Additional information
Risk factors

Risk Factors

The following information describes risk factors which the Group believes could cause its future results, financial condition and prospects to differ materially from expectations. However, other factors of which the Group is not currently aware or which are not currently viewed as significant risks could ultimately 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.

Business conditions and the general economy

Barclays offers a very broad range of services to personal and institutional customers, including governments. The Group has significant activities in a large number of countries. Consequently, there are many ways in which changes in business conditions and the economy in a single country or region or globally can adversely impact profitability, whether at the level of the Group, the individual business units or specific countries of operation.

During 2011, the economic environment in Barclays main markets was marked by generally weaker than expected growth and the ongoing sovereign debt crisis in the Eurozone. In the UK, the economy recovered slightly during 2011 although GDP declined slightly in the fourth quarter leading to uncertainty in the near term. The potential for persistent unemployment, higher interest rates and rising inflation may increase the pressure on disposable incomes, affecting an individual's debt service ability with the potential to impact adversely performance in the Group's retail sector. US economic conditions were better than the UK in 2011. However, unemployment is still high, which increases uncertainty in the near term. Credit conditions in Europe remain weak and a depressed housing sector and high unemployment may, in the near term, adversely affect the Group's business operations in this region. The global wholesale environment has been affected by the sovereign debt crisis and business confidence has generally declined. Performance in the near term, therefore, remains uncertain.

The business conditions facing the Group in 2012 globally and in many markets in which the Group operates are subject to significant uncertainties which may in some cases lead to material adverse impacts on the Group's operations, financial condition and prospects, including (for example) higher levels of impairment, lower revenues or higher costs, most notably:

– impact of potentially deteriorating sovereign credit quality, particularly debt servicing and refinancing capability;
– extent and sustainability of economic recovery, including impact of austerity measures on a number of the European economies;
– increase in unemployment due to weaker economies in a number of countries in which the Group operates, fiscal tightening and other austerity measures;
– impact of rising inflation and potential interest rate rises on consumer debt affordability and corporate profitability;
– possibility of further falls in residential property prices in the UK, South Africa and Western Europe;
– potential liquidity shortages increasing counterparty risks;
– potential for large single name losses and deterioration in specific sectors and geographies;
– possible deterioration in remaining credit market exposures;
– potential exit of one or more countries from the Euro as a result of the sovereign debt crisis;
– reduced client activity leading to lower revenues;
– decreases in market liquidity due to economic uncertainty;
– impact on income from uncertain interest and exchange rate environment;
– asset returns underperforming pension liabilities;
– impact of Basel 3 as regulatory rules are finalised;
– impacts on capital ratios from weak profit performance;
– availability and volatility in cost of funding due to economic uncertainty;
– reduction in available depositor and wholesale funding;
– implementation of strategic change and integration programmes across the Group;
– continued regulatory and political focus, driven by the global economic climate;
– impact of new, wide ranging, legislation in various countries coupled with changing regulatory landscape;
– increasingly litigious environment; and
– the crisis management agenda and breadth of regulatory change required in global financial institutions.

Independent Commission on Banking

The ICB was charged by the UK Government with reviewing the UK banking system and its findings were published on 12 September 2011. The ICB recommended (amongst other things) that: (i) the UK and EEA retail banking activities of a UK bank or building society should be placed in a legally distinct, operationally separate and economically independent entity (so-called "ring-fencing"); and (ii) the loss-absorbing capacity of ring-fenced banks and UK-headquartered global systemically important banks (such as Barclays Bank PLC) should be increased to levels higher than the Basel 3 proposals. The UK Government published its response to the ICB recommendations in December 2011 and indicated that primary and secondary legislation relating to the proposed ring-fence will be completed by May 2015, with UK banks and building societies expected to be compliant as soon as practicable thereafter, and the requirements relating to increased loss-absorbing capacity of ring-fenced banks and UK-headquartered global systemically important banks will be applicable from 1 January 2019. Changes to the structure of UK banks and an increase in the amount of loss-absorbing capital issued by UK banks may have a material adverse impact on Barclays and the Group's results and financial condition. It is also not possible to predict the detail of the implementation legislation or the ultimate consequences for the Group.

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Additional information
Risk factors continued

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. 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 its control. 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 its 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 loans. However, credit risk may also arise where the downgrading of an entity’s credit rating causes a fall in the value of the Group’s investment in that entity’s financial instruments. Specific issues and scenarios where credit risk could lead to higher impairment charges in 2012 and subsequent years include:

Sovereign risk and the Eurozone crisis
Credit conditions will deteriorate in a recessionary environment, such as that recently seen in the UK, US, the Eurozone and other economies. Deteriorating credit conditions will impact exposures to retail and wholesale counterparties, including a country’s government or its agencies (via sovereign risk) thus impairing or reducing the value of Barclays credit assets. Fiscal deficits continue to remain high, leading to high levels of public debt in some countries at a time of modest GDP growth. This has led to a loss of market confidence in certain countries to which the Group is exposed causing deteriorating sovereign credit quality (particularly in relation to debt servicing and refinancing) which, if it were to continue, may have a material adverse effect on the Group’s results of operations, financial condition and prospects.

In particular, concerns about the Eurozone crisis remain very high. The large sovereign debts and/or fiscal deficits of a number of European countries have raised concerns regarding the financial condition of financial institutions, insurers and other corporates (i) located in these countries; (ii) that have direct or indirect exposure to these countries (both to sovereign debt and private sector debt); and/or (iii) whose banks, counterparties, custodians, customers, service providers, sources of funding and/or suppliers have direct or indirect exposure to these countries. The default, or a further decline in the credit rating, of one or more sovereigns or financial institutions could cause severe stress in the financial system generally and could adversely affect the markets in which the Group operates and the businesses and economic condition and prospects of the Group’s counterparties, customers, suppliers or creditors, directly or indirectly, in ways which it is difficult to predict.

The impact of these conditions could adversely affect Barclays and the solvency of its counterparties, custodians, customers and service providers; its credit rating; its share price; the value and liquidity of its assets and liabilities; and the ability of the Group to meet its debt obligations more generally.

Investors should ensure that they have sufficient knowledge and awareness of the Eurozone crisis, global financial crisis and the economic situation and outlook to enable them to make their own evaluation of the risks and merits of an investment in the securities issued by Barclays. In particular, investors should take into account the considerable uncertainty as to how the Eurozone crisis, the global financial crisis and the wider economic situation will develop over time.

Economic weakness
In a recessionary environment, such as that seen in past years in the UK, the US and other economies, credit risk increases. In particular, the implementation of austerity measures to tackle high levels of public debt has negatively impacted economic growth and led to rising unemployment in some European countries and the monetary, interest rate and other policies of central banks and regulatory authorities may also have a significant adverse effect on a number of countries in which the Group operates. The threat of weaker economies in a number of countries in which the Group operates could lead to even higher levels of unemployment, rising inflation, potentially higher interest rates and falling property prices. For example, the Spanish and Portuguese housing sectors continues to be depressed, impacting the Group’s wholesale and retail credit risk exposures and the Group has experienced elevated impairment across its operations in these countries. Poor economic performance in one or more of the countries in which the Group operates may have a material adverse effect on the Group’s results of operations, financial condition and prospects.

In addition, if funding capacity in either the wholesale markets or central bank operations were to change significantly, liquidity shortages could result which may lead to increased counterparty risk with other financial institutions. This could also have an impact on refinancing risks in the corporate and retail sectors. This could have a material adverse effect on the Group’s results of operations, financial condition and prospects.

Credit market exposures
Barclays holds certain exposures to credit markets that became illiquid during 2007. These exposures primarily relate to commercial real estate and leveraged finance loans. Although the Group continues to actively manage down these exposures, there is no guarantee that this will be successful. Failure to manage down these exposures effectively could have a material adverse effect on the Group’s results of operations, financial condition and prospects.

Market risk
Market risk is the risk of the Group suffering financial loss due to the Group being unable to hedge its balance sheet at prevailing market levels. The Group can be impacted by changes in both the level and volatility of prices (for example, interest rates, credit spreads, commodity prices, equity prices and foreign exchange rates). Specific issues and scenarios where market risk could lead to lower revenues in 2012 and subsequent years include:

Reduced client activity and decreased market liquidity
The impact of ongoing economic uncertainty on client volumes, reduced market liquidity and higher volatility could lead to lower revenues and could result in a material adverse effect on the Group’s results of operations, financial condition and prospects.

Non-traded interest rate risk

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Additional information
Risk factors continued

Interest rate volatility can impact Barclays net interest margin. The potential for future volatility and margin changes remains and it is difficult to predict with any accuracy changes in absolute interest rate levels, yield curves and spreads. Such changes may have a material adverse effect on the Group's results of operations, financial condition and prospects.

Pension fund risk

Adverse movements between pension assets and liabilities for defined benefit could contribute to a pension deficit.

Funding risk

Funding risk is the risk that Barclays is unable to achieve its business plans due to liquidity risk, capital risk or the management of structural balance sheet risks.

Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its obligations as they fall due as a result of a sudden, and potentially protracted, increase in net cash outflows. Such outflows would deplete available cash resources for client lending, trading activities and investments. These outflows could be principally through customer withdrawals, wholesale counterparties removing financing, collateral posting requirements or loan draw-downs. This risk is inherent in all banking operations and can be affected by a range of Group-specific and market-wide events which can result in (i) an inability to support normal business activity; or (ii) a failure to meet liquidity regulatory requirements.

