down appetite. Performance against Risk Appetite usage is measured and reported to the Executive Committee and the Board regularly throughout the year.

To measure the risk entailed by the business plans, management estimates the potential earnings volatility from different businesses under various scenarios, represented by severity levels:

expected loss: the average losses based on measurements over many years

1 in 7 (moderate) loss: the worst level of losses out of a random sample of 7 years

1 in 25 (severe) loss: the worst level of losses out of a random sample of 25 years

Risk management

Barclays risk management strategy continued

These potentially larger but increasingly less likely levels of loss are illustrated in the Risk Appetite concepts chart above. Since the level of loss at any given probability is dependent on the portfolio of exposures in each business, the statistical measurement for each key risk category gives the Group clearer sight and better control of risk-taking throughout the enterprise. Specifically, Barclays believes that this framework enables it to:

Improve management confidence and debate regarding the Group s risk profile

Re-balance the risk profile of the medium-term plan where breaches are indicated, thereby achieving a superior risk-return profile

Identify unused risk capacity, and thus highlight the need to identify further profitable opportunities

Improve executive management control and co-ordination of risk-taking across businesses

Mandate & Scale

The second element to the setting of risk appetite in Barclays is an extensive system of Mandate & Scale limits, which is a risk management approach that seeks to formally review and control business activities to ensure that they are within Barclays mandate (i.e. aligned to the expectations of external stakeholders), and are of an appropriate scale (relative to the risk and reward of the underlying activities). Barclays achieves this by using limits and triggers to avoid concentrations which would be out of line with external expectations, and which may lead to unexpected losses of a scale that would be detrimental to the stability of the relevant business line or of the Group. These limits are set by the independent Risk function, formally monitored each month and subject to Board-level oversight.

For example, in our commercial property finance portfolios, a comprehensive series of limits are in place to control exposure within each business and geographic sector. To ensure that limits are aligned to the underlying risk characteristics, the Mandate & Scale limits differentiate between types of exposure. There are, for example, individual limits for property investment and property development and for senior and subordinated lending. Since the onset of the global economic downturn, these limits have been reduced significantly and the frequency of review has been increased. The Group s exposure to Ireland has been restricted through the recent reduction in Mandate & Scale limits.

Barclays uses the Mandate & Scale framework to:

Limit concentration risk

Keep business activities within Group and individual business mandate

Ensure activities remain of an appropriate scale relative to the underlying risk and reward

Ensure risk-taking is supported by appropriate expertise and capabilities
As well as Group-level Mandate & Scale limits, further limits are set by risk managers within each business unit, covering particular portfolios.

Risk Appetite and Stress Testing

Stress testing occurs throughout the Bank and it helps to ensure that our medium term plan has sufficient flexibility to remain appropriate over a multi-year time horizon during times of stress.

Stress testing allows us to analyse a specific potential economic scenario or event using defined macro and market based parameters. The results of a stress test, whether at a Group or business level, will produce an output which could be compared to a point in the curve of our Financial Volatility based statistical outcomes, although stress tests are scenario based and as such are not calibrated to a specific confidence level.

Given that the stress testing, Risk Appetite, and medium term planning timelines are all aligned, the outputs of stresses are used by risk functions throughout the Group to inform Risk Appetite (particularly at a business level). The outputs of stresses also feed into the setting of Mandate & Scale limits. For example, via the use of primary and secondary stresses in Market Risk, we identify and limit the scale of risks that DVaR would not automatically capture.

Reverse stress testing also supports our Risk Appetite framework. Reverse stress testing starts with defining a worst case set of metrics and deduces a scenario that could theoretically cause that situation to occur. This will help to ensure that we understand the tail risks across our books and explain what would have to happen to generate a change in strategy. Group reverse stress testing also identifies risks that in one business alone would not have been sufficient to be a critical event, thereby complementing the Financial Volatility and Mandate & Scale processes.

For further information on stress testing see page 72.

Modelling of risk

Barclays makes extensive use of quantitative estimates of the risks it takes in the course of its business. Risk models are used in a wide range of decisions, from credit grading, pricing and approval to portfolio management, risk appetite setting, economic capital allocation and regulatory capital calculations. The types of risks that are covered by such models include credit, market and operational risks.

The Group has a wide range of models in use, covering estimations of Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default, (LGD) as well as many other types of risk besides credit risk. The models are developed and owned by each business unit. To minimise the risk of loss through model failure, the Group Model Risk Policy (GMRP) was developed. It is managed by the independent Group Risk function and is reviewed annually.

The GMRP helps reduce the potential for model failure by setting Group wide minimum standards for the model development and implementation process. The GMRP also sets the governance processes for models across the Group, which allows model performance and risk to be monitored, and seeks to identify and escalate any potential problems at an early stage.

To ensure that the governance process is effective, and that management time is focused on the more material models, each model is provided with a materiality rating. The GMRP defines the materiality ranges for all model types, based on an assessment of the impact to the Group in the event of a model error. The final level of model sign-off is based on materiality, with all of a business unit s models initially being approved in business unit committees. The more material models are also approved at the Group Material Models Technical Committee, and the most material models require further approval by the Executive Models Committee, a subcommittee of Group Executive Committee. This process ensures that the most significant models are subject to the most rigorous review, and that senior management has a good understanding of the most material models in the Group. Although the final level of model sign-off will vary, depending on model materiality, the standards required by the GMRP do not change with the materiality level.

The GMRP also sets detailed standards that a model must meet during development and subsequent use. For new models, documentation must be sufficiently detailed to allow an expert to understand all aspects of model development such that they could reproduce the model. It must include a description of the data used for model development, the methodology used (and the rationale for choosing such a methodology), a description of any assumptions made, and details of the strengths and weaknesses of the model.

