BARCLAYS PLC
Form 6-K
February 15, 2011

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

of the Securities Exchange Act of 1934

February 15, 2011

Barclays PLC and

Barclays Bank PLC

(Names of Registrants)

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): ______

THIS REPORT ON FORM 6-K SHALL BE DEEMED TO BE INCORPORATED BY REFERENCE IN THE REGISTRATION STATEMENTS ON FORM F-3 (NO. 333-169119) AND FORM S-8 (NOS. 333-112796, 333-112797, 333-149301 AND 333-149302) OF BARCLAYS BANK PLC AND THE REGISTRATION STATEMENT ON FORM S-8 (NO. 333-153723 AND 333-167232) OF BARCLAYS PLC AND TO BE A PART THEREOF FROM THE DATE ON WHICH THIS REPORT IS FURNISHED, TO THE EXTENT NOT SUPERSEDED BY DOCUMENTS OR REPORTS SUBSEQUENTLY FILED OR FURNISHED.

This Report is a joint Report on Form 6-K filed by Barclays PLC and Barclays Bank PLC. All of the issued ordinary share capital of Barclays Bank PLC is owned by Barclays PLC.

The Report comprises the following:

Exhibit 99.1.	The results of Barclays PLC as of, and for the year ended, 31st December 2010.
Exhibit 99.2.	Unaudited consolidated summary financial statements of Barclays Bank PLC as of, and for the year ended, 31st December 2010.
Exhibit 99.3.	A table setting forth the issued share capital of Barclays Bank PLC and the Barclays Bank PLC Group s total shareholders equity, indebtedness and contingent liabilities as at 31st December 2010.

SIGNATURES

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

BARCLAYS PLC
(Registrant)

Date: February 15, 2011

By: /s/ Patrick Gonsalves
Name: Patrick Gonsalves
Title: Deputy Secretary

BARCLAYS BANK PLC
(Registrant)

Date: February 15, 2011

By: /s/ Patrick Gonsalves
Name: Patrick Gonsalves
Title: Joint Secretary

Exhibit 99.1

This document includes portions from the previously published results announcement of Barclays PLC and Barclays Bank PLC as of, and for the year ended 31st December, 2010, as amended to comply with the requirements of Regulation G and Item 10(e) of Regulation S-K promulgated by the U.S. Securities and Exchange Commission (the SEC), and also includes the reconciliation to certain financial information prepared in accordance with International Financial Reporting Standards (IFRS). The purpose of this document is to provide such additional disclosure as required by Regulation G and Regulation S-K item 10(e), to delete certain information not in compliance with SEC regulations and to include reconciliations of certain non-IFRS figures to the most directly equivalent IFRS figures, as of, and for the year ended 31st December, 2010. This document does not update or otherwise supplement the information contained in the previously published results announcement.

In this document certain non-IFRS measures are reported. Barclays management believes that these non-IFRS measures provide valuable information to readers of its financial statements because they enable the reader to focus more directly on the underlying day-to-day performance of its businesses and provide more detail concerning the elements of performance which the managers of these businesses are most directly able to influence. They also reflect an important aspect of the way in which operating targets are defined and performance is monitored by Barclays management. However, any non-IFRS measures in this document are not a substitute for IFRS measures and readers should consider the IFRS measures as well.

An audit opinion has not been rendered in respect of this announcement.

Unless otherwise stated, the income statement analyses compare the twelve months to 31st December 2010 to the corresponding twelve 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. See page 2 titled Condensed Consolidated Financial Statements for profit after tax for the years ended 31st December 2010 and 2009 which includes disclosure of profit from discontinued operations including gain on disposal.

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 87 to 92.

The Listing Rules of the UK Listing Authority (LR 9.7A.1) require that preliminary unaudited statements of annual results must be agreed with the listed company s auditors prior to publication, even though an audit opinion has not yet been issued. In addition, the Listing Rules require such statements to give details of the nature of any likely modification that may be contained in the auditors report to be included with the annual report and accounts. Barclays PLC confirms that it has agreed this preliminary statement of annual results with PricewaterhouseCoopers LLP and that the Board of Directors has not been made aware of any likely modification to the auditors report required to be included with the annual report and accounts for the year ended 31st December 2010.

The information in this announcement, which was approved by the Board of Directors on 14th February 2011, does not comprise statutory accounts within the meaning of Section 434 of the Companies Act 2006. The 2010 Annual Review and Summary Financial Statements will be posted to shareholders together with the Group s full Annual Report and Accounts for 2010 for those shareholders who request it.

Statutory accounts for the year ended 31st December 2010, which also include certain information required for the Joint Annual Report on Form 20-F of Barclays PLC and Barclays Bank PLC to the SEC, can be obtained from Corporate Communications, Barclays Bank PLC, 745 Seventh Avenue, New York, NY 10019, United States of America or from the Director, Investor Relations at Barclays registered office address, shown above, once they have been published in March. Once filed with the SEC, copies of the Form 20-F will also be available from the Barclays Investor Relations website www.barclays.com/investorrelations and from the SEC s website (www.sec.gov).

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 , estimate , intend , plan , goal , 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.