During periods of market dislocation, the Group's ability to manage liquidity requirements may be impacted by a reduction in the availability of wholesale term funding as well as an increase in the cost of raising wholesale funds. Asset sales, balance sheet reductions and the increasing costs of raising funding will affect the earnings of the Group.

In illiquid markets, the Group may decide to hold assets rather than securitising, syndicating or disposing of them. This could affect the Group's ability to originate new loans or support other customer transactions as both capital and liquidity are consumed by existing or legacy assets.

In addition, the introduction of capital controls or new currencies by countries to mitigate current stresses could have a consequential effect on performance of the balance sheets of certain Group companies based on the asset quality, types of collateral and mix of liabilities.

Capital risk

Capital risk is the risk that the Group is unable to maintain appropriate capital ratios which could lead to (i) an inability to support business activity; (ii) a failure to meet regulatory requirements; or (iii) changes to credit ratings.

Regulators assess the Group's capital position and target levels of capital resources on an ongoing basis and there have been a number of recent developments in regulatory capital requirements, including increases, which are likely to have a significant impact on the Group (such as Basel 3 and its proposed implementation in the EU under the Capital Requirements Regulation and CRD 4). Increased capital requirements and changes to what is defined to constitute capital may constrain the Group's planned activities and could increase costs and contribute to adverse impacts on the Group's earnings. During periods of market dislocation, increasing the Group's capital resources in order to meet targets may prove more difficult or costly.

Structural balance sheet risk

Structural balance sheet risk relates to the management of non-contractual risks and predominantly arises from the impact on Barclays balance sheet of changes in primarily interest rates on income or foreign exchange rates on capital ratios. It is difficult to predict with any accuracy changes in interest rates or foreign exchange rates and such changes may have a material adverse effect on the Group's results of operations, financial condition and prospects.

Operational risk

Operational risk is the risk of direct or indirect impacts resulting from human factors, inadequate or failed internal processes and systems or external events. Operational risks are inherent in the Group's business activities and are typical of any large enterprise. Major sources of operational risk include:

- inadequate selection and ongoing management of external suppliers;
- a reporting mis-statement or omission within external financial or regulatory reporting;
- dishonest behaviour with the intent to make a gain or cause a loss to others;
- inadequate protection of information in accordance with its value and sensitivity;
- inadequate design, assessment and testing of products and services;
- failure in operation of payments processes;
- insufficient people or capabilities and/or inappropriate behaviours and/or unsafe working environments;
- unavailability of premises to meet business requirements or inadequate protection of physical assets, employees and customers against criminal, terrorist and adverse political activities;
- failure to develop and deploy secure, stable and reliable technology solutions; and
- failure in the management of critical transaction processes.

These risks can result in financial and non-financial impacts, legal or regulatory breaches and reputational damage.
In addition, other major areas of operational risk include (i) regulatory risk; (ii) legal and litigation risk; (iii) cybersecurity risk; and (iii) taxation risk.

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 which are currently subject to significant changes. 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.

Additional information
Risk factors continued

The Group's businesses and earnings can be affected by the fiscal or other policies and other actions of various governmental and regulatory authorities in the UK, EU, US and elsewhere, which are all subject to change. The regulatory response to the financial crisis has led and will continue to lead to very substantial regulatory changes in the UK, EU and US and in other countries in which the Group operates. It has also (amongst other things) led to (i) a more assertive approach being demonstrated by the authorities in many jurisdictions; and (ii) enhanced capital and liquidity requirements (for example pursuant to CRD 4). Any future regulatory changes may restrict the Group's operations, mandate certain lending activity and impose other, significant compliance costs.

Areas where changes could have significant adverse impacts include:

- general changes in government or regulatory policy that may significantly influence investor decisions in particular markets in which the Group operates;
- general changes in regulatory requirements, for example, prudential rules relating to the capital adequacy framework and rules designed to promote financial stability and increase depositor protection;
- changes in competition and pricing environments;
- further developments in the financial reporting environment;
- differentiation amongst financial institutions by governments with respect to the extension of guarantees to customer deposits and the terms attaching to those guarantees;
- implementation of, or costs related to, local customer or depositor compensation or reimbursement schemes; and
- the US Dodd-Frank Wall Street Reform and Consumer Protection Act, which contains far reaching regulatory reform (including restrictions on proprietary trading and fund-related activities (the so-called "Volcker rule")). The full impact on the Group's businesses and markets will not be known until the principal implementing rules are adopted in final form by governmental authorities, a process which is underway and which will take effect over several years.

For further information on the impact of regulatory developments on Barclays, please see "Supervision & Regulation" on pages 127 - 131.

Legal and litigation 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 (such as trade names of the Group) may not be adequately protected; and
- liability for damages may be incurred to third parties harmed by the conduct of the Group's business.

The Group also faces risk where legal proceedings are brought against it. The Group is, and may in the future be, involved in various disputes, legal proceedings and regulatory investigations in various jurisdictions, including in the US. Regardless of whether such claims have merit, the outcome of legal proceedings is inherently uncertain and could result in significant financial loss. Furthermore, the Group, like many other financial institutions, has come under greater regulatory scrutiny in recent years and expects that environment to continue particularly as it relates to compliance with new and existing corporate governance, employee compensation, conduct of business, anti-money laundering and anti-terrorism laws and regulations, as well as applicable international sanctions regimes. Defending legal proceedings and regulatory investigations is often expensive and time-consuming and there is no guarantee that all costs incurred will be recovered even if the Group is successful.

Adverse regulatory action or adverse judgments in legal proceedings could result in significant financial penalties and losses, restrictions or limitations on the Group's operations or have a significant adverse effect on the Group's reputation or results of operations, financial condition or prospects or result in a loss of value in securities issued by the Group.

For further information on legal proceedings affecting Barclays, please see Notes 30 and 31 to the Barclays audited consolidated financial statements for the year ended 31 December 2011.

Payment Protection Insurance (PPI) risk
During 2011, Barclays agreed with the FSA that it would process all on-hold and any new complaints from customers about PPI policies. The Group also announced that, as a goodwill gesture, it would pay out compensation to customers who had PPI complaints put on hold during the judicial review. A provision of £1bn was recognised in the second quarter of 2011 to cover the cost of future redress and administration. As at 31 December 2011, following payments made during 2011, the provision was £565m, and (at this date) represented management's best estimate of the remaining anticipated costs of related customer redress, including administration expenses.

There are a number of assumptions which underpin the provision, including assumptions as to (i) the volume and number of claims; (ii) the percentage of claims that are upheld as being valid upon review; and (iii) the expected average payment to customers for upheld claims, which are subjective and liable to change. Consequently, there could be a change in the provision in the event that there is a significant change in the volume and number of customer claims, uphold rates or average payment. Any increase in the level of the provision may have a material adverse effect on the Group's results of operations, financial condition and prospects. Please see Note 29 of the financial statements for further information on the assumptions underlying the PPI provision, and page 246 regarding events subsequent to the approval of the 2011 financial statements.

Cybersecurity risk
Barclays recognises the growing threats from cyberspace to our systems, including in respect of customer and our own information held on them and transactions processed through these systems. Barclays is not currently aware of any significant breaches of its systems from cyberspace. However, given the increasing sophistication and scope of potential attacks from cyberspace, it is possible that in the future such attacks may lead to significant breaches. Failure to manage cybersecurity risk adequately could impact the Group materially and adversely and could have a negative impact on the Group's performance or reputation.

Taxation risk
Taxation risk is the risk that the Group suffer losses arising from additional tax charges, financial penalties or reputational damage associated with failure to comply with procedures required by tax authorities, changes in tax law and the interpretation of tax law. The Group is subject to the tax laws in all countries in which it operates, including tax laws adopted at an EU level, and is impacted by a number of double taxation agreements between countries. If, as a result of a particular tax risk materialising, the tax costs associated with particular transactions are greater than anticipated, it could affect the profitability of those transactions.

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Additional information
Barclays approach to remuneration

Barclays Remuneration Policy
The Barclays Remuneration Policy provides a framework for the Board Remuneration Committee (the Committee) in carrying out its work. The aims of the Remuneration Policy are to:

1. Attract and retain those people with the ability, experience and skill to deliver Barclays strategy.
2. Create a direct and recognisable alignment between the rewards and risk exposure of shareholders and employees.
3. Incentivise employees to deliver sustained performance consistent with strategic goals and appropriate risk management, and to reward success in this.
4. Deliver remuneration that is affordable and appropriate in terms of value allocated to shareholders and employees.
5. Encourage behaviour consistent with the following principles that guide Barclays business:

i) Winning together
– Doing what is right for Barclays, its teams and colleagues to achieve collective and individual success

ii)Best people
– Developing talented colleagues and differentiating remuneration to reflect performance
– Doing what is needed to ensure a leading position in the global financial services industry

iii)Customer and client focus
– Understanding what customers and clients want and need and then serving them brilliantly

iv)Pioneering
– Driving new ideas, especially those that make Barclays profitable and improve control
– Improving operational excellence
– Adding diverse skills to stimulate new perspectives and bold steps

v) Trusted
– Acting with the highest levels of integrity to retain the trust of customers, shareholders, other external stakeholders and colleagues
– Taking full responsibility for decisions and actions
– Reflecting the operation of independent, robust and evidence based governance and control and complying with relevant legal and regulatory requirements

The Committee reviews the Remuneration Policy and remuneration arrangements to ensure that Barclays programmes remain competitive and provide appropriate incentive for performance.