All new models are subject to validation and independent review before they can be signed off for implementation. The model validation exercise must demonstrate that the model is fit for purpose and provides accurate estimates. The independent review ensures that the model development has followed a robust process and that the standards of the GMRP have been met, as well as ensuring that the model satisfies business and regulatory requirements. In addition, the most material models are subject to independent review by Group Risk. Once implemented, all models are subject to post-implementation review. This confirms that the model has been implemented correctly and behaves as predicted.

The GMRP also sets the requirements for ongoing performance monitoring and the annual review process. Once implemented, all models within the Group are subject to ongoing performance monitoring to ensure that any deficiencies are identified early, and that remedial action can be taken before the decision-making process is affected. As part of this process, model owners set performance triggers and define appropriate actions for their models in the event that a trigger level is breached.

In addition to regular monitoring, models are subject to an annual validation process to ensure that they will continue to perform as expected, and that assumptions used in model development are still appropriate. In line with initial sign-off requirements, annual validations are also formally reviewed at the appropriate technical committee.

Within Barclays Capital, where models are used to value positions within the trading book, the positions are subject to regular independent price testing which covers all trading positions. Prices are compared with direct external market data where possible. When this is not possible, more analytic techniques are used, such as industry consensus pricing services.

Risk management

Barclays risk management strategy continued

These services enable peer banks to compare structured products and model input parameters on an anonymous basis. The conclusions and any exceptions to this exercise are communicated to senior levels of business management.

Externally developed models are subject to the same governance standards as internal models, and must be approved for use following the validation and independent review process. External models are also subject to the same standards for ongoing monitoring and annual validation requirements.

Stress testing

A fundamental duty of risk management is to ensure that organisations do not neglect to prepare for the worst event as they plan for success. Stress testing helps Barclays to understand how its portfolios would react if business conditions became significantly more challenging. We generate specific forward-looking scenarios and analyse how well our profitability would be maintained, whether our levels of capital would be adequate and what managers could do in advance to mitigate the risk.

Barclays uses stress testing techniques at Group, portfolio and product level and across a range of risk types. For example, portfolio management in the US cards business employs stressed assumptions of unemployment to determine profitability hurdles for new accounts. In the UK mortgage business, affordability thresholds incorporate stressed estimates of interest rates.

In the Investment Banking division, global scenario testing is used to gauge potential losses that could arise in conditions of extreme market stress. Stress testing is also conducted on positions in particular asset classes, including interest rates, commodities, equities, credit and foreign exchange.

At the Group level, stress tests capture a wide range of macroeconomic variables that are relevant to the current environment, such as:

- GDP;
- unemployment;
- asset prices; and
- interest rates.

Note

a On 7th February 2011 CEBS was renamed the European Banking Authority

The Board Risk Committee agrees the range of scenarios to be tested and the independent Group Risk function co-ordinates the process, using bottom-up analysis performed by the businesses. The results of the stress tests are presented to the Executive Committee, the Board Risk Committee, the Board and the UK Financial Services Authority (FSA).

In 2010, the range of stress scenarios included the stress test set out by the FSA as part of its assessment of the Group s resilience to stressed credit risk, market risk and economic conditions over a five-year period. This stress scenario analysis took into account a wide range of factors, including:

The Group s revenue generation potential given stressed macroeconomic variables such as GDP and interest rates;

The effect of the scenario on the probability of default and possible losses given default within its loan book; and

Possible declines in the market value of assets held in the trading books caused by the stress.

Following this work and discussion with the FSA, the Group was able to confirm that its capital resources, after exposure to the stress, were expected to continue to meet the FSA s capital requirements.

In addition, Barclays, along with 90 other banks, was included in the Committee of European Banking Supervisors (CEBS) stress test performed in July 2010. The stress test was designed to assess the resilience of the EU banking sector and each of the selected banks ability to absorb possible shocks on credit and market risks, including sovereign risks. Under the scenario considered, results indicated that Barclays would be well-placed to withstand the stress.

In 2010, Barclays integrated reverse stress testing into the Group wide stress testing process. Reverse stress testing aims to identify the conditions that would result in the business model no longer being viable, such as extreme macroeconomic downturn scenarios or specific idiosyncratic events. This is being used to help support the on-going risk management of the Group, for example reverse stress testing has been integrated into the Risk Appetite framework. This also supports the Group in meeting new regulatory requirements in regards to reverse stress testing.

Information on the Group s stress testing specifically relating to liquidity risk is set out on page 131.

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Risk management

Risk factors

Risk Factors

The following information describes the risk factors which the Group believes could cause its future results to differ materially from expectations. However, other factors could also adversely affect the Group s results and so the factors discussed in this report should not be considered to be a complete set of all potential risks and uncertainties.

The Group s approach to identifying, assessing, managing and reporting risks is formalised in its Principal Risks framework and supporting processes. A description of the Principal Risks framework is provided on page 69 and definitions of the 13 Principal Risks are provided in the table below. The risk categories relevant to operational risk disclosed on pages 137 and 138 are : People, Legal, Regulatory, Operations, Financial Crime, Technology, Financial Reporting and Taxation. This summary also includes discussions of the impact of business conditions and the general economy and regulatory changes which can impact risk factors and so influence the Group s results. The Principal Risks described below can potentially impact the Group s reputation and brand.

Business conditions and the general economy

Barclays operates a universal banking business model and its services range from current accounts for personal customers to inflation-risk hedging for governments and institutions. The Group also has significant activities in a large number of countries. Consequently there are many ways in which changes in business conditions and the general economy can adversely impact profitability, whether at the level of the Group, the individual business units or specific countries of operation.