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BARCLAYS PLC, 1 CHURCHILL PLACE, LONDON, E14 5HP, UNITED KINGDOM. TELEPHONE: +44 (0) 20 7116 1000. COMPANY NO. 48839

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Condensed Consolidated Financial Statements

Group Performance

Barclays delivered profit before tax of £6,065m in 2010, an increase of 32% (2009: £4,585m). Excluding movements on own credit of £391m gain (2009: £1,820m loss), gains on debt buy-backs of £nil (2009: £1,249m) and gains on acquisitions and disposals of £210m (2009: £214m), 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[1] 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. All other businesses 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%.

Outlook

We have had a good start to 2011, benefitting from higher volumes. Group income and profit before tax in January were ahead of 2010 average monthly run rates.

The Group is embarking on a programme to reduce its underlying cost base, with a view to ensuring that costs increase at a rate slower than income. We continue to see good impairment trends across the Group and are cautiously optimistic that we will see a further improvement in 2011, albeit at a lower rate than in 2010.

Our balance sheet in 2011 will be impacted by the implementation of new regulatory requirements for market risk which we currently expect to add around £50bn to our total risk weighted assets and have a corresponding impact on our capital ratios. We will continue to manage balance sheet growth cautiously, whilst ensuring that the lending capacity we have committed to put in place in the UK is available. We will also maintain a conservative but progressive dividend policy pending further clarity regarding the final capital, liquidity and other prudential requirements that may be made of us by our regulators.

1 *Top-line income is a non-IFRS measure that represents income before own credit gain/losses and credit market losses/income. This measure has been presented as it provides for a consistent basis for comparing the business performance between financial periods. Credit market losses in income at Barclays Capital for the year ended 31st December 2010 amounted to £124m (2009: £4,417m), and own credit gain for the year ended 31st December 2010 amounted to £391m (2009: loss of £1,820m). Total income at Barclays Capital for the year ended 31st December 2010 was £13,600m (2009: £11,625m). For a reconciliation of Top-line income to total income for the third and fourth quarter of 2010 and 2009 see page 7.*

Condensed Consolidated Financial Statements

Condensed Consolidated Income Statement

		Year Ended	Year Ended
		31.12.10	31.12.09
Continuing Operations			
	Notes[1]	£m	£m
Net interest income	1	12,523	11,918
Net fee and commission income	2	8,871	8,418
Net trading income	3	8,078	7,001
Net investment income	4	1,477	56
Net premiums from insurance contracts		1,137	1,172
Gains on debt buy-backs and extinguishments		-	1,249
Other income		118	140
Total income		**32,204**	**29,954**
Net claims and benefits incurred on insurance contracts		(764)	(831)
Total income net of insurance claims		**31,440**	**29,123**
Impairment charges and other credit provisions[2]		(5,672)	(8,071)
Net income		**25,768**	**21,052**
Staff costs	5	(11,916)	(9,948)
Administration and general expenses	5	(6,585)	(5,560)
Depreciation of property, plant and equipment		(790)	(759)
Amortisation of intangible assets		(437)	(447)
Goodwill impairment	5	(243)	(1)
Operating expenses		**(19,971)**	**(16,715)**
Share of post-tax results of associates and joint ventures		58	34
Profit on disposal of subsidiaries, associates and joint ventures	6	81	188
Gains on acquisitions	7	129	26
Profit before tax from continuing operations		**6,065**	**4,585**
Tax on continuing operations	8	(1,516)	(1,074)
Profit after tax from continuing operations		**4,549**	**3,511**
Profit after tax from discontinued operations including gain on disposal		-	6,777
Profit after tax		**4,549**	**10,288**
Profit Attributable to Equity Holders of the Parent from:			
Continuing operations		3,564	2,628
Discontinued operations including gain on disposal		-	6,765
Total		**3,564**	**9,393**
Profit attributable to non-controlling interest	9	**985**	**895**
Earnings per Share from Continuing Operations			
Basic earnings per ordinary share	10	30.4p	24.1p

Diluted earnings per ordinary share	10	28.5p	22.7p

1 For notes see pages 67 to 84.

2 For further analysis see page 38.

Condensed Consolidated Financial Statements

Condensed Consolidated Statement of Comprehensive Income

	Notes[1]	Year Ended 31.12.10 £m	Year Ended 31.12.09 £m
Profit after tax		**4,549**	**10,288**
Other Comprehensive Income			
Continuing operations			
Currency translation differences	18	1,184	(863)
Available for sale financial assets	18	(1,236)	1,059
Cash flow hedges	18	(44)	100
Other		59	218
Other comprehensive income for the year, net of tax, from continuing operations		**(37)**	**514**
Other comprehensive income for the year, net of tax, from discontinued operations		-	**(58)**
Total comprehensive income for the year		**4,512**	**10,744**
Attributable to:			
Equity holders of the parent		2,975	9,556
Non-controlling interests		1,537	1,188
Total comprehensive income for the year		**4,512**	**10,744**