Regulation
Barclays is committed to the maintenance of robust remuneration arrangements that are in accordance with regulatory requirements including the FSA’s Remuneration Code. Table 1 sets out some of the ways that we fulfil this commitment.

Table 1: Remuneration regulation

Regulatory area	Barclays practice
Scope and application	The FSA’s Remuneration Code applies to all Barclays businesses globally. Code Staff are identified and made aware of the implications of their status. Code Staff are Barclays employees whose professional activities could have a material impact on the Group’s risk profile
Governance	The Committee’s scope includes reviewing the remuneration of Code Staff
Capital	Quantum and structure of the variable component of remuneration is considered in the context of capital planning. Capital efficiency is a key goal in the design of remuneration plans
Guarantees	Our policy in all of our businesses is that guarantees are used only in exceptional circumstances in the case of new hires and for one year. The number of guarantees in 2011 reduced substantially compared to 2010
Risk-focused remuneration policies	Barclays policies, procedures and practices promote sound risk management. This is embodied in the Remuneration Policy and in Barclays guiding principles. Risk and remuneration are linked in Barclays through governance processes, bonus funding, the performance assessment process, performance metrics selection, deferral structures and clawback provisions
Deferral and payment in Barclays shares	For Code Staff, 50% of non-deferred bonuses are awarded in Barclays shares subject to a six month holding period. A significant proportion of the bonus pool is delivered as deferred bonuses. For Code Staff a minimum of 60% of the variable component of remuneration is deferred (minimum of 40% for variable remuneration of not more than £500,000). Code Staff are also subject to a shareholding guideline
Clawback	Deferred bonuses and long term incentive awards vest subject to clawback provisions in line with the FSA’s Remuneration Code. The Committee reviews the operation of clawback and may reduce the vesting level of awards (including to nil). Events that may lead to clawback include employee misconduct, harm to Barclays reputation, material restatement of Barclays financial statements, a material failure of risk management or a significant deterioration in the financial health of Barclays. Awards may also be suspended where an employee is under investigation for a regulatory or disciplinary matter

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Additional information
Barclays approach to remuneration continued

Barclays remuneration arrangements

The Remuneration Policy applies the same overarching principles and practices to all employees, including executive Directors and Code Staff, though the exact structure and quantum of individual packages varies by business, geography and role. Remuneration decisions are managed on the basis of total remuneration, comprising salaries, bonuses and long term incentive awards. Salaries are set at a level consistent with market rates. The variable component of remuneration (bonus and long term incentive awards) is used to provide a clear and explicit link between remuneration and current and future performance. Retirement benefits and other benefits are provided in addition to the total remuneration package.

For senior employees, the combined potential remuneration from bonuses and long term incentive awards outweighs the fixed component of remuneration, and is subject to individual and business performance. This means that the majority of remuneration is risk-adjusted.

Each element of total remuneration is reviewed relative to performance and relative to the practice of other comparable organisations. This includes benchmarking against other leading international banks and financial services organisations and companies of a similar size to Barclays. Table 2 provides further details on each of the key elements of Barclays remuneration arrangements.

Table 2: Key elements of Barclays remuneration arrangements

Element	Strategic purpose	Programme summary
Salary	To attract and retain talent in a competitive market	– Reviewed annually – Salaries are determined with reference to relevant market practice
Bonus (including deferred bonus)	To incentivise the delivery of annual goals at Barclays, business, team and individual levels and to ensure that for executive Directors and senior employees a substantial portion of remuneration is variable and linked to performance	– Bonuses are awarded on a discretionary basis, based on Barclays, business, team and individual performance – The aggregate level of bonuses is determined by reference to Group and business unit metrics. These include a range of risk-adjusted financial metrics including profit before tax and return on risk weighted assets – Individual bonuses are strongly differentiated based on individual performance (both financial and non-financial). Adherence to applicable risk and control frameworks is part of performance assessment – The structure of individual bonuses varies based on amount, and may include different components including cash bonuses, share bonuses and deferred bonuses – For Code Staff, 50% of non-deferred bonuses are awarded in the form of Barclays shares subject to a six month holding period
	Deferred bonuses are designed to align performance with shareholder value and increase retention for senior employees	– Executive Directors, Code Staff and other employees who are awarded a bonus over a threshold level (set annually by the Committee) receive part of the bonus as a deferred bonus – Deferred bonuses include deferred share bonuses and deferred cash bonuses – For Code Staff a minimum of 60% of the variable component of remuneration is deferred (minimum of 40% for variable remuneration of not more than £500,000) – Vesting of deferred bonuses is dependent on future service and subject to clawback provisions – Details of the principal deferred bonus plans which were used in respect of the 2011 performance year (SVP and CVP) are shown on page 271
Long term incentive awards	Long term incentive awards reward execution of Barclays strategy and the creation of sustained growth in shareholder value. The awards are designed to align the most senior employees' goals with the long term success of Barclays	– The most senior employees in Barclays may receive long term incentive awards – Long term incentive awards are subject to risk-adjusted performance conditions, measured over a performance period of a minimum of three years – The vesting of long term incentive awards is subject to the discretion of the Committee to ensure that awards only vest for performance – Vesting of long term incentive awards is subject to clawback provisions – Delivery of vested long term incentive awards includes awards in cash and in Barclays shares – Details of the current long term incentive plans are shown on pages 271 and 272
Retirement benefits (or cash allowance)	To provide a market competitive post retirement benefit	– Barclays provides retirement benefit arrangements to employees across the businesses, with appropriate consideration of market practice and geographical differences
Other benefits	To provide market competitive benefits	– Benefits vary by role and may include private medical insurance, life and disability cover and car allowance, with appropriate consideration of market practice and geographical differences

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Additional information
Barclays approach to remuneration continued

Share and cash plans and long term incentive plans

Barclays operates a number of share and cash plans and long term incentive plans. The principal plans used for awards made in respect of the 2011 performance year are shown in Table 3. Awards are granted either by the plan trustee or by the Committee, and are subject to the applicable plan rules. Barclays has a number of employee benefit trusts which operate with these plans. In some cases the trustee purchases shares in the market to satisfy awards; in others, new issue or treasury shares may be used to satisfy awards where the appropriate shareholder approval has been obtained. The limits on the issue of new shares comply with the guidelines issued by the Association of British Insurers.

Table 3: Summary of principal share and cash plans and long term incentive plans

Name of plan	Eligible employees	Executive Directors eligible?	Delivery	Design details
Share Value Plan (SVP)	All employees (including executive Directors) whose bonus is above a set threshold	Yes	Deferred share bonus released in annual instalments over a three year period, dependent on future service and subject to clawback provisions	– Plan typically used for mandatory deferral of a proportion of bonus into Barclays shares where bonus is above a threshold (set annually by the Committee) – This plan typically works in tandem with the CVP – Deferred share bonus vests over three years in equal annual instalments dependent on future service – Vesting is subject to clawback provisions – Dividends that would normally be received may be awarded as additional Barclays shares and vest alongside each instalment – On cessation of employment, eligible leavers normally receive an award subject to the Committee and/or trustee discretion. For other leavers, awards will normally lapse – On change of control, awards may vest at the Committee's and/or trustee's discretion
Cash Value Plan (CVP)	All employees (excluding executive Directors) whose bonus is above a set threshold	No	Deferred cash bonus paid in annual instalments over a three year period, dependent on future service and subject to clawback provisions	– Plan typically used for mandatory deferral of a proportion of bonus where bonus is above a threshold (set annually by the Committee) – This plan typically works in tandem with the SVP – Deferred cash bonus vests over three years in equal annual instalments dependent on future service – Vesting is subject to clawback provisions – Participants may be awarded a service credit of 10% of the initial value of the award at the same time as the final instalment is paid – Change of control and leaver provisions are as for SVP
Barclays LTIP	Selected employees (including executive Directors)	Yes	Awards over Barclays shares or over other capital instruments, subject to risk-adjusted performance conditions and clawback provisions	– Awarded on a discretionary basis with participation reviewed by the Committee – Awards only vest if the risk-adjusted performance conditions are satisfied over a three year period – Vesting is subject to clawback provisions – For awards made for the 2011-2013 performance period, 50% of Barclays shares will be released (after payment of tax) at the end of the three year period, and 50% (after payment of tax) will be subject to an additional 12 month holding period – On cessation of employment, eligible leavers normally receive an award pro-rated for time and performance. For other leavers, awards will normally lapse – On change of control, awards may vest at the Committee's discretion

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Additional information
Barclays approach to remuneration continued