The Group s stress testing framework helps it to understand the impact of changes in business conditions and the general economy, as well as the sensitivity of its business goals to such changes and the scope of management actions to mitigate their impact.

The general recovery in the global economy resulted in an improvement in credit conditions in our main markets during 2010. In the UK, the economy recovered slightly during 2010 reflecting the lower than expected growth in unemployment rates, the sustained low interest rate environment and moderate GDP growth. However a slowdown in growth was evident in the fourth quarter which is likely to lead to uncertainty in the near term. In addition, persistent unemployment and inflation, fiscal tightening, the possibility of weakening house prices, and possible rising oil prices may have an adverse impact on the strength of the recovery which could increase the risk that a higher proportion of the Group s customers and counterparties may be unable to meet their obligations. Economic credit conditions have also continued to show signs of improvement in many other key geographies, although in Spain the housing sector remains depressed which led to significantly increased impairment in our Spain wholesale portfolios in 2010. Unemployment rates remain high in the US.

The business conditions facing the Group in 2011 are subject to significant uncertainties, most notably:

- the extent and sustainability of economic recovery particularly in the UK, US, Spain and South Africa;

- the dynamics of unemployment particularly in the UK, US, Spain and South Africa and the impact on delinquency and charge-off rates;

- the speed and extent of possible rises in interest rates in the UK, US, South Africa and the Eurozone;

- the possibility of any further falls in residential property prices in the UK, South Africa and Western Europe;
- the impact of potentially deteriorating sovereign credit quality;
- the potential for single name losses in different sectors and geographies where credit positions are sensitive to economic downturn;
- the potential impact of increasing inflation on economic growth and corporate profitability;
- possible deterioration in our remaining credit market exposures, including commercial real estate, leveraged finance and a loan to Protium Finance LP (Protium);
- changes in the value of Sterling relative to other currencies, which could increase risk weighted assets and therefore raise the capital requirements of the Group;
- continued turmoil in the Middle East and North Africa region could result in loss of business in the affected countries, increased oil prices, increased volatility and risk aversion to this region; and
- the liquidity and volatility of capital markets and investors appetite for risk, which could lead to a decline in the income that the Group receives from fees and commissions.

Regulatory changes

As noted in the Chairman s report (pages 7 and 8) and the section on Supervision and Regulation (pages 139 to 142), 2010 has seen significant regulatory change. This has been, and remains, the subject of close management attention. Where regulatory change has strategic implications this will tend to affect more than one Principal Risk factor. Such issues are dealt with on a Group wide basis by cross-disciplinary teams working under an accountable executive reporting to senior management. Issues dealt with in this manner in 2010 included:

- The Independent Commission on Banking (ICB): The ICB has been charged by the UK Government with reviewing the UK banking system. Its findings are expected by September 2011. Although the ICB has yet to make recommendations, and it is not possible to predict what the Government s response to any recommendations that are made will be, there is a possibility that the ICB could recommend change to the structure of UK banks which may require Barclays to make major changes to its structure and business.
- Recovery and Resolution Plans: there has been a strong regulatory focus on resolvability in 2010, both from UK and international regulators. TheGroup has been engaged, and continues to be engaged, with the authorities on taking forward recovery planning and identifying information that would be required in the event of a resolution.
- The Dodd-Frank Wall Street Reform and Consumer Protection Act (DFA): the DFA will have an impact on the Group and its business. The full scale of this impact remains unclear as many of the provisions of the Act require rules to be made to give them effect and this process is still under way. Barclays has taken a centralised approach to monitoring this process and to ensuring compliance with the rules that are developed as a result.

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Risk management

Risk factors continued

A summary of the Group s 13 principal risks is as follows

Principal Risk Factor	Principal Risk Management	Key Specific Risks and Mitigation
1. Wholesale Credit Risk **and** **2. Retail Credit Risk**		
Credit Risk is the risk of the Group suffering financial loss if any of its customers, clients or market counterparties fails to fulfil their contractual obligations to the Group. This can also arise when an entity s credit rating is downgraded, leading to a fall in the value of Barclays investment in its issued financial instruments.	The Board and management have established a number of key committees to review credit risk management, approve overall Group credit policy and resolve all significant credit policy issues. These comprise: the Board Risk Committee, the Risk Oversight Committee, the Wholesale Credit Risk Management Committee and the Retail Credit Risk Management Committee. Barclays constantly reviews its concentration in a number of areas including, for example, portfolio segments, geography, maturity, industry and investment grade. Diversification is achieved through setting maximum exposure guidelines to individual counterparties sectors and countries, with excesses reported to the Risk Oversight Committee and the Board Risk Committee. For further information see pages 88 to 94.	Specific areas and scenarios where credit risk could lead to higher impairment charges in future years include: **Credit Market Exposures** Barclays Capital holds certain exposures to credit markets that became illiquid during 2007. These exposures primarily relate to commercial real estate, leveraged finance and a loan to Protium. The Group actively managed down some of these exposures in 2010. For further information see pages 112 to 116. **Sovereign Risk** EU deficits approached very high levels during 2010, leading to a loss of market confidence in certain countries to which the Group is exposed. The Group has put certain

countries on watch list status with detailed monthly reporting to the Wholesale Credit Risk Management Committee.

For further information see page 117.

Economic Uncertainty

Conditions have continued to show signs of improvement in many key markets, although the UK has experienced a slowdown in growth in the fourth quarter, US unemployment rates remain high and the Spanish housing sector continues to be depressed, impacting our wholesale and retail credit risk exposures.