1 *For notes, see pages 67 to 84.*

Condensed Consolidated Financial Statements

Condensed Consolidated Balance Sheet

		As at	As at
		31.12.10	31.12.09
Assets	**Notes[1]**	£m	£m
Cash and balances at central banks		97,630	81,483
Items in the course of collection from other banks		1,384	1,593
Trading portfolio assets		168,867	151,344
Financial assets designated at fair value		41,485	42,568
Derivative financial instruments	12	420,319	416,815
Loans and advances to banks[2]		37,799	41,135
Loans and advances to customers[2]		427,942	420,224
Reverse repurchase agreements and other similar secured lending		205,772	143,431
Available for sale financial investments		65,110	56,483
Current and deferred tax assets	8	2,713	2,652
Prepayments, accrued income and other assets		5,269	6,358
Investments in associates and joint ventures		518	422
Goodwill and intangible assets		8,697	8,795
Property, plant and equipment		6,140	5,626
Total assets		**1,489,645**	**1,378,929**
Liabilities			
Deposits from banks		77,975	76,446
Items in the course of collection due to other banks		1,321	1,466
Customer accounts		345,788	322,429
Repurchase agreements and other similar secured borrowing		225,534	198,781
Trading portfolio liabilities		72,693	51,252
Financial liabilities designated at fair value		97,729	87,881
Derivative financial instruments	12	405,516	403,416
Debt securities in issue		156,623	135,902
Accruals, deferred income and other liabilities		13,233	14,241
Current and deferred tax liabilities	8	1,160	1,462
Subordinated liabilities		28,499	25,816
Provisions	15	947	590
Retirement benefit liabilities	16	365	769
Total liabilities		**1,427,383**	**1,320,451**
Shareholders Equity			
Shareholders equity excluding non-controlling interests		50,858	47,277
Non-controlling interests	9	11,404	11,201
Total shareholders equity		**62,262**	**58,478**
Total liabilities and shareholders equity		**1,489,645**	**1,378,929**

1 For notes, see pages 67 to 84

2 For further analysis, see page 35.

Condensed Consolidated Financial Statements

Condensed Consolidated Statement of Changes in Equity

Year Ended 31.12.10	Called up Share Capital and Share Premium[1]	Other Reserves[2]	Retained Earnings	Total	Non-controlling Interests	Total Equity
	£m	£m	£m	£m	£m	£m
Balance at 1st January 2010	10,804	2,628	33,845	47,277	11,201	58,478
Profit after tax	-	-	3,564	3,564	985	4,549
Other comprehensive income net of tax:						
Currency translation movements	-	742	-	742	442	1,184
Available for sale investments	-	(1,245)	-	(1,245)	9	(1,236)
Cash flow hedges	-	(100)	-	(100)	56	(44)
Other	-	-	14	14	45	59
Total comprehensive income for the year	-	(603)	3,578	2,975	1,537	4,512
Issue of new ordinary shares	1,500	-	-	1,500	-	1,500
Issue of shares under employee share schemes	35	-	830	865	-	865
Net purchase of treasury shares	-	(989)	-	(989)	-	(989)
Vesting of treasury shares	-	718	(718)	-	-	-
Dividends paid	-	-	(531)	(531)	(803)	(1,334)
Net decrease in non-controlling interests arising on redemption of Reserve Capital Instruments	-	-	-	-	(487)	(487)
Other reserve movements	-	-	(239)	(239)	(44)	(283)
Balance at 31st December 2010	12,339	1,754	36,765	50,858	11,404	62,262
Year Ended 31.12.09						
Balance at 1st January 2009	6,138	6,272	24,208	36,618	10,793	47,411
Profit after tax	-	-	9,393	9,393	895	10,288
Other comprehensive income net of tax from continuing operations:						
Currency translation movements	-	(1,140)	-	(1,140)	277	(863)
Available for sale investments	-	1,071	-	1,071	(12)	1,059
Cash flow hedges	-	119	-	119	(19)	100
Other	-	-	171	171	47	218
Other comprehensive income net of tax from discontinued operations	-	(75)	17	(58)	-	(58)
Total comprehensive income for the year	-	(25)	9,581	9,556	1,188	10,744
Issue of new ordinary shares	749	-	-	749	-	749
Issue of shares under employee share schemes	35	-	298	333	-	333
Net purchase of treasury shares	-	(47)	-	(47)	-	(47)

Vesting of treasury shares	-	80	(80)	-	-	-
Dividends paid	-	-	(113)	(113)	(767)	(880)
Net decrease in non-controlling interests arising on redemption of Reserve Capital Instruments	-	-	-	-	(82)	(82)
Conversion of mandatory convertible notes	3,882	(3,652)	(230)	-	-	-
Other reserve movements	-	-	181	181	69	250
Balance at 31st December 2009	10,804	2,628	33,845	47,277	11,201	58,478

1 Details of share capital are shown on page 79.

2 Details of other reserves comprehensive income for the year are shown on page 80.

Condensed Consolidated Financial Statements

Condensed Consolidated Cash Flow Statement

	Year Ended	Year Ended
	31.12.10	31.12.09
Continuing Operations		
	£m	£m
Profit before tax	6,065	4,585
Adjustment for non-cash items	971	13,637
Changes in operating assets and liabilities	13,108	24,799
Corporate income tax paid	(1,458)	(1,177)
Net cash from operating activities	**18,686**	**41,844**
Net cash from investing activities	(5,627)	11,888
Net cash from financing activities	159	(661)
Net cash from discontinued operations	-	(376)
Effect of exchange rates on cash and cash equivalents	3,842	(2,864)
Net increase in cash and cash equivalents	**17,060**	**49,831**
Cash and cash equivalents at beginning of year	114,340	64,509
Cash and cash equivalents at end of year	**131,400**	**114,340**

Group Results Summary

Set out below is a summary of the Group s and Barclays Capital s results by quarter from 1st January 2009:

	Q410	Q310	Q210	Q110	Q409	Q309	Q209	Q109
Group Results								
	£m	£m	£m	£m	£m	£m	£m	£m
Top-line income[1]	7,965	7,413	7,678	8,117	7,453	8,189	10,419	9,299
Credit market income/(losses)	116	(175)	(115)	50	(166)	(744)	(1,648)	(1,859)
Total income net of insurance claims (ex own credit)[2]	**8,081**	**7,238**	**7,563**	**8,167**	**7,287**	**7,445**	**8,771**	**7,440**
Impairment charges and other credit provisions	(1,374)	(1,218)	(1,572)	(1,508)	(1,857)	(1,658)	(2,247)	(2,309)
Net income (ex own credit)[2]	**6,707**	**6,020**	**5,991**	**6,659**	**5,430**	**5,787**	**6,524**	**5,131**
Operating expenses	(5,495)	(4,756)	(4,868)	(4,852)	(4,482)	(4,182)	(3,888)	(4,163)
Share of post tax results of associates & JVs	16	9	18	15	16	5	24	(11)
Gains on acquisitions and disposals	76	1	33	100	36	157	18	3
Profit before tax (ex own credit)[2]	**1,304**	**1,274**	**1,174**	**1,922**	**1,000**	**1,767**	**2,678**	**960**
Own credit gain/(charge)	487	(947)	953	(102)	(522)	(405)	(1,172)	279
Total income net of insurance claims	8,568	6,291	8,516	8,065	6,765	7,040	7,599	7,719
Net income	7,194	5,073	6,944	6,557	4,908	5,382	5,352	5,410
Profit before tax	1,791	327	2,127	1,820	478	1,362	1,506	1,239
Basic earnings per share	9.1p	0.4p	11.6p	9.3p	1.1p	6.6p	9.5p	6.9p
Barclays Capital Results	**Q410**	**Q310**	**Q210**	**Q110**	**Q409**	**Q309**	**Q209**	**Q109**
Fixed Income, Currency and Commodities	1,915	1,948	2,253	2,695	2,711	2,714	3,883	4,344
Equities and Prime Services	625	359	563	493	334	545	748	538
Investment Banking	725	501	461	556	643	459	751	335
Principal Investments	115	19	4	101	(46)	13	(107)	(3)
Top-line income[1]	**3,380**	**2,827**	**3,281**	**3,845**	**3,642**	**3,731**	**5,275**	**5,214**
Credit market income/(losses)	116	(175)	(115)	50	(166)	(744)	(1,648)	(1,859)
Total income (ex own credit)[2]	**3,496**	**2,652**	**3,166**	**3,895**	**3,476**	**2,987**	**3,627**	**3,355**
Impairment charges and other credit provisions	(222)	(12)	(41)	(268)	(371)	(346)	(806)	(1,068)
Net income (ex own credit)[2]	**3,274**	**2,640**	**3,125**	**3,627**	**3,105**	**2,641**	**2,821**	**2,287**
Operating expenses	(2,201)	(1,881)	(2,154)	(2,059)	(1,552)	(1,864)	(1,529)	(1,647)
Share of post tax results of associates & JVs	2	6	7	3	17	(3)	20	(12)
Profit before tax (ex own credit)[2]	**1,075**	**765**	**978**	**1,571**	**1,570**	**774**	**1,312**	**628**
Own credit gain/(charge)	487	(947)	953	(102)	(522)	(405)	(1,172)	279
Total income	3,983	1,705	4,119	3,793	2,954	2,582	2,455	3,634
Net income	3,761	1,693	4,078	3,525	2,583	2,236	1,649	2,566
Profit before tax	1,562	(182)	1,931	1,469	1,048	369	140	907

1 *Top-line income is a non-IFRS measure that represents income before own credit gain/losses and credit market losses/income. This measure has been presented as it provides for a consistent basis for comparing the business performance between financial periods.*

2 *Total income net of insurance claims (excl own credit), Net income (excl own credit) and Profit before tax (excl own credit) with respect to the Group s results as well as Total income (excl own credit), Net income (excl own credit) and Profit before tax (excl own credit) with respect to Barclays Capital s results are*

non-IFRS measures because they exclude own credit (charge)/gain from the respective IFRS line items. In each case, these non-IFRS measures have been presented as they provide for a consistent basis for comparing the business performance between financial periods.

Results by Business

UK Retail Banking

	Year Ended 31.12.10	Year Ended 31.12.09
Income Statement Information		
	£m	£m
Net interest income	3,165	2,842
Net fee and commission income	1,255	1,299
Net trading loss	(2)	-
Net premiums from insurance contracts	130	198
Other income	1	5
Total income	**4,549**	**4,344**
Net claims and benefits incurred under insurance contracts	(31)	(68)
Total income net of insurance claims	**4,518**	**4,276**
Impairment charges and other credit provisions	(819)	(1,031)
Net income	**3,699**	**3,245**
Operating expenses excluding amortisation of intangible assets	(2,779)	(2,496)
Amortisation of intangible assets	(30)	(42)
Operating expenses	**(2,809)**	**(2,538)**
Share of post-tax results of associates and joint ventures	(1)	3
Gains on acquisition	100	-
Profit before tax	**989**	**710**
Balance Sheet Information		
Loans and advances to customers at amortised cost[1]	£115.6bn	£103.0bn
Customer accounts[1]	£108.4bn	£96.8bn
Total assets	£121.6bn	£109.3bn
Risk weighted assets	£35.3bn	£35.9bn
Performance Measures		
Loan loss rate (bps)	70	98
3 month arrears rates - UK loans	2.6%	3.8%
Cost: income ratio	62%	59%
Cost: net income ratio	76%	78%

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

Results by Business

UK Retail Banking

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. 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 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 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.