Table 3 (continued): Summary of principal share and cash plans and long term incentive plans				
Name of plan	**Eligible employees**	**Executive Directors eligible?**	**Delivery**	**Design details**
Business unit long term incentive plans	Selected senior employees (excluding executive Directors) within each business unit	No	Design varies by business unit. Awards vest after at least three years, with additional deferral after this period. Awards typically vest 50% in cash and 50% in Barclays share awards	– Awarded on a discretionary basis – Risk-adjusted performance conditions vary by business unit to reflect applicable business strategy – Minimum plan duration is between three and five years (depending on plan) – Vesting is subject to clawback provisions – Awards are subject to forfeiture if the participant leaves Barclays other than for eligible leaver reasons
Sharesave	All employees in Ireland, Spain and the UK	Yes	Options over Barclays shares at a discount of 20%, with shares or cash value of savings delivered after three to seven years	– HMRC approved in the UK and approved by the Revenue Commissioners in Ireland – Opportunity to purchase Barclays shares at a discount price (currently a 20% discount) set on award date with savings made over three, five or seven year term – Maximum individual savings of £250 per month (€300 in Ireland and Spain) – On cessation of employment, eligible leavers may exercise options and acquire shares to the extent of their savings for six months – On change of control, participants may exercise options and acquire shares to the extent of their savings for six months
Sharepurchase	All employees in the UK	Yes	Barclays shares and dividend/matching shares held in trust for three to five years	– HMRC approved plan – Participants may purchase up to £1,500 of Barclays shares each tax year – Barclays matches the first £600 of shares purchased by employees on a one for one basis – Dividends received are awarded as additional shares – Purchased shares may be withdrawn at any time (if removed prior to three years from award, the corresponding matching shares are forfeited). Matching shares must be held in trust for at least three years – On cessation of employment, participants must withdraw shares – Depending on reason for and timing of leaving, matching shares may be forfeited – On change of control, participants are able to instruct the Sharepurchase trustee how to act or vote on their behalf
Global Sharepurchase	Employees in certain non-UK jurisdictions	Yes	Barclays shares and dividend/matching shares held in trust for three to five years	– Global Sharepurchase is an extension of the Sharepurchase plan offered in the UK – Operates in substantially the same way as Sharepurchase (see above)

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Additional information
Reconciliation of non-IFRS figures to IFRS figures continued

Reconciliation of non-IFRS profit before tax to IFRS profit before tax

		Adjusting Items							
	IFRS £m	Own credit gains £m	Gains on debt buy backs £m	Loss on disposal of Blackrock, Inc.[a] £m	Impairment of investment in Blackrock, Inc. £m	Provision for PPI redress £m	Goodwill impairment £m	Loss on acquisitions and disposals £m	Adjusted £m
For the year ended 31 December 2011									
Total income net of insurance claims[b]	**32,292**	**(2,708)**	**(1,130)**	**–**	**–**	**–**	**–**	**–**	**28,454**
Credit impairment charges and other provisions	**(3,802)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(3,802)**
Impairment of investment in BlackRock, Inc.	**(1,800)**	**–**	**–**	**–**	**1,800**	**–**	**–**	**–**	**–**
Operating expenses	**(20,777)**	**–**	**–**	**–**	**–**	**1,000**	**597**	**–**	**(19,180)**
Other income/(losses)	**(34)**	**–**	**–**	**58**	**–**	**–**	**–**	**94**	**118**
Profit before tax	**5,879**	**(2,708)**	**(1,130)**	**58**	**1,800**	**1,000**	**597**	**94**	**5,590**
For the year ended 31 December 2010									
Total income net of insurance claims	31,440	(391)	–	–	–	–	–	–	31,049
Credit impairment charges and other provisions	(5,672)	–	–	–	–	–	–	–	(5,672)
Operating expenses	(19,971)	–	–	–	–	–	243	–	(19,728)
Other income/(losses)	268	–	–	–	–	–	–	(210)	58
Profit before tax	6,065	(391)	–	–	–	–	243	(210)	5,707
For the year ended 31 December 2009									
Total income net of insurance claims	29,123	1,820	(1,249)	–	–	–	–	–	29,694
Credit impairment charges and other provisions	(8,071)	–	–	–	–	–	–	–	(8,071)
Operating expenses	(16,715)	–	–	–	–	–	1	–	(16,714)
Other income/(losses)	248	–	–	–	–	–	–	(214)	34
Profit before tax	4,585	1,820	(1,249)	–	–	–	1	(214)	4,943

a Loss on disposal of BlackRock, Inc. represents the loss on disposal of a portion of the Group's strategic investment in BlackRock, Inc. recycled through investment income.
b Adjusted measure for total income is stated as adjusted income excluding own credit and gains on debt buy backs

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Analysis of results by business	UK RBB £m	Europe RBB £m	Africa RBB £m	Barclaycard £m	Barclays Capital £m	Barclays Corporate £m	Barclays Wealth £m	Investment Management £m	Head Office Functions and Other Operations £m	Total £m
For the year ended 31 December 2011										
Total income net of insurance claims	**4,656**	**1,226**	**3,767**	**4,095**	**10,335**	**2,912**	**1,744**	**53**	**3,504**	**32,292**
Own credit gain	–	–	–	–	–	–	–	–	(2,708)	(2,708)
Gains on debt buy-backs	–	–	–	–	–	–	–	–	(1,130)	(1,130)
Total income net of insurance claims excluding own credit and gains on debt buy-backs	**4,656**	**1,226**	**3,767**	**4,095**	**10,335**	**2,912**	**1,744**	**53**	**(334)**	**28,454**
Credit impairment charges and other provisions	(536)	(261)	(464)	(1,259)	(93)	(1,149)	(41)	–	1	(3,802)
Impairment of investment in Blackrock, Inc.	–	–	–	–	–	–	–	(1,800)	–	(1,800)
Net operating income	**4,120**	**965**	**3,303**	**2,836**	**10,242**	**1,763**	**1,703**	**(1,747)**	**3,505**	**26,690**
Loss on disposal of Blackrock	–	–	–	–	–	–	–	58	–	58
Impairment of investment in Blackrock, Inc.	–	–	–	–	–	–	–	1,800	–	1,800
Adjusted net operating income	**4,120**	**965**	**3,303**	**2,836**	**10,242**	**1,763**	**1,703**	**111**	**(333)**	**24,710**
Operating expenses	(3,102)	(1,638)	(2,399)	(2,306)	(7,289)	(1,762)	(1,493)	(15)	(773)	(20,777)
PPI	400	–	–	600	–	–	–	–	–	1,000
Goodwill	–	427	–	47	–	123	–	–	–	597
Adjusted operating expenses	**(2,702)**	**(1,211)**	**(2,399)**	**(1,659)**	**(7,289)**	**(1,639)**	**(1,493)**	**(15)**	**(773)**	**(19,180)**
Other income/(losses)	2	12	6	31	12	(71)	(3)	–	(23)	(34)
Profit before tax	**1,020**	**(661)**	**910**	**561**	**2,965**	**(70)**	**207**	**(1,762)**	**2,709**	**5,879**
(Gain)/ loss on disposal	–	–	(2)	–	–	73	–	–	23	94
Adjusted profit /(loss) before tax from continuing operations	**1,420**	**(234)**	**908**	**1,208**	**2,965**	**126**	**207**	**96**	**(1,106)**	**5,590**
Tax	(295)	73	(319)	(173)	(781)	(37)	(18)	(9)	(369)	(1,928)
Profit after tax	**725**	**(588)**	**591**	**388**	**2,184**	**(107)**	**189**	**(1,771)**	**2,340**	**3,951**
Post tax impact of adjusting items	294	427	(2)	488	–	196	–	1,858	(2,947)	314
Adjusted profit after tax	**1,019**	**(161)**	**589**	**876**	**2,184**	**89**	**189**	**87**	**(607)**	**4,265**
Profit after tax and non-controlling interests	**725**	**(588)**	**287**	**317**	**2,126**	**(101)**	**188**	**(1,771)**	**1,824**	**3,007**
Impact of adjusting items	**294**	**427**	**(2)**	**488**	**–**	**196**	**–**	**1,858**	**(2,947)**	**314**
Adjusted profit after tax and non-controlling interests	**1,019**	**(161)**	**285**	**805**	**2,126**	**95**	**188**	**87**	**(1,123)**	**3,321**

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Analysis of results by business	UK RBB £m	Europe RBB £m	Africa RBB £m	Barclaycard £m	Barclays Capital £m	Barclays Corporate £m	Barclays Wealth £m	Investment Management £m	Head Office Functions and Other Operations £m	Total £m
For the year ended 31 December 2010										
Total income net of insurance claims	**4,518**	**1,164**	**3,700**	**4,024**	**13,209**	**2,974**	**1,560**	**78**	**213**	**31,440**
Own credit gain	–	–	–	–	–	–	–	–	(391)	(391)
Total income net of insurance claims excluding own credit and gains on debt buy backs	**4,518**	**1,164**	**3,700**	**4,024**	**13,209**	**2,974**	**1,560**	**78**	**(178)**	**31,049**
Credit impairment charges and other provisions	(819)	(314)	(562)	(1,688)	(543)	(1,696)	(48)	–	(2)	(5,672)
Net operating income	**3,699**	**850**	**3,138**	**2,336**	**12,666**	**1,278**	**1,512**	**78**	**211**	**25,768**
Adjusted net operating income	**3,699**	**850**	**3,138**	**2,336**	**12,666**	**1,278**	**1,512**	**78**	**(180)**	**25,377**
Operating expenses	(2,809)	(1,033)	(2,418)	(1,570)	(8,295)	(1,907)	(1,349)	(11)	(579)	– (19,971)
Goodwill	–	–	–	–	–	243	–	–	–	243
Adjusted operating expenses	**(2,809)**	**(1,033)**	**(2,418)**	**(1,570)**	**(8,295)**	**(1,664)**	**(1,349)**	**(11)**	**(579)**	**(19,728)**
Other income/(losses)	99	44	84	25	18	(2)	–	–	–	268
Profit before tax	**989**	**(139)**	**804**	**791**	**4,389**	**(631)**	**163**	**67**	**(368)**	**6,065**
(Gain)/ loss on disposal	(100)	(29)	(81)	–	–	–	–	–	–	(210)
Adjusted profit /(loss) before tax from continuing operations	**889**	**(168)**	**723**	**791**	**4,389**	**(388)**	**163**	**67**	**(759)**	**5,707**
Tax	(201)	137	(200)	(199)	(1,339)	45	(18)	(29)	288	(1,516)
Profit After Tax	**788**	**(2)**	**604**	**592**	**3,050**	**(586)**	**145**	**38**	**(80)**	**4,549**
Post tax impact of adjusting items	**(100)**	**(20)**	**(71)**	**–**	**–**	**243**	**–**	**–**	**(281)**	**(229)**
Adjusted profit after tax	**688**	**(22)**	**533**	**592**	**3,050**	**(343)**	**145**	**38**	**(361)**	**4,320**
Profit after tax and non-controlling interests	**789**	**(4)**	**318**	**531**	**2,994**	**(574)**	**145**	**38**	**(673)**	**3,564**
Impact of adjusting items	**(100)**	**(20)**	**(71)**	**–**	**–**	**243**	**–**	**–**	**(281)**	**(229)**
Adjusted profit after tax and non-controlling interests	**689**	**(24)**	**247**	**531**	**2,994**	**(331)**	**145**	**38**	**(954)**	**3,335**