In particular, in Spain, the Group has experienced elevated impairment across its operations, following a marked reduction in construction activity and shrinking consumer spending. The Group has reduced its credit risk appetite to the most severely affected segments of the economy. In particular, new lending to the property and construction sector ceased and workout team resources have been increased significantly.

For further information see pages 99 to 104.

Principal Risk Factor	Principal Risk Management	Key Specific Risks and Mitigation
3. Market Risk		
Market Risk is the risk that the Group s earnings or capital, or its ability to meet business objectives, will be adversely affected by changes in the level or volatility of market rates or prices such as interest rates, credit spreads, commodity prices, equity prices and foreign exchange rates. The Group is exposed to market risk through traded market risk, non-traded interest rate risk and the pension fund.	The Board approves market risk appetite for trading and non-trading activities, with limits set within this context by the Group Market Risk Director. The head of each business market risk team is responsible for implementing the Barclays Market Risk Control Framework which sets out how market risk should be identified, measured, controlled, reported and reviewed. Oversight and challenge is provided by business committees, Group committees and the central Group market risk team. Non-traded interest rate risk is hedged with the external market by a business treasury operation or Group Treasury. For further information see pages 118 to 125.	**Traded Market Risk Exposures** While the Group is exposed to continued market volatility, Barclays Capital s trading activities are principally a consequence of supporting customer activity. Primary stress testing applies stress moves to each of the major asset classes. Most asset class stress limits were, at some point during 2010, near to their limit. There was one instance of an excess to limit in relation to equity risk in March 2010. This was appropriately escalated and remediated promptly. Barclays Capital s 2010 market risk exposure, as measured by average total DVaR decreased to £53m (2009: £77m). For further information see pages 119 and 120. **Non-traded Interest Rate Risk** The Group is exposed to three main types of non-traded interest rate risk: fixed rate loans and deposits that are not hedged or matched; structural risk due to variability of earnings on structural product and equity balances which have no contractual maturity and an interest rate which does not move in line with the base rate; and margin compression. Fixed rate loan risk is mitigated by hedging the risk with the external market either via Group Treasury, or a business treasury operation. Structural risk and margin compression are hedged by

equity and structural hedges managed by Group Treasury. The maturities of these hedges were extended during 2010.

Due to economic concerns in the third quarter, gilts purchased as part of the equity structural hedge extension were sold. The duration extension process was resumed towards the end of 2010 and is expected to be completed by the end of 2011.

For further information see pages 121 to 123.

Pension Fund Risk

Barclays could be required or might choose to make extra contributions to the pension fund. Financial details of the pension fund are in Note 28.

Risk management

Risk factors continued

Principal Risk Factor	Principal Risk Management	Key Specific Risks and Mitigation
4. Capital Risk		
Capital Risk is the risk that the Group has insufficient capital resources to: ensure the financial holding company is well capitalised relative to the minimum regulatory capital requirements set out by the UK FSA and US Federal Reserve; ensure locally regulated subsidiaries can meet their minimum regulatory requirements; support the Group s Risk Appetite and economic capital requirements; and support the Group s credit rating.	Primary responsibility for managing Capital Risk rests with the Group Treasury Committee, which has defined and implemented a Capital Risk governance framework. The Committee monitors the Group s actual and forecast capital positions on both a pre and post stress basis. Stress testing considers the impact to capital resources and requirements as a result of macroeconomic stresses. The Committee also considers major risks to the capital forecast such as changes to the regulatory requirements. The Group has a number of regulated legal entities within the UK and overseas. Local management has primary responsibility for ensuring these entities comply with their local capital requirements. Where necessary, injections of capital may be made. Such injections are approved by Group Treasury Committee. For further information see pages 126 to 130.	**Increasing Capital Requirements** There have been a number of recent developments in regulatory capital requirements which are likely to have a significant impact on the Group. Most significantly, during 2010, the Capital Requirement Directives 2 and 3 and the guidelines from the Basel Committee for strengthening capital requirements (Basel III) have been finalised. Aligned to this, markets and credit rating agencies now expect equity capital levels significantly in excess of the current regulatory minimum. As a result, and in anticipation of the future regulatory changes, the Group continues to build its capital base and actively manage its risk weighted assets. As at 31st December 2010, the Group s Core Tier 1 Capital ratio was 10.8% (2009: 10.0%). For further information see pages 127, 128 and 141.
5. Liquidity Risk		
		Inability To Meet Obligations As They Fall Due,

Liquidity Risk is the risk that the Group is unable to meet its obligations as they fall due resulting in: an inability to support normal business activity; failing to meet liquidity regulatory requirements; or rating agency concerns.

The Group maintains a substantial liquidity buffer comprised of deposits with central banks and investments in highly liquid securities or deposits.

Stress reporting for a number of liquidity scenarios is run on a daily basis. These tests measure the survival periods under Barclays defined stress scenarios. Similar stresses are run for key entities within the Group as well as at the Group level.

Since June 2010, the Group has also reported its liquidity position against backstop Individual Liquidity Guidance provided by the FSA. Calibration of the Group s liquidity framework anticipated final FSA rules and is therefore broadly consistent with current FSA standards.

Daily reporting monitors a number of indicators of stress as well as daily cash activity.

At Reasonable Cost

As a result of sudden, large and potentially protracted increases in cash outflows, the cash resources of the Group could be severely depleted. These outflows could be principally through customer withdrawals, wholesale counterparties removing financing, ratings downgrades or loan drawdowns. This could result in:

- limited ability to support client lending, trading activities and investments;
- forced reduction in balance sheet and sales of assets;
- inability to fulfil lending obligations; and
- regulatory breaches under the liquidity standards introduced by the FSA on 1st December 2009.