Results by Business

Barclaycard

	Year Ended 31.12.10	Year Ended 31.12.09
Income Statement Information		
	£m	£m
Net interest income	2,814	2,723
Net fee and commission income	1,136	1,271
Net trading loss	(8)	(1)
Net investment income	39	23
Net premiums from insurance contracts	50	44
Other income	1	1
Total income	**4,032**	**4,061**
Net claims and benefits incurred under insurance contracts	(8)	(20)
Total income net of insurance claims	**4,024**	**4,041**
Impairment charges and other credit provisions	(1,688)	(1,798)
Net income	**2,336**	**2,243**
Operating expenses excluding amortisation of intangible assets	(1,481)	(1,445)
Amortisation of intangible assets	(89)	(82)
Operating expenses	**(1,570)**	**(1,527)**
Share of post-tax results of associates and joint ventures	25	8
Profit on disposal of subsidiaries, associates and joint ventures	-	3
Profit before tax	**791**	**727**
Balance Sheet Information		
Loans and advances to customers at amortised cost	£26.6bn	£26.5bn
Total assets	£30.3bn	£30.3bn
Risk weighted assets	£31.9bn	£30.6bn
Performance Measures		
Loan loss rate (bps)	570	604
1 month arrears rates - UK cards	3.4%	4.2%
1 month arrears rates - US cards	4.6%	6.1%
1 month arrears rates - Absa cards	4.9%	6.7%
Cost: income ratio	39%	38%
Cost: net income ratio	67%	68%

Results by Business

Barclaycard

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. Both the asset margin and the net interest margin improved during the year.

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.

Results by Business

Western Europe Retail Banking

	Year Ended 31.12.10	Year Ended 31.12.09
Income Statement Information		
	£m	£m
Net interest income	679	868
Net fee and commission income	421	352
Net trading income	20	14
Net investment income	67	118
Net premiums from insurance contracts	479	544
Other income/(loss)	9	(6)
Total income	**1,675**	**1,890**
Net claims and benefits incurred under insurance contracts	(511)	(572)
Total income net of insurance claims	**1,164**	**1,318**
Impairment charges and other credit provisions	(314)	(338)
Net income	**850**	**980**
Operating expenses excluding amortisation of intangible assets	(1,001)	(865)
Amortisation of intangible assets	(32)	(22)
Operating expenses	**(1,033)**	**(887)**
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
(Loss)/profit before tax	**(139)**	**280**
Balance Sheet Information		
Loans and advances to customers at amortised cost	£43.4bn	£41.1bn
Customer accounts	£18.9bn	£17.6bn
Total assets	£53.6bn	£51.0bn
Risk weighted assets	£17.3bn	£16.8bn
Performance Measures		
Loan loss rate (bps)	71	80
Cost: income ratio	89%	67%
Cost: net income ratio	122%	91%

Results by Business

Western Europe Retail Banking

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, resulting in a reduction in the net interest margin.

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.

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.

Results by Business

Barclays Africa

	Year Ended	Year Ended
	31.12.10	31.12.09
Income Statement Information		
	£m	£m
Net interest income	533	498
Net fee and commission income	195	178
Net trading income	67	54
Net investment (loss)/income	(1)	7
Other income	7	2
Total income	**801**	**739**
Impairment charges and other credit provisions	(82)	(121)
Net income	**719**	**618**
Operating expenses excluding amortisation of intangible assets	(600)	(533)
Amortisation of intangible assets	(8)	(5)
Operating expenses	**(608)**	**(538)**
Profit on disposal of subsidiaries, associates and joint ventures	77	24
Profit before tax	**188**	**104**
Balance Sheet Information		
Loans and advances to customers at amortised cost	£3.6bn	£3.9bn
Customer accounts	£7.0bn	£6.4bn
Total assets	£7.9bn	£7.9bn
Risk weighted assets	£8.0bn	£7.6bn
Performance Measures		
Loan loss rate (bps)	186	252
Cost: income ratio	76%	73%
Cost: net income ratio	85%	87%

Results by Business

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. 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) with an increase in the net interest margin. The asset margin improved primarily driven by a reduction in funding costs and changes in business mix. The liability margin decreased 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.

Results by Business

Absa

	Year Ended 31.12.10	Year Ended 31.12.09
Income Statement Information		
	£m	£m
Net interest income	1,500	1,300
Net fee and commission income	1,123	943
Net trading loss	(14)	(5)
Net investment income	59	128
Net premiums from insurance contracts	399	294
Other income	47	64
Total income	**3,114**	**2,724**
Net claims and benefits incurred under insurance contracts	(215)	(171)
Total income net of insurance claims	**2,899**	**2,553**
Impairment charges and other credit provisions	(480)	(567)
Net income	**2,419**	**1,986**
Operating expenses excluding amortisation of intangible assets	(1,753)	(1,400)
Amortisation of intangible assets	(57)	(51)
Operating expenses	**(1,810)**	**(1,451)**
Share of post-tax results of associates and joint ventures	3	(4)
Profit/(loss) on disposal of subsidiaries, associates and joint ventures	4	(3)
Profit before tax	**616**	**528**
Balance Sheet Information		
Loans and advances to customers at amortised cost	£41.8bn	£36.4bn
Customer accounts	£24.3bn	£19.7bn
Total assets	£52.4bn	£45.8bn
Risk weighted assets	£30.4bn	£21.4bn
Performance Measures		
Loan loss rate (bps)	112	152
Cost: income ratio	62%	57%
Cost: net income ratio	75%	73%

Results by Business

Absa

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 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 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% to £30.4bn (2009: £21.4bn), due to the impact of exchange rate movements, enhancements to the retail model and wholesale credit remediation plan.