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Reconciliation of non-IFRS figures to IFRS figures continued

Analysis of results by business	UK RBB £m	Europe RBB £m	Africa RBB £m	Barclaycard £m	Barclays Capital £m	Barclays Corpo-rate £m	Barclays Wealth £m	Invest-ment Manage-ment £m	Head Office Func-tions and Other Opera-tions £m	Total £m
For the year ended 31 December 2009										
Total income net of insurance claims	**4,276**	**1,318**	**3,292**	**4,041**	**13,445**	**3,181**	**1,322**	**40**	**(1,792)**	**29,123**
Own credit gain	–	–	–	–	–	–	–	–	1,820	1,820
Gains on debt buy-backs	–	–	–	–	–	(85)	–	–	(1,164)	(1,249)
Total income net of insurance claims excluding own credit and gains on debt buy backs	**4,276**	**1,318**	**3,292**	**4,041**	**13,445**	**3,096**	**1,322**	**40**	**(1,136)**	**29,694**
Credit impairment charges and other provisions	(1,031)	(338)	(688)	(1,798)	(2,591)	(1,558)	(51)	–	(16)	(8,071)
Net operating income	**3,245**	**980**	**2,604**	**2,243**	**10,854**	**1,623**	**1,271**	**40**	**(1,808)**	**21,052**
Adjusted net operating income	**3,245**	**980**	**2,604**	**2,243**	**10,854**	**1,538**	**1,271**	**40**	**(1,152)**	**21,623**
Operating expenses	(2,538)	(887)	(1,989)	(1,527)	(6,592)	(1,466)	(1,129)	(17)	(570)	(16,715)
Goodwill	–	–	–	–	–	1	–	–	–	1
Adjusted operating expenses	**(2,538)**	**(887)**	**(1,989)**	**(1,527)**	**(6,592)**	**(1,465)**	**(1,129)**	**(17)**	**(570)**	**(16,714)**
Other income/(losses)	3	187	17	11	22		1	(1)	8	248
Profit before tax	**710**	**280**	**632**	**727**	**4,284**	**157**	**143**	**22**	**(2,370)**	**4,585**
(Gain)/ loss on disposal	–	(26)	(21)	(3)	–	–	(1)	1	(7)	(57)
Gain on acquisitions	–	(157)	–	–	–	–	–	–	–	(157)
Adjusted profit /(loss) before tax from continuing operations	**710**	**97**	**611**	**724**	**4,284**	**73**	**142**	**23**	**(1,721)**	**4,943**
Tax	(190)	(70)	(171)	(225)	(1,305)	(51)	(23)	(4)	965	(1,074)
Profit after Tax	520	210	461	502	2,979	106	120	18	(1,405)	3,511
Post tax impact of adjusting items	–	(145)	(22)	(2)	–	(62)	(1)	1	235	4
Adjusted profit after tax	520	65	439	500	2,979	44	119	19	(1,170)	3,515
Profit after tax and non-controlling interests	520	210	200	472	2,961	125	121	18	(1,999)	2,628
Impact of adjusting items	–	(145)	(22)	(2)	–	(62)	(1)	1	235	4
Adjusted profit after tax and non-controlling interests	520	65	178	470	2,961	63	120	19	(1,764)	2,632

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Deposits and short-term borrowings

Deposits
Deposits include deposits from banks and customers accounts.

Average for the year ended 31-Dec[a]	2011 £m	2010 £m	2009 £m
Deposits from banks			
Customers in the United Kingdom	**13,821**	13,486	13,702
Other European Union	**45,417**	48,715	48,161
United States	**10,392**	7,373	14,757
Africa	**3,583**	1,783	2,218
Rest of the World	**15,906**	20,837	24,350
Total deposits from banks	**89,119**	92,194	103,188
Customer accounts			
Customers in the United Kingdom	**226,018**	214,466	197,363
Other European Union	**44,229**	44,188	38,326
United States	**36,934**	29,837	32,218
Africa	**46,568**	42,354	37,009
Rest of World	**17,778**	23,464	23,655
Customer accounts	**371,527**	354,309	328,571

Deposits from banks in offices in the United Kingdom received from non-residents amounted to £63,965m (2010: £65,146m).

Year ended 31 December	2011 £m	2010 £m	2009 £m
Customer Accounts	**366,032**	345,788	322,429
In offices in the United Kingdom:			
Current and Demand Accounts –interest free	**51,592**	48,125	45,160
Current and Demand Accounts –interest bearing	**28,429**	27,091	24,066
Savings accounts	**82,291**	79,444	71,238
Other time deposits- retail	**24,712**	29,422	29,678
Other time deposits- wholesale	**54,048**	43,948	52,891
Total repayable in offices in the United Kingdom	**241,072**	228,030	223,033
In offices outside the United Kingdom:			
–interest free	**9,150**	6,493	7,308
Current and Demand Accounts –interest bearing	**27,036**	28,734	24,176
Savings accounts	**10,868**	12,484	9,950
Other time deposits	**77,906**	70,047	57,962
Total repayable in offices outside the United Kingdom	**124,960**	117,758	99,396

Customer accounts deposits in offices in the United Kingdom received from non-residents amounted to £59,493m (2010: £48,815m).

a Calculated based on month-end balances.
b The prior year numbers have been revised to reflect a more accurate allocation of interest expense between commercial rates for the negotiable certificates of deposit and commercial paper issued by the Group.

Short-term borrowings
Short-term borrowings include deposits from banks, commercial paper and negotiable certificates of deposit.

Deposits from banks
Deposits from banks are taken from a wide range of counterparties and generally have maturities of less than one year.

	2011 £m	2010 £m	2009 £m
Year-end balance	**91,116**	77,975	76,446
Average balance[a]	**89,119**	92,194	103,188
Maximum balance[a]	**111,358**	102,137	121,940
Average interest rate during year	**0.4%**	0.4%	0.6%
Year-end interest rate	**0.2%**	0.2%	0.4%

Commercial paper
Commercial paper is issued by the Group, mainly in the United States, generally in denominations of not less than US$100,000, with maturities of up to 270 days.

	2011 £m	2010 £m	2009 £m
Year-end balance	**21,077**	20,138	19,300
Average balance[a]	**19,639**	19,986	21,835
Maximum balance[a]	**24,245**	25,976	28,756
Average interest rate during year[b]	**0.2%**	0.3%	1.1%
Year-end interest rate[b]	**0.5%**	0.4%	1.7%

Negotiable certificates of deposit
Negotiable certificates of deposits are issued mainly in the United Kingdom and United States, generally in denominations of not less than $100,000.

	2011 £m	2010 £m	2009 £m
Year-end balance	**36,959**	60,184	44,681
Average balance[a]	**45,609**	55,242	54,960
Maximum balance[a]	**53,723**	60,803	64,054
Average interest rate during year[b]	**0.7%**	0.6%	1.1%
Year-end interest rate[b]	**1.3%**	1.0%	2.1%

Repurchase Agreements
Repurchase agreements are entered into with both customers and banks and generally have maturities of not more than three months.

	2011 £m	2010 £m	2009 £m
Year-end balance	**207,292**	**225,534**	**198,781**
Average balance[a]	**291,338**	**298,054**	**275,801**
Maximum balance[a]	**347,533**	**373,627**	**389,962**
Average interest rate during year	**0.6%**	**0.4%**	**0.6%**
Year-end interest rate	**0.2%**	**0.3%**	**0.4%**

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Commitments and contractual obligations

Commercial commitments include guarantees, contingent liabilities and standby facilities.