These outflows could be the result of general market dislocations or specific concerns about Barclays.

For further information see pages 131 to 136.

Principal Risk Factor	Principal Risk Management	Key Specific Risks and Mitigation
6. People Risk		
People risk arises from failures of the Group to manage its key risks as an employer, including lack of appropriate people resource, failure to manage performance and reward, unauthorised or inappropriate employee activity and failure to comply with employment related requirements.	People Risk is mitigated through the operation of the People Risk Framework (PRF). The PRF consists of Group wide policies which mandate the minimum controls that all businesses globally need to operate to mitigate their people risks and covers the following areas: Recruitment Pre-employment screening Employment agreements Performance management Reward Discipline, Capability and Grievance Health and Safety Exit management	**Compensation and People Retention Risk** During 2010, external regulatory developments in relation to remuneration continued to impact the People Principal Risk. On 17th December 2010, the FSA published its final Remuneration code following the July 2010 Consultation Paper. The code was updated in order to implement the remuneration rules required by the Capital Requirements Directive (CRD 3) and the Financial Service Act 2010. The code applies to remuneration paid from 1st January 2011, including remuneration in respect of 2010 performance. Barclays remuneration approach has been reviewed in detail and enhancements made as appropriate to ensure continued compliance with the FSA Code. During 2010, Barclays developed a Group wide policy formalising the role of risk functions in remuneration activities and ensuring regulatory requirements are fulfilled. An independent review of Barclays approach was conducted on behalf of the Board Risk Committee by a third party. The review concluded Barclays approach is market leading and satisfies regulatory requirements.

Employee feedback

Hiring former employees of the statutory auditor

Conformance with the policies is monitored by the HR Risk Committee through regular conformance reviews and quarterly key indicators. Further oversight of the management of People Risk is provided by the Board Remuneration Committee and the Group Operating Committee.

For further information see pages 166 to 182.

7. Legal Risk

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

- Business may not be conducted in accordance with applicable laws around the world.
- Contractual obligations may either not be enforceable as intended or may be enforced in an adverse way.
- Intellectual property may not be adequately protected.
- Liability for damages may be incurred to third parties harmed by the conduct of its business.

Legal Risk is owned and managed by the Legal Function both at a Group level and by the business unit legal teams.

The General Counsel for each business unit is responsible for management and reporting of Legal Risk. The adequacy and effectiveness of the controls operated in the business units is overseen by the Group Legal Executive Committee.

Specific risks relating to Legal Risk are reported on a quarterly basis to the Executive Committee and the Board.

Key Legal Risks to which the Group was exposed during 2010 have included:

- Litigation in relation to Lehman Brothers Holdings Inc.
- Litigation in relation to American Depositary Shares
- Developments in relation to Payment Protection Insurance (see Regulatory Risk)
- Compliance with US economic sanctions (see Regulatory Risk)

Further details of these matters and other Legal Risks are set out in the Legal Proceedings Note (see page 227) and the Competition and Regulatory Matters Note (see page 228).

Risk management

Risk factors continued

Principal Risk Factor	Principal Risk Management	Key Specific Risks and Mitigation
8. Regulatory Risk		
Regulatory Risk arises from a failure or inability to comply fully with the laws, regulations or codes applicable specifically to the financial services industry. Non-compliance could lead to fines, public reprimands, damage to reputation, increased prudential requirements, enforced suspension of operations or, in extreme cases, withdrawal of authorisations to operate.	Regulatory Risk is owned and managed by the Compliance Function. Business Unit compliance functions monitor and control compliance risks, applying a range of Compliance policies under the co-ordination and oversight of Group Compliance. The primary focus is on adherence to the regulatory framework currently in place. Specific reports on regulatory compliance are prepared on a regular basis for the Group Operating Committee, the Group Governance and Control Committee and the Board Audit Committee. Compliance risk and control issues are also included in quarterly reporting by the Legal and Compliance functions to the Executive Committee and the Board. Not all risks that might be considered to be regulatory in origin fall under the Regulatory Principal Risk. Most notably, prudential regulatory risks are managed and mitigated in the manner outlined in the sections on Wholesale and Retail Credit Risk, Market Risk, Operations Risk, Capital Risk and Liquidity Risk.	**Regulatory Change** The regulatory response to the financial crisis has led to very substantial regulatory change in the UK, EU and US and in the other countries in which the Group operates. It has also led to a change in the style of supervision in a number of territories, with a more assertive approach being demonstrated by the authorities. **Anti-bribery and Corruption** Among other things, the Bribery Act 2010, which applies to UK companies worldwide, has created an offence of failure by a commercial organisation to prevent a bribe being paid on its behalf. However, it will be a defence if the organisation has adequate procedures in place to prevent bribery. In anticipation of the entry into force of the Bribery Act later in 2011, the Group has been enhancing its framework of controls to comply with the provisions of the Act. **Payment Protection Insurance (PPI)** PPI has been under scrutiny by the UK competition authorities and financial services regulators. The UK Competition Commission (CC) has undertaken an in-depth enquiry into the PPI market which has resulted in the CC introducing a number of remedies including a prohibition on sale of PPI at the point of sale. In addition a judicial review has been launched regarding the treatment of PPI complaints by the FSA and Financial Ombudsman Services.

US Economic Sanctions

As announced on 18th August 2010, Barclays reached settlements with US Authorities in relation to the investigation by those agencies into compliance with US sanctions and US dollar payment practices.