Results by Business

Barclays Capital

	Year Ended 31.12.10	Year Ended 31.12.09
Income Statement Information	£m	£m
Net interest income	1,121	1,598
Net fee and commission income	3,347	3,001
Net trading income	8,377	7,185
Net investment income/(loss)	752	(164)
Other income	3	5
Total income	**13,600**	**11,625**
Impairment charges and other credit provisions	(543)	(2,591)
Net income	**13,057**	**9,034**
Operating expenses excluding amortisation of intangible assets	(8,151)	(6,406)
Amortisation of intangible assets	(144)	(186)
Operating expenses	**(8,295)**	**(6,592)**
Share of post-tax results of associates and joint ventures	18	22
Profit before tax	**4,780**	**2,464**
Profit before tax (excluding own credit)	4,389	4,284
Balance Sheet Information		
Loans and advances to banks and customers at amortised cost	£149.7bn	£162.6bn
Total assets	£1,094.8bn	£1,019.1bn
Risk weighted assets	£191.3bn	£181.1bn
Liquidity pool	£154bn	£127bn
Performance Measures		
Loan loss rate (bps)	42	115
Cost: income ratio	61%	57%
Cost: net income ratio	64%	73%
Cost: net income ratio (excluding own credit) [1]	65%	61%
Compensation: income ratio	42%	38%
Compensation: income ratio (excluding own credit) [1]	43%	33%
Other Financial Measures		
Average DVaR (95%)	£53m	£77m

1

Cost: net income ratio (excluding own credit) and Compensation: income ratio (excluding own credit) are non-IFRS measures as they exclude Own Credit. Own credit gain for the year ended 31st December 2010 amounted to £391m (2009: loss of £1,820m).

Results by Business

Barclays Capital

Barclays Capital profit before tax increased to £4,780m (2009: £2,464m). Excluding an own credit gain of £391m (2009: loss of £1,820m), profit before tax increased 2% to £4,389m (2009: £4,284m). Top-line income[1] 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 own credit, 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).

	Year Ended 31.12.10	Year Ended 31.12.09
Analysis of Total Income	£m	£m
Fixed Income, Currency and Commodities	8,811	13,652
Equities and Prime Services	2,040	2,165
Investment Banking	2,243	2,188
Principal Investments	239	(143)
Top-line income	**13,333**	**17,862**
Credit market losses in income	(124)	(4,417)
Total income (excluding own credit)	**13,209**	**13,445**
Own credit	391	(1,820)
Total income	**13,600**	**11,625**

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 loan principal and the fair value of the underlying assets supporting the Protium 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). 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 management efficiencies.

Average DVaR decreased to £53m (2009: £77m), due to lower client activity. Spot DVaR at 31st December 2010 reduced to £48m (2009: £55m).

1 *Top-line income is a non-IFRS measure that represents income before own credit gain/losses and credit market losses/income. This measure has been presented as it provides for a consistent basis for comparing the business performance between financial periods. Credit market losses included within income at Barclays Capital for the year ended 31st December 2010 amounted to £124m (2009: £4,417m), and own credit gain for the year ended 31st December 2010 amounted to £391m (2009: loss of £1,820m). Total income at Barclays Capital for the year ended 31st December 2010 was £13,600m (2009: £11,625m). For a reconciliation of Top-line income to total income for the third and fourth quarter of 2010 and 2009 see page 7.*

Results by Business

Barclays Corporate

	Year Ended	Year Ended
	31.12.10	**31.12.09**
Income Statement Information		
	£m	£m
Net interest income	2,004	2,083
Net fee and commission income	910	1,002
Net trading income	80	18
Net investment loss	(32)	(46)
Gains on debt buy-backs and extinguishments	-	85
Other income	12	39
Total income	**2,974**	**3,181**
Impairment charges and other credit provisions	(1,696)	(1,558)
Net income	**1,278**	**1,623**
Operating expenses excluding amortisation of intangible assets and goodwill impairment	(1,616)	(1,430)
Amortisation of intangible assets	(48)	(36)
Goodwill impairment	(243)	-
Operating expenses	**(1,907)**	**(1,466)**
Share of post-tax results of associates and joint ventures	(2)	-
(Loss)/profit before tax	**(631)**	**157**
Balance Sheet Information		
Loans and advances to customers at amortised cost	£65.7bn	£70.7bn
Loans and advances to customers at fair value	£14.4bn	£13.1bn
Customer accounts	£71.0bn	£66.3bn
Total assets	£85.7bn	£88.8bn
Risk weighted assets	£70.8bn	£76.9bn
Performance Measures		
Loan loss rate (bps)	226	211
Cost: income ratio	64%	46%
Cost: net income ratio	149%	90%