Commercial commitments	Amount of commitment expiration per period				
	Less than one year £m	Between one to three years £m	Between three to five years £m	After five years £m	Total amounts committed £m
As at 31 December 2011					
Securities lending arrangements[a]	**35,996**	**–**	**–**	**–**	**35,996**
Guarantees and letters of credit pledged as collateral security	**6,761**	**2,967**	**2,097**	**2,356**	**14,181**
Performance guarantees, acceptances and endorsements	**6,750**	**843**	**564**	**549**	**8,706**
Documentary credits and other short-term trade related transactions	**1,155**	**197**	**–**	**6**	**1,358**
Standby facilities, credit lines and other commitments	**163,989**	**23,241**	**44,867**	**8,185**	**240,282**
As at 31 December 2010					
Securities Lending arrangements[a]	27,672	–	–	–	27,672
Guarantees and letters of credit pledged as collateral security	5,853	3,266	1,508	3,156	13,783
Performance guarantees, acceptances and endorsements	6,561	1,182	278	1,154	9,175
Documentary credits and other short-term trade related transactions	1,075	118	1	–	1,194
Standby facilities, credit lines and other commitments	142,026	43,545	19,300	18,092	222,963

Contractual obligations include debt securities, operating lease and purchase obligations.

Contractual obligations	**Payments due by period**				
	Less than one year £m	Between one to three years £m	Between three to five years £m	After five years £m	Total £m
As at 31 December 2011					
Long-term debt	**73,344**	**23,673**	**15,498**	**42,091**	**154,606**
Operating lease obligations	**597**	**755**	**920**	**2,830**	**5,102**
Purchase obligations	**825**	**836**	**123**	**39**	**1,823**
Total	**74,766**	**25,264**	**16,541**	**44,960**	**161,531**
As at 31 December 2010					
Long-term debt	102,966	25,238	13,254	34,570	176,028
Operating lease obligations	635	728	751	3,146	5,260
Purchase obligations	644	747	159	70	1,620
Total	104,245	26,713	14,164	37,786	182,908

The long-term debt does not include undated loan capital of £6,741m (2010: £9,094m). Further information on the contractual maturity of the Group's assets and liabilities is given in the Liquidity Risk section.

Note
a Securities lending arrangements are fully collateralised, and are not expected to result in an outflow of funds from the Group; see Note 20 on page 197 for further details.

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Securities

Securities at fair value	2011		2010		2009	
As at 31 December	**Book value £m**	**Amortised cost £m**	Book value £m	Amortised cost £m	Book value £m	Amortised cost £m
Investment securities – available for sale						
United Kingdom government	**9,490**	**8,899**	12,056	12,130	77	74
Other government	**19,815**	**18,813**	12,635	12,959	10,958	8,389
Other public bodies and US Agencies	**801**	**802**	1,545	1,568	3,456	3,505
Mortgage and asset backed securities	**2,853**	**3,173**	2,148	2,390	2,498	2,958
Bank and building society certificates of deposit	**401**	**414**	576	599	7,697	7,343
Corporate and other issuers	**20,962**	**20,914**	21,184	21,139	19,202	18,986
Debt securities	**54,322**	**53,015**	50,144	50,785	43,888	41,255
Equity securities	**4,881**	**7,724**	5,481	6,014	6,676	6,247
Investment securities – available for sale	**59,203**	**60,739**	55,625	56,799	50,564	47,502
Other securities – held for trading						
United Kingdom government	**10,232**	**n/a**	9,943	n/a	6,815	n/a
Other government	**65,265**	**n/a**	60,674	n/a	54,161	n/a
Other public bodies and US Agencies	**16,447**	**n/a**	28,181	n/a	20,517	n/a
Mortgage and asset backed securities	**10,859**	**n/a**	11,611	n/a	12,942	n/a
Bank and building society certificates of deposit	**38**	**n/a**	757	n/a	995	n/a
Corporate and other issuers	**17,824**	**n/a**	25,156	n/a	21,164	n/a
Debt securities	**120,665**	**n/a**	136,322	n/a	116,594	n/a
Equity securities	**24,861**	**n/a**	25,613	n/a	19,602	n/a
Other securities – held for trading	**145,526**	**n/a**	161,935	n/a	136,196	n/a

Investment debt securities include government securities held as part of the Group’s treasury management portfolio for asset and liability, liquidity and regulatory purposes and are for use on a continuing basis in the activities of the Group. In addition, the Group holds as investments listed and unlisted corporate securities. Bank and building society certificates of deposit are freely negotiable and have original maturities of up to five years, but are typically held for shorter periods.

Maturities and yield of available for sale debt securities										
As at 31st December 2011	**Maturing with one year**		**Maturing after one but within five years**		**Maturing after five but within ten years**		**Maturing after ten years**		**Total**	
	Amount £m	**Yield %**	**Amount £m**	**Yield %**	**Amount £m**	**Yield %**	**Amount £m**	**Yield %**	**Amount £m**	**Yield %**
Government	**2,267**	**2.5%**	**9,379**	**3.6%**	**10,354**	**3.9%**	**7,305**	**4.7%**	**29,305**	**3.9%**
Other public bodies and US Agencies	**–**	**0.0%**	**–**	**0.0%**	**–**	**0.0%**	**801**	**0.4%**	**801**	**0.4%**
Other issuers	**6,695**	**2.2%**	**13,864**	**2.0%**	**1,000**	**2.6%**	**2,657**	**4.0%**	**24,216**	**2.3%**
Total book value	**8,962**	**2.3%**	**23,243**	**2.6%**	**11,354**	**3.7%**	**10,763**	**4.2%**	**54,322**	**3.1%**

The yield for each range of maturities is calculated by dividing the annualised interest income prevailing at 31st December 2011 by the fair value of securities held at that date.

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Average balance sheet

Average balances are based upon daily averages for most UK banking operations and monthly averages elsewhere

Average assets and interest income	2011			2010			2009		
Year ended 31st December	Average balance £m	Interest £m	Average rate %	Average balance £m	Interest £m	Average rate %	Average balance £m	Interest £m	Average rate %
Assets									
Loans and advances to banks:[a]									
– in offices in the United Kingdom	37,019	567	1.5	51,735	439	0.8	41,912	483	1.2
– in offices outside the United Kingdom	98,590	464	0.5	76,477	337	0.4	35,073	271	0.8
Loans and advances to customers:[a]									
– in offices in the United Kingdom	261,786	9,186	3.5	261,936	8,346	3.2	269,003	9,579	3.6
– in offices outside the United Kingdom	151,549	8,738	5.8	142,410	9,048	6.4	143,342	9,601	6.7
Financial investments:									
– in offices in the United Kingdom	112,863	3,641	3.2	101,556	3,193	3.1	143,123	4,787	3.3
– in offices outside the United Kingdom	154,692	4,015	2.6	127,990	4,723	3.7	117,379	3,713	3.2
Reverse repurchase agreements and cash collateral on securities borrowed:[c]									
– in offices in the United Kingdom	205,555	1,592	0.8	215,982	1,169	0.5	163,139	1,770	1.1
– in offices outside the United Kingdom	142,619	450	0.3	148,791	526	0.4	145,606	665	0.5
Financial Assets Designated at Fair Value:									
– in offices in the United Kingdom	20,373	96	0.5	21,822	750	3.4	18,881	822	4.4
– in offices outside the United Kingdom	4,688	95	2.0	8,283	129	1.6	13,552	315	2.3
Total average interest earning assets	1,189,734	28,844	2.4	1,156,982	28,660	2.5	1,091,010	32,006	2.9
Impairment allowances/provisions	(11,653)			(10,143)			(8,705)		
Non-interest earning assets	550,956			596,162			782,378		
Total average assets and interest income	1,729,037	28,844	1.7	1,743,001	28,660	1.6	1,864,683	32,006	1.7
Percentage of total average interest earning assets in offices outside the United Kingdom	46.4%			43.6%			41.7%		
Total average interest earning assets related to:									
Interest income[b]		28,844	2.4		28,660	2.5		32,006	2.9
Interest expense[b]		(21,048)	1.9		(20,511)	1.8		(20,713)	1.9
		7,796	0.5		8,149	0.7		11,293	1.0

Notes

a Loans and advances to banks and customers include all doubtful lendings, including non accrual lendings. Interest receivable on such lendings has been included to the extent to which either cash payments have been received or interest has been accrued in accordance with the income recognition policy of the Group.

b In addition to interest income and interest expense shown on the income statement, interest income and interest expense above includes interest related to net trading income and net investment income and available for sale assets and liabilities.

c Average balances for reverse repurchase agreements and cash collateral on securities borrowed have been stated on a gross basis prior to any offsetting to provide a more meaningful comparison to the related interest income and expense. The Group balance sheet on page 171 offsets financial assets and liabilities where a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise an asset and liability simultaneously.