In addition, an Order to Cease and Desist has been issued upon consent by the Federal Reserve Bank of New York and the New York State Banking Department. Barclays has taken significant steps to enhance further its compliance programmes including: the further development and implementation of its Sanctions Policy; substantial investment in advanced payment and customer screening technology; and the delivery of mandatory sanctions training for more than 100,000 staff around the world.

For further information, see pages 139 to 142 and 228.

9. Operations Risk

Operations Risk has a broad scope and, for that reason, it is defined at a more granular level. The risks are:

- Transaction operations
- New product development
- Premises and security
- External suppliers
- Payments process

These risks are managed by Business Units in accordance with control requirements articulated via mandated Group Policies and/or Risk Control Frameworks. The adequacy and effectiveness of the controls operated in the Business Units is overseen by the Group Principal Risk Owner teams in the Group Centre via regular management information, conformance reviews and quarterly Risk Review for meetings (attended by Business Unit representatives). The Group Operating Committee is responsible for oversight of these risks.

During 2010 there were enhancements to the management of external suppliers and transaction operations risks.

Information, data quality and records management

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Principal Risk Factor	Principal Risk Management	Key Specific Risks and Mitigation
10. Financial Crime Risk		
Financial Crime Risk is the risk that the Group suffers losses as a result of internal and external fraud or intentional damage, loss or harm to people, premises or moveable assets.	The Group Financial Crime Team, Fraud Oversight Committee and Security Risk Management Committee provide oversight of the implementation of the Fraud Risk Control Framework and the Group Security Risk Control Framework. Oversight is achieved via conformance reviews and other review activity undertaken by Group Financial Crime and within business units.	As a major financial institution, Barclays is a target for financial crime. The Group has frameworks and systems in place to enable it to respond to threats to both the organisation and its customers as they emerge.
	Monthly reports on fraud losses across the Group are produced for the Fraud Oversight Committee which monitors these events and considers the actions to be taken on a case by case basis. Where relevant, the Fraud Oversight Committee takes actions to drive remediation of the root cause of such events.	
	Quarterly Financial Crime reports are submitted to the Group Risk Oversight Committee and Board Risk Committee.	
11. Technology Risk		
Technology Risk includes the non-availability of IT systems, inadequate design and testing of new and changed IT solutions and inadequate IT system security. Data privacy issues are covered under Regulatory Risk and external supplier issues relating to technology are covered under Operations Risk.	Technology is a key business enabler and requires an appropriate level of control to ensure that the most significant technology risks are effectively managed. Technology Risk is managed through a formal risk governance framework. A set of Key Risk Indicators (KRIs), consistent across Business Units, is periodically collated and reviewed by management. Each KRI has a specific target state, defining the Group s attitude to risk. Any areas falling short of this standard are highlighted to management for action.	Similar to many large organisations, Barclays is exposed to the risk that systems may not be continually available. This risk is monitored closely and enhancements to certain key systems are being undertaken.
	Regular technology risk reporting is provided to the Group Operating Committee, the Governance and Control Committee and the Board Audit Committee.	

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Risk management

Risk factors continued

Principal Risk Factor	Principal Risk Management	Key Specific Risks and Mitigation
12. Financial Reporting Risk		
Financial Reporting Risk arises from a failure or inability to comply fully with the laws, regulations or codes in relation to the disclosure of financial information. Non-compliance could lead to fines, public reprimands, damage to reputation, enforced suspension of operations or, in extreme cases, withdrawal of authorisations to operate.	Group wide requirements and any material external requirements are set out in the Financial Reporting Risk Control Framework.	**Changes in accounting standards**
	During 2010 a review of the Financial Reporting Risk was undertaken, resulting in a broadening of its scope. The Group monitoring process was also strengthened to provide the Group Financial Controller with a more effective oversight.	As set out in Future Accounting Developments on page 205, the International Accounting Standards Board is undertaking a significant programme of revision to IFRS which it aims to complete by 30th June 2011. The final form of IFRS requirements, the time period over which new requirements will need to be applied and the impact on the results and financial position is not yet known. The Group is taking steps to ensure that it is able to appropriately respond to the changes as they emerge, however, the situation is evolving rapidly.
	All business units and Group centre functions are required to comply with the Risk Control Framework requirements and retain evidence to support this accordingly. Compliance with the Financial Reporting Risk policies is reported at Group level through core key indicators on at least a quarterly basis. Group oversight is undertaken via conformance review, other ongoing monitoring activities and quarterly review meetings are held between the Group Financial Controller and business unit Finance Directors to review and challenge the business unit Financial Reporting Risk status and assessment.	**Increased scrutiny**
		Following the financial crisis, the financial reporting of banks has been subject to greater scrutiny by regulators. This has included consideration of accounting policies, accounting for particular transactions and financial statement disclosures.
	Quarterly Financial Reporting Risk reports are submitted to the Group Operating Committee for oversight and monitoring. Additionally, specific reports are submitted to the Group Governance & Control Committee and to the Board Audit Committee around the Group compliance with Sarbanes Oxley requirements.	For Barclays, this has included the accounting treatment of Protium Finance LP. Further details are provided on pages 115 and 116.
		The Group continues to maintain an effective system of internal control over financial reporting and to enhance its disclosures in response to feedback received and the British Bankers Association (BBA) Disclosure Code. Further details on internal control over financial

reporting can be found on page 147 and on the BBA code and improvements to Annual Report disclosures on page 184.