Results by Business

Barclays Corporate

Year Ended 31st December 2010

	UK & Ireland	Continental Europe	New Markets	Total
Income Statement Information				
	£m	£m	£m	£m
Income	2,313	394	267	2,974
Impairment charges and other credit provisions	(468)	(1,063)	(165)	(1,696)
Operating expenses	(992)	(201)	(714)	(1,907)
Share of post-tax results of associates and joint ventures	(2)	-	-	(2)
Profit/(loss) before tax	**851**	**(870)**	**(612)**	**(631)**
Balance Sheet Information				
Loans and advances to customers at amortised cost	£50.1bn	£12.2bn	£3.4bn	£65.7bn
Loans and advances to customers at fair value	£14.4bn	-	-	£14.4bn
Customer accounts	£64.1bn	£4.5bn	£2.4bn	£71.0bn
Total assets	£66.6bn	£14.7bn	£4.4bn	£85.7bn
Risk weighted assets	£49.8bn	£15.6bn	£5.4bn	£70.8bn

Year Ended 31st December 2009[1]

	UK & Ireland	Continental Europe	New Markets	Total
Income Statement Information				
Income	2,380	466	335	3,181
Impairment charges and other credit provisions	(770)	(417)	(371)	(1,558)
Operating expenses	(878)	(191)	(397)	(1,466)
Profit/(loss) before tax	**732**	**(142)**	**(433)**	**157**
Balance Sheet Information				
Loans and advances to customers at amortised cost	£53.1bn	£14.0bn	£3.6bn	£70.7bn
Loans and advances to customers at fair value	£13.1bn	-	-	£13.1bn
Customer accounts	£58.4bn	£5.6bn	£2.3bn	£66.3bn
Total assets	£68.8bn	£15.3bn	£4.7bn	£88.8bn
Risk weighted assets	£54.2bn	£17.7bn	£5.0bn	£76.9bn

1 *2009 figures have been revised to reflect the transfer from UK & Ireland to Continental Europe of the Italian business, IVECO (representing £59m of loss before tax and £2.5bn of total assets).*

Results by Business

Barclays Corporate

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. This resulted in the net interest margin for Barclays Corporate decreasing.

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.

Results by Business

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Results by Business

Barclays Wealth

	Year Ended 31.12.10	Year Ended 31.12.09
Income Statement Information		
	£m	£m
Net interest income	678	503
Net fee and commission income	869	792
Net trading income	11	7
Net investment income	2	13
Other income	-	7
Total income	**1,560**	**1,322**
Impairment charges and other credit provisions	(48)	(51)
Net income	**1,512**	**1,271**
Operating expenses excluding amortisation of intangible assets	(1,320)	(1,105)
Amortisation of intangible assets	(29)	(24)
Operating expenses	**(1,349)**	**(1,129)**
Profit on disposal of subsidiaries, associates and joint ventures	-	1
Profit before tax	**163**	**143**
Balance Sheet Information		
Loans and advances to customers at amortised cost	£16.1bn	£13.0bn
Customer accounts	£44.8bn	£38.4bn
Total assets	£17.8bn	£14.9bn
Risk weighted assets	£12.4bn	£11.4bn
Performance Measures		
Loan loss rate (bps)	29	38
Cost: income ratio	86%	85%

Results by Business

Barclays Wealth

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 reflecting an increase in the liabilities margin offset by a reduction in the asset margin. 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 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.

Results by Business

Investment Management

	Year Ended 31.12.10	Year Ended 31.12.09
Income Statement Information		
	£m	£m
Net interest (expense)/income	(6)	10
Net fee and commission income/(expense)	4	(2)
Net trading (loss)/income	(19)	20
Net investment income	100	11
Other (loss)/income	(1)	1
Total income	**78**	**40**
Operating expenses	**(11)**	**(17)**
Loss on disposal of subsidiaries, associates and joint ventures	-	(1)
Profit before tax	**67**	**22**
Balance Sheet Information		
Total assets	£4.6bn	£5.4bn
Risk weighted assets	£0.1bn	£0.1bn

Results by Business

Investment Management

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.

Results by Business

Head Office Functions and Other Operations

	Year Ended 31.12.10	Year Ended 31.12.09
Income Statement Information		
	£m	£m
Net interest income/(expense)	35	(507)
Net fee and commission expense	(389)	(418)
Net trading loss	(434)	(291)
Net investment income/(loss)	491	(34)
Net premiums from insurance contracts	79	92
Gains on debt buy-backs and extinguishments	-	1,164
Other income	39	22
Total (loss)/income	**(179)**	**28**
Net claims and benefits incurred under insurance contracts	1	-
Total (loss)/income net of insurance claims	**(178)**	**28**
Impairment charges and other credit provisions	(2)	(16)
Net (loss)/income	**(180)**	**12**
Operating expenses	**(579)**	**(570)**
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)**
Balance Sheet Information		
Total assets	£20.9bn	£6.4bn
Risk weighted assets	£0.6bn	£0.9bn

Results by Business

Head Office Functions and Other Operations

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 as money market dislocations eased, and a reclassification of profit from the currency translation reserve to the income statement.

Group segmental reporting is consistent with internal reporting to 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 £206m to a loss of £178m (2009: income of £28m).

Net interest income improved £542m 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 decreased by £29m to £389m (2009: £418m) reflecting increases in fees for structured capital market activities to £239m (2009: £191m) and increases in adjustments to eliminate inter-segment transactions, 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 increase of £336m in the reclassification to net interest expense 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. In addition, there were reduced profits on hedging activities.

Net investment income increased to £491m (2009: loss of £34m) predominately due to the gains on disposal of gilts.