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Average liabilities and interest expense Year ended 31 December	2011 Average balance £m	Interest £m	Average rate %	2010 Average balance £m	Interest £m	Average rate %	2009 Average balance £m	Interest £m	Average rate %
Liabilities and shareholders' equity									
Deposits by banks:									
– in offices in the United Kingdom	61,621	670	1.1	58,666	461	0.8	66,394	805	1.2
– in offices outside the United Kingdom	13,954	304	2.2	19,870	296	1.5	31,091	295	0.9
Customer accounts:									
– in offices in the United Kingdom	207,457	2,305	1.1	198,149	1,602	0.8	177,499	2,549	1.4
– in offices outside the United Kingdom	88,962	2,834	3.2	72,660	2,698	3.7	81,544	3,918	4.8
Debt securities in issue:									
– in offices in the United Kingdom	83,685	3,188	3.8	86,209	2,594	3.0	75,950	2,186	2.9
– in offices outside the United Kingdom	63,158	1,756	2.8	68,581	1,889	2.8	81,077	2,278	2.8
Dated and undated loan capital and other subordinated liabilities principally:									
– in offices in the United Kingdom	27,512	2,393	8.7	26,794	2,180	8.1	26,379	1,889	7.2
Repurchase agreements and cash collateral on securities lent:[a]									
– in offices in the United Kingdom	206,240	1,866	0.9	181,043	1,104	0.6	169,824	1,300	0.8
– in offices outside the United Kingdom	204,122	432	0.2	226,105	714	0.3	215,714	849	0.4
Trading portfolio liabilities:									
– in offices in the United Kingdom	43,217	2,142	5.0	51,073	2,225	4.4	55,704	2,193	3.9
– in offices outside the United Kingdom	77,691	1,949	2.5	48,046	1,853	3.9	36,812	999	2.7
Financial liabilities designated at fair value									
– in offices in the United Kingdom	37,854	1,001	2.6	64,153	2,696	4.2	32,573	1,223	3.8
– in offices outside the United Kingdom	19,050	208	1.1	19,189	199	1.0	18,484	229	1.2
Total average interest bearing liabilities	1,134,523	21,048	1.9	1,120,538	20,511	1.8	1,069,045	20,713	1.9
Interest free customer deposits:									
– in offices in the United Kingdom	48,192			47,263			43,897		
– in offices outside the United Kingdom	7,879			6,563			4,816		
Other non-interest bearing liabilities	475,699			507,299			696,478		
Minority and other interests and shareholders' equity	62,744			61,338			50,447		
Total average liabilities, shareholders' equity and interest expense	1,729,037	21,048	1.2	1,743,001	20,511	1.2	1,864,683	20,713	1.1
Percentage of total average interest bearing non-capital liabilities in offices outside the United Kingdom	41.2%			40.6%			43.5%		

Notes

a Average balances for repurchase agreements and cash collateral on securities borrowed have been stated on a gross basis prior to any offsetting to provide a more meaningful comparison to the related interest income and expense. The Group balance sheet on page 171 offsets financial assets and liabilities where a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise an asset and liability simultaneously.

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Changes in net interest income – volume and rate analysis
The following tables allocate changes in net interest income between changes in volume and changes in interest rates for the last two years. Volume and rate variances have been calculated on the movement in the average balances and the change in the interest rates on average interest earning assets and average interest bearing liabilities. Where variances have arisen from changes in both volumes and interest rates, these have been allocated proportionately between the two.

	2011/2010 change due to increase/(decrease) in:			2010/2009 change due to increase/(decrease) in:			2009/2008 change due to increase/(decrease) in:		
	Total change £m	**Volume £m**	**Rate £m**	Total change £m	Volume £m	Rate £m	Total change £m	Volume £m	Rate £m
Interest receivable									
Loans and advances to banks:									
– in offices in the UK	**128**	**(150)**	**278**	(44)	99	(143)	(970)	104	(1,074)
– in offices outside the UK	**127**	**103**	**24**	66	219	(153)	(148)	310	(458)
	255	**(47)**	**302**	22	318	(296)	(1,118)	414	(1,532)
Loans and advances to customers:									
– in offices in the UK	**840**	**(5)**	**845**	(1,233)	(246)	(987)	(4,416)	790	(5,206)
– in offices outside the UK	**(310)**	**559**	**(869)**	(553)	(62)	(491)	(359)	1,522	(1,881)
	530	**554**	**(24)**	(1,786)	(308)	(1,478)	(4,775)	2,312	(7,087)
Financial investments:									
– in offices in the UK	**448**	**363**	**85**	(1,594)	(1,321)	(273)	(1,815)	(16)	(1,799)
– in offices outside the UK	**(708)**	**864**	**(1,572)**	1,010	356	654	(2,561)	(868)	(1,693)
	(260)	**1,227**	**(1,487)**	(584)	(965)	381	(4,376)	(884)	(3,492)
Reverse repurchase agreements and cash collateral on securities borrowed:									
– in offices in the UK	**423**	**(58)**	**481**	(601)	460	(1,061)	(6,998)	(1,564)	(5,434)
– in offices outside the UK	**(76)**	**(21)**	**(55)**	(139)	15	(154)	(3,785)	532	(4,317)
	347	**(79)**	**426**	(740)	475	(1,215)	(10,783)	(1,032)	(9,751)
Financial assets designated at fair value:									
– in offices in the UK	**(654)**	**(47)**	**(607)**	(72)	117	(189)	(503)	(87)	(416)
– in offices outside the UK	**(34)**	**(66)**	**32**	(186)	(100)	(86)	(111)	174	(285)
	(688)	**(113)**	**(575)**	(258)	17	(275)	(614)	87	(701)
Total interest receivable:									
– in offices in the UK	**1,185**	**103**	**1,082**	(3,544)	(891)	(2,653)	(14,702)	(773)	(13,929)
– in offices outside the UK	**(1,001)**	**1,439**	**(2,440)**	198	428	(230)	(6,964)	1,670	(8,634)
	184	**1,542**	**(1,358)**	(3,346)	(463)	(2,883)	(21,666)	897	(22,563)

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Additional information

Additional financial disclosure (unaudited) continued

Changes in net interest income – volume and rate analysis

	2011/2010 change due to increase/(decrease) in:			2010/2009 change due to increase/(decrease) in:			2009/2008 change due to increase/(decrease) in:		
	Total change £m	**Volume £m**	**Rate £m**	Total change £m	Volume £m	Rate £m	Total change £m	Volume £m	Rate £m
Interest payable									
Deposits by banks:									
– in offices in the UK	**211**	**24**	**187**	(344)	(86)	(258)	(1,975)	(146)	(1,829)
– in offices outside the UK	**9**	**(104)**	**113**	1	(129)	130	(661)	(31)	(630)
	220	**(80)**	**300**	(343)	(215)	(128)	(2,636)	(177)	(2,459)
Customer accounts									
– in offices in the UK	**712**	**78**	**634**	(947)	270	(1,217)	(4,389)	(375)	(4,014)
– in offices outside the UK	**147**	**553**	**(406)**	(1,220)	(396)	(824)	(511)	463	(974)
	859	**631**	**228**	(2,167)	(126)	(2,041)	(4,900)	88	(4,988)
Debt securities in issue:									
– in offices in the UK	**606**	**(79)**	**685**	408	305	103	266	1,202	(936)
– in offices outside the UK	**(127)**	**(152)**	**25**	(389)	(345)	(44)	(1,456)	14	(1,470)
	479	**(231)**	**710**	19	(40)	59	(1,190)	1,216	(2,406)
Dated and undated loan capital and other subordinated liabilities principally in offices in the UK	**222**	**59**	**163**	291	30	261	454	233	221
Repurchase agreements and cash collateral on securities lent:									
– in offices in the UK	**769**	**170**	**599**	(196)	82	(278)	(7,145)	(1,217)	(5,928)
– in offices outside the UK	**(280)**	**(65)**	**(215)**	(135)	39	(174)	(1,951)	497	(2,448)
	489	**105**	**384**	(331)	121	(452)	(9,096)	(720)	(8,376)
Trading portfolio liabilities:									
– in offices in the UK	**(75)**	**(368)**	**293**	32	(191)	223	(464)	(45)	(419)
– in offices outside the UK	**103**	**889**	**(786)**	854	359	495	(1,088)	(742)	(346)
	28	**521**	**(493)**	886	168	718	(1,552)	(787)	(765)
Financial liabilities designated at fair value:									
– in offices in the UK	**(1,694)**	**(891)**	**(803)**	1,473	1,312	161	161	8	153
– in offices outside the UK	**(302)**	**(1)**	**(301)**	(30)	9	(39)	(348)	137	(485)
	(1,996)	**(892)**	**(1,104)**	1,443	1,321	122	(187)	145	(332)
Total interest payable:									
– in offices in the UK	**751**	**(1,007)**	**1,758**	717	1,722	(1,005)	(13,092)	(340)	(12,752)
– in offices outside the UK	**(450)**	**1,120**	**(1,570)**	(919)	(463)	(456)	(6,015)	338	(6,353)
	301	**113**	**188**	(202)	1,259	(1,461)	(19,107)	(2)	(19,105)
Movement in net interest income									
Increase/(decrease) in interest receivable	**13**	**1,572**	**(1,559)**	(3,346)	(463)	(2,883)	(21,666)	897	(22,563)
(Increase)/decrease in interest payable	**301**	**113**	**188**	(202)	1,259	(1,461)	19,107	2	19,105
	314	**1,685**	**(1,371)**	(3,548)	796	(4,344)	(2,559)	899	(3,458)

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Additional information
Additional financial disclosure (unaudited) continued

Credit risk additional disclosure
This section of the report contains supplementary information that is more detailed or contains longer histories than the data presented in the credit risk management section. Geographical regions have been revised since January 2011, with Ireland now included within the Europe region and Middle East now reported with Africa. Comparatives have been updated to reflect these changes. For commentary on this information, please refer to the preceding text (pages 52 to 93).