Principal Risk Factor	Principal Risk Management	Key Specific Risks and Mitigation
13. Taxation Risk		
Tax Risk is the risk that the Group suffers losses associated with changes in tax law or in the interpretation of tax law. It also includes the risk of failure to comply with procedures required by tax authorities. Failure to manage tax risks could lead to an additional tax charge. It could also lead to reputational damage or a financial penalty for failure to comply with required tax procedures or other aspects of tax law.	The Group s strategy is to maximise returns for shareholders whilst complying with relevant tax laws, disclosure requirements and regulations under an appropriate risk control framework.	During 2010 the Group settled open issues in a number of jurisdictions, principally the UK and South Africa, including agreement of the UK bank payroll tax liability with HMRC.
	The Group takes a responsible and transparent approach to the management and control of its tax affairs and related tax risk, specifically tax risks are assessed as part of the Group s formal governance processes and are reviewed by the Executive Committee, Group Finance Director and the Board Risk Committee. The tax charge is reviewed by the Board Audit Committee. Barclays has adopted the Code of Practice for Taxation of Banks (The Code) and has confirmed to HMRC that it will have regard to the spirit of the law and the intent of Parliament in managing its tax affairs.	Governance and controls have been put in place to ensure compliance with the UK government s Code of Practice for Taxation of Banks. The profit forecasts that support the Group s deferred tax assets, principally in the UK, US and Spain, have been subject to close scrutiny by management.
	The Group employs high-quality tax professionals and takes appropriate advice from reputable professional firms. Effective, well-documented and controlled processes are in place to ensure compliance with tax disclosure and filing obligations.	The Group continues to monitor the potential impact of proposed taxes aimed at banks such as the UK bank levy (see also page 207).
	Where disputes arise with tax authorities with regard to the interpretation and application of tax law, the Group is committed to addressing the matter promptly and resolving the matter with the tax authority in an open and constructive manner.	

Risk management

Credit risk management

All disclosures in this section (pages 82-117) are unaudited unless otherwise stated

Overview of Barclays Group Credit Risk Exposures

Credit risk is the risk of suffering financial loss should any of the Group s customers, clients or market counterparties fail to fulfil their contractual obligations to the Group.

The credit risk that the Group faces arises mainly from wholesale and retail loans and advances, together with the counterparty credit risk arising from derivative contracts entered into with clients. Other sources of credit risk arise from trading activities, including debt securities, settlement balances with market counterparties, available for sale assets and reverse repurchase agreements.

Losses arising from exposures held for trading (derivatives, debt securities) are accounted for as trading losses, rather than impairment charges, even though the fall in value causing the loss may be attributable to credit deterioration.

Analysis of the Group s maximum exposure to credit risk before collateral held or other credit enhancements

The following tables present the maximum exposure at 31st December 2010 and 2009 to credit risk of balance sheet and off-balance sheet financial instruments, before taking account of any collateral held or other credit enhancements and after allowance for impairment and netting where appropriate.

For financial assets recognised on the balance sheet, the exposure to credit risk equals their carrying amount. For financial guarantees granted, the maximum exposure to credit risk is the maximum amount that Barclays would have to pay if the guarantees were to be called upon. For loan commitments and other credit related commitments that are irrevocable over the life of the respective facilities, the maximum exposure to credit risk is the full amount of the committed facilities.

This analysis and all subsequent analyses of credit risk include only financial assets subject to credit risk. They exclude other financial assets, mainly equity securities held in the trading portfolio or as available for sale assets, as well as non-financial assets. The nominal value of off-balance sheet credit related instruments is also shown, where appropriate.

Financial assets designated at fair value in respect of linked liabilities to customers under investment contracts have not been included as the Group is not exposed to credit risk on these assets. Credit losses in these portfolios, if any, would lead to a reduction in the linked liabilities and result in no direct loss to the Group.

Whilst the Group s maximum exposure to credit risk is the carrying value of the assets or, in the case of off-balance sheet items, the amount guaranteed, committed, accepted or endorsed, in most cases the likely exposure is far less due to collateral, credit enhancements and other actions taken to mitigate the Group s exposure.

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Maximum exposure to credit risk (audited)	Asset class					
As at 31st December 2010	Loans and advances[a] £m	Debt securities and other bills[b] £ m	Derivatives[c] £m	Reverse repurchase agreements[d] £m	Other £ m	Total assets £ m
On-balance sheet:						
Cash and balances at central banks					97,630	97,630
Items in the course of collection from other banks					1,384	1,384
Trading portfolio assets:						
Debt securities		139,240				139,240
Traded loans	2,170					2,170
Total trading portfolio assets	2,170	139,240				141,410
Financial assets designated at fair value:						
Loans and advances	22,352					22,352
Debt securities		1,918				1,918
Other financial assets				7,559	2,542	10,101
Total financial assets designated at fair value	22,352	1,918		7,559	2,542	34,371
Derivative financial instruments			420,319			420,319
Loans and advances to banks	37,799					37,799
Loans and advances to customers:						
Home loans	168,055					168,055
Credit card receivables	22,658					22,658
Other personal lending	26,608					26,608
Wholesale and corporate	200,618					200,618
Finance lease receivables	10,003					10,003
Total loans and advances to customers	427,942					427,942
Reverse repurchase agreements and other similar secured lending				205,772		205,772
Available for sale debt securities		59,629				59,629
Other assets					2,824	2,824
Total on-balance sheet	490,263	200,787	420,319	213,331	104,380	1,429,080
Off-balance sheet:						
Securities lending arrangements						27,672
Guarantees and letters of credit pledged as collateral security						13,783
Acceptances and endorsements						331
Documentary credits and other short-term trade related transactions						1,194
Standby facilities, credit lines and other commitments						222,963
Total off-balance sheet						265,943
Total maximum exposure to credit risk						1,695,023

Notes

a Further analysis of loans and advances is on pages 95 to 108.
b Further analysis of debt securities and other bills is on page 109.
c Further analysis of derivatives is on page 110.
d Further analysis of reverse repurchase agreements is on page 111.