Operating expenses increased £9m 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, which was partially offset by a £129m 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 an £7.4bn net increase in gilts held for the equity structural hedge and £6.8bn of covered bonds and other notes. Risk weighted assets were £0.6bn (2009: £0.9bn).

Results by Business

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Risk Management

Overview

Barclays has clear risk management objectives, a well-established strategy to deliver these objectives, and a robust framework for managing risk. The Group s approach to identifying, assessing, managing and reporting risks is formalised in its Principal Risk framework. This:

- Creates clear ownership and accountability
- Ensures that the Group s risk exposures are understood and managed in accordance with agreed risk appetite (for financial risks) and risk tolerances (for non-financial risks)
- Ensures regular reporting of both risk exposures and the operating effectiveness of controls

The Group s Principal Risks, together with references to where areas of significant risk affecting the 2010 results are described, are as follows:

The other Principal Risks that form part of the Group s Principal Risk Framework but are not covered in the Preliminary Announcement are: People Risk, Operations Risk, Taxation Risk, Technology Risk, Financial Reporting Risk and Financial Crime Risk. These will be covered in the Annual Report and Accounts.

Risk Management

Analysis of Total Assets by Valuation Basis and Underlying Asset Class

		Accounting Basis	
		Cost Based	
	Total Assets	Measure	Fair Value
Assets as at 31.12.10			
	£m	£m	£m
Cash and balances at central banks	**97,630**	97,630	-
Items in the course of collection from other banks	**1,384**	1,384	-
Debt securities & other eligible bills	139,240	-	139,240
Equity securities	25,613	-	25,613
Traded loans	2,170	-	2,170
Commodities[7]	1,844	-	1,844
Trading portfolio assets	**168,867**	-	168,867
Loans and advances	22,352	-	22,352
Debt securities	1,918	-	1,918
Equity securities	5,685	-	5,685
Other financial assets[8]	10,101	-	10,101
Held in respect of linked liabilities to customers under investment contracts[9]	1,429	-	1,429
Financial assets designated at fair value	**41,485**	-	41,485
Derivative financial instruments	**420,319**	-	420,319
Loans and advances to banks	**37,799**	37,799	-
Loans and advances to customers	**427,942**	427,942	-
Debt securities & other eligible bills	59,629	-	59,629
Equity securities	5,481	-	5,481
Available for sale financial instruments	**65,110**	-	65,110
Reverse repurchase agreements and other similar secured lending	**205,772**	205,772	-
Other assets	**23,337**	21,767	1,570
Total assets as at 31.12.10	**1,489,645**	**792,294**	**697,351**
Total assets as at 31.12.09	1,378,929	710,512	668,417

1 *Further analysis of loans and advances is on pages 35 to 37.*

2 *Further analysis of derivatives is on pages 73 to 74.*

3 *Further analysis of debt securities and other bills is on page 50.*

4 *Reverse repurchase agreements comprise primarily short-term cash lending with assets pledged by counterparties securing the loan.*

5 *Equity securities comprise primarily equity securities determined by available quoted prices in active markets.*

Risk Management

	Analysis of Total Assets						Sub Analysis
			Debt	Reverse			
	Loans and		Securities	Repurchase	Equity		Credit Market
	Advances[1]	Derivatives[2]	& Other Bills[3]	Agreements[4]	Securities[5]	Other	Exposures[6]
	£m	£m	£m	£m	£m	£m	£m
	-	-	-	-	-	97,630	-
	-	-	-	-	-	1,384	-
	-	-	139,240	-	-	-	154
	-	-	-	-	25,613	-	-
	2,170	-	-	-	-	-	-
	-	-	-	-	-	1,844	-
	2,170	-	139,240	-	25,613	1,844	154
	22,352	-	-	-	-	-	4,712
	-	-	1,918	-	-	-	345
	-	-	-	-	5,685	-	743
	-	-	-	7,559	-	2,542	-
	-	-	-	-	-	1,429	-
	22,352	-	1,918	7,559	5,685	3,971	5,800
	-	420,319	-	-	-	-	1,922
	37,799	-	-	-	-	-	-
	427,942	-	-	-	-	-	13,691
	-	-	59,629	-	-	-	407
	-	-	-	-	5,481	-	-
	-	-	59,629	-	5,481	-	407
	-	-	-	205,772	-	-	-
	-	-	-	-	-	23,337	1,651
	490,263	**420,319**	**200,787**	**213,331**	**36,779**	**128,166**	**23,625**
	487,268	416,815	180,334	151,188	32,534	110,790	26,601

6 *Further analysis of Barclays Capital credit market exposures is on pages 56 to 61. Undrawn commitments of £264m (2009: £257m) are off-balance sheet and therefore not included in the table above.*

7 *Commodities primarily consist of physical inventory positions.*

8 *These instruments consist primarily of reverse repurchase agreements designated at fair value.*

9 *Financial assets designated at fair value in respect of linked liabilities to customers under investment contracts have not been further analysed as the Group is not exposed to the risks inherent in these assets.*

Risk Management

Overview of Credit Risk Management

The granting of credit is one of the Group s major sources of income and, as the most significant risk, the Group dedicates considerable resources to managing its credit risk.

Barclays has structured the responsibilities of credit risk management so that ownership of the risk is held by the business management team. At the same time, credit sanctioning decisions are performed by risk officers who are independent of the business line but are positioned in the business, whilst ensuring robust review and challenge of credit sanctioning, portfolio performance,