Risk management

Credit risk management continued

Maximum exposure to credit risk (audited)	Asset class					
As at 31st December 2009	Loans and advances £m	Debt securities and other bills £m	Derivatives £m	Reverse repurchase agreements £m	Other £m	Total assets £m
On-balance sheet:						
Cash and balances at central banks					81,483	81,483
Items in the course of collection from other banks					1,593	1,593
Trading portfolio assets:						
Debt securities		126,520				126,520
Traded loans	2,962					2,962
Total trading portfolio assets	2,962	126,520				129,482
Financial assets designated at fair value:						
Loans and advances	22,390					22,390
Debt securities		4,007				4,007
Other financial assets	557			7,757	344	8,658
Total financial assets designated at fair value	22,947	4,007		7,757	344	35,055
Derivative financial instruments			416,815			416,815
Loans and advances to banks	41,135					41,135
Loans and advances to customers:						
Home loans	149,099					149,099
Credit card receivables	21,889					21,889
Other personal lending	25,435					25,435
Wholesale and corporate	212,928					212,928
Finance lease receivables	10,873					10,873
Total loans and advances to customers	420,224					420,224
Reverse repurchase agreements and other similar secured lending				143,431		143,431
Available for sale debt securities		49,807				49,807
Other assets					3,476	3,476
Total on-balance sheet	487,268	180,334	416,815	151,188	86,896	1,322,501
Off-balance sheet:						
Securities lending arrangements						27,406
Guarantees and letters of credit pledged as collateral security						15,406
Acceptances and endorsements						375
Documentary credits and other short-term trade related transactions						762
Standby facilities, credit lines and other commitments						206,513
Total off-balance sheet						250,462
Total maximum exposure to credit risk						1,572,963

Concentrations of Credit Risk

A concentration of credit risk exists when a number of counterparties are located in a geographical region, or are engaged in similar activities and have similar economic characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. The analyses of credit risk concentrations presented below are based on the location of the counterparty or customer or the industry in which they are engaged.

Credit risk concentrations by geographical sector (audited)

	United Kingdom £m	Other European Union £m	United States £m	Africa £m	Rest of the World £m	Total £m
As at 31st December 2010						
On-balance sheet:						
Cash and balances at central banks	18,535	13,558	41,288	2,293	21,956	97,630
Items in the course of collection from other banks	1,169	114		100	1	1,384
Trading portfolio assets	16,063	30,066	66,148	1,516	27,617	141,410
Financial assets designated at fair value	14,800	3,613	9,001	2,918	4,039	34,371
Derivative financial instruments	129,183	129,497	110,467	4,234	46,938	420,319
Loans and advances to banks	5,233	10,375	12,559	1,475	8,157	37,799
Loans and advances to customers	209,995	83,269	53,297	52,938	28,443	427,942
Reverse repurchase agreements and other similar secured lending	50,044	45,265	77,430	23	33,010	205,772
Available for sale financial investments	25,466	14,839	6,399	7,281	5,644	59,629
Other assets	1,612	235	314	537	126	2,824
Total on-balance sheet	472,100	330,831	376,903	73,315	175,931	1,429,080
Off-balance sheet:						
Securities lending arrangements			27,672			27,672
Guarantees and letters of credit pledged as collateral security	3,803	2,273	4,266	2,179	1,262	13,783
Acceptances and endorsements	125	4	6	29	167	331
Documentary credits and other short-term trade related transactions	476	156	143	183	236	1,194
Standby facilities, credit lines and other commitments	94,676	29,985	64,812	24,522	8,968	222,963
Total off-balance sheet	99,080	32,418	96,899	26,913	10,633	265,943
Total	571,180	363,249	473,802	100,228	186,564	1,695,023
As at 31st December 2009						
On-balance sheet:						
Cash and balances at central banks	37,697	5,584	32,279	1,742	4,181	81,483
Items in the course of collection from other banks	1,340	56		196	1	1,593
Trading portfolio assets	12,232	35,088	52,229	1,414	28,519	129,482
Financial assets designated at fair value	13,945	3,986	10,800	2,352	3,972	35,055
Derivative financial instruments	133,713	128,881	111,269	2,511	40,441	416,815
Loans and advances to banks	5,117	12,697	13,137	2,388	7,796	41,135
Loans and advances to customers	203,582	84,343	58,355	47,495	26,449	420,224
Reverse repurchase agreements and other similar secured lending	22,222	44,014	60,759	527	15,909	143,431
Available for sale financial investments	16,752	14,028	7,175	4,993	6,859	49,807
Other assets	1,565	417	651	661	182	3,476
Total on-balance sheet	448,165	329,094	346,654	64,279	134,309	1,322,501
Off-balance sheet:						
Securities lending arrangements			27,406			27,406

Guarantees and letters of credit pledged as collateral security	3,337	2,783	5,443	1,795	2,048	15,406
Acceptances and endorsements	134	5		26	210	375
Documentary credits and other short-term trade related transactions	357	94		174	137	762
Standby facilities, credit lines and other commitments	94,763	26,250	57,598	19,306	8,596	206,513
Total off-balance sheet	98,591	29,132	90,447	21,301	10,991	250,462
Total	546,756	358,226	437,101	85,580	145,300	1,572,963

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Risk management

Credit risk management continued

Credit Risk concentrations by industrial sector (audited)
Financial insti- tutions £m