A. Impairment

Movements in allowance for impairment by geography

	2011 £m	2010 £m	2009 £m	2008 £m	2007 £m
Allowance for impairment as at 1 January	**12,432**	10,796	6,574	3,772	3,335
Acquisitions and disposals	**(18)**	78	434	307	(73)
Unwind of discount	**(243)**	(213)	(185)	(135)	(113)
Exchange and other adjustments	**(440)**	331	(127)	791	53
Amounts written off:					
United Kingdom	**(2,401)**	(1,928)	(1,588)	(1,514)	(1,530)
Europe	**(932)**	(616)	(599)	(162)	(143)
Americas	**(954)**	(742)	(686)	(1,056)	(145)
Africa and the Middle East	**(695)**	(627)	(446)	(187)	(145)
Asia	**(183)**	(397)	(61)	–	–
Recoveries:					
United Kingdom	**159**	116	48	131	154
Europe	**43**	22	13	4	32
Americas	**–**	5	8	3	7
Africa and the Middle East	**56**	54	80	36	34
Asia	**7**	4	1	–	–
New and increased impairment allowance:					
United Kingdom	**2,442**	2,848	3,163	2,162	1,960
Europe	**1,299**	1,434	1,945	754	192
Americas	**438**	1,323	1,650	1,543	431
Africa and the Middle East	**727**	949	1,124	551	268
Asia	**56**	385	229	106	20
Reversals of impairment allowance:					
United Kingdom	**(353)**	(355)	(331)	(213)	(213)
Europe	**(135)**	(264)	(248)	(94)	(37)
Americas	**(280)**	(386)	(6)	(14)	(50)
Africa and the Middle East	**(113)**	(128)	(45)	(36)	(20)
Asia	**(50)**	(56)	(1)	(1)	(18)
Recoveries:					
United Kingdom	**(159)**	(116)	(48)	(131)	(154)
Europe	**(43)**	(22)	(13)	(4)	(32)
Americas	**–**	(5)	(8)	(3)	(7)
Africa and the Middle East	**(56)**	(54)	(80)	(36)	(34)
Asia	**(7)**	(4)	(1)	–	–
Allowance for impairment as at 31 December	**10,597**	12,432	10,796	6,574	3,772
Average loans and advances for the year	**548,944**	532,558	447,569	453,413	357,853

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Additional information
Additional financial disclosure (unaudited) continued

Analysis of impairment charges

As at 31 December	2011 £m	2010 £m	2009 £m	2008 £m	2007 £m
Impairment charges:					
United Kingdom	**1,930**	2,377	2,784	1,818	1,593
Europe	**1,121**	1,148	1,684	656	123
Americas	**158**	932	1,636	1,526	374
Africa and the Middle East	**558**	767	999	479	214
Asia	**(1)**	325	227	105	2
Impairment on loans and advances	**3,766**	5,549	7,330	4,584	2,306
Impairment on available for sale assets	**1,860**	51	670	382	13
Impairment on reverse repurchase agreements	**(48)**	(4)	43	124	–
Impairment charges	**5,578**	5,596	8,043	5,090	2,319
Other credit provisions charge	**24**	76	28	329	476
Impairment charges	**5,602**	5,672	8,071	5,419	2,795

The industry classifications in the tables below have been prepared at the level of the borrowing entity. This means that a loan to a subsidiary of a major corporation is classified by the industry in which the subsidiary operates, even though the Parent's predominant business may be in a different industry.

Total impairment charges on loans and advances by industry

As at 31 December	2011 £m	2010 £m	2009 £m	2008 £m	2007 £m
United Kingdom:					
Financial institutions	**83**	22	485	76	32
Manufacturing	**41**	38	112	118	72
Construction	**22**	77	54	15	14
Property	**59**	123	113	80	36
Energy and water	**5**	–	–	1	1
Wholesale and retail distribution and leisure	**297**	170	314	59	118
Business and other services	**138**	238	175	234	81
Home loans	**66**	37	33	28	1
Cards, unsecured and other personal lending	**1,200**	1,646	1,416	1,179	1,187
Other	**19**	26	82	28	51
	1,930	2,377	2,784	1,818	1,593
Overseas	**1,836**	3,172	4,546	2,766	713
Impairment charges	**3,766**	5,549	7,330	4,584	2,306

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Additional information
Additional financial disclosure (unaudited) continued

Allowance for impairment by industry

As at 31 December	2011 £m	2011 %	2010 £m	2010 %	2009 £m	2009 %	2008 £m	2008 %	2007 £m	2007 %
United Kingdom:										
Financial institutions	**456**	**4.3**	447	3.6	493	4.6	81	1.2	103	2.7
Manufacturing	**97**	**0.9**	84	0.6	142	1.3	185	2.8	65	1.7
Construction	**53**	**0.5**	76	0.6	41	0.4	18	0.3	16	0.4
Property	**121**	**1.1**	131	1.0	90	0.8	114	1.7	54	1.4
Energy and water	**–**	**–**	–	–	–	–	1	–	1	–
Wholesale and retail distribution and leisure	**378**	**3.6**	256	2.1	182	1.7	43	0.7	102	2.7
Business and other services	**258**	**2.4**	259	2.1	218	2.0	236	3.6	158	4.2
Home loans	**134**	**1.3**	85	0.7	63	0.6	46	0.7	15	0.4
Cards, unsecured and other personal lending	**2,469**	**23.3**	3,020	24.3	2,688	24.9	2,160	32.9	1,915	50.8
Other	**39**	**0.4**	71	0.6	92	0.8	63	0.9	97	2.7
	4,005	**37.8**	4,429	35.6	4,009	37.1	2,947	44.8	2,526	67.0
Overseas	**6,592**	**62.2**	8,003	64.4	6,787	62.9	3,627	55.2	1,246	33.0
Total	**10,597**	**100.0**	12,432	100.0	10,796	100.0	6,574	100.0	3,772	100.0

Amounts written off and recovered by industry

	Amounts written off					Recoveries of amounts previously written off				
As at 31 December	2011 £m	2010 £m	2009 £m	2008 £m	2007 £m	2011 £m	2010 £m	2009 £m	2008 £m	2007 £m
United Kingdom:										
Financial institutions	**67**	68	72	88	6	**–**	2	3	4	1
Manufacturing	**28**	102	162	53	83	**4**	6	4	8	7
Construction	**45**	42	34	19	23	**2**	1	3	2	3
Property	**71**	86	141	27	16	**3**	4	3	2	10
Energy and water	**3**	–	2	1	–	**–**	–	4	–	–
Wholesale and retail distribution and leisure	**229**	103	182	137	109	**39**	6	8	7	12
Business and other services	**127**	198	197	153	83	**6**	7	5	10	22
Home loans	**45**	20	16	4	1	**3**	1	–	1	1
Cards, unsecured and other personal lending	**1,739**	1,250	724	960	1,164	**102**	75	13	88	96
Other	**47**	59	58	72	45	**–**	14	5	9	2
	2,401	1,928	1,588	1,514	1,530	**159**	116	48	131	154
Overseas	**2,764**	2,382	1,792	1,405	433	**106**	85	102	43	73
Total	**5,165**	4,310	3,380	2,919	1,963	**265**	201	150	174	227

Impairment ratios	2011 %	2010 %	2009 %	2008 %	2007 %
Impairment charges as a percentage of average loans and advances	**0.69**	1.04	1.64	1.01	0.64
Amounts written off (net of recoveries) as a percentage of average loans and advances	**0.89**	0.77	0.72	0.61	0.49
Allowance for impairment balance as a percentage of loans and advances as at 31 December	**2.16**	2.60	2.29	1.27	0.97

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Additional financial disclosure (unaudited) continued

B. Potential credit risk loans

Credit risk loans summary As at 31 December	2011 £m	2010 £m	2009 £m	2008 £m	2007 £m
Impaired loans	**17,326**	26,630	16,401	12,264	8,574
Accruing loans which are contractually overdue 90 days or more as to principal or interest	**3,179**	4,388	5,310	2,953	794
Impaired and restructured loans	**837**	864	831	483	273
Credit risk loans	**21,342**	31,882	22,542	15,700	9,641

Credit risk loans As at 31 December	2011 £m	2010 £m	2009 £m	2008 £m	2007 £m
Impaired loans:					
United Kingdom	**5,801**	5,744	4,724	3,793	3,605
Europe	**5,261**	5,397	4,184	1,713	472
Americas	**3,759**	11,928	4,744	4,397	3,703
Africa and Middle East	**2,408**	3,206	2,390	1,996	757
Asia	**97**	355	359	365	37
Total	**17,326**	26,630	16,401	12,264	8,574
Accruing loans which are contractually overdue 90 days or more as to principal or interest:					
United Kingdom	**1,216**	1,380	2,305	1,656	676
Europe	**650**	802	953	562	79
Americas	**110**	164	232	433	10
Africa and Middle East	**1,195**	2,010	1,766	172	29
Asia	**8**	32	54	130	–
Total	**3,179**	4,388	5,310	2,953	794
Impaired and restructured loans:					
United Kingdom	**643**	662	582	367	179
Europe	**60**	33	41	29	14
Americas	**124**	141	180	82	38
Africa and Middle East	**7**	20	22	–	42
Asia	**3**	8	6	5	–
Total	**837**	864	831	483	273
Total credit risk loans:					
United Kingdom	**7,660**	7,786	7,611	5,816	4,460
Europe	**5,971**	6,232	5,178	2,304	565
Americas	**3,993**	12,233	5,156	4,912	3,751
Africa and Middle East	**3,610**	5,236	4,178	2,168	828
Asia	**108**	395	419	500	37
Credit risk loans	**21,342**	31,882	22,542	15,700	9,641

Potential problem loans As at 31 December	2011 £m	2010 £m	2009 £m	2008 £m	2007 £m
United Kingdom	**1,110**	892	1,013	883	419
Europe	**530**	669	796	963	59
Americas	**106**	779	1,181	431	964
Africa and Middle East	**217**	335	502	140	355
Asia	**9**	20	31	39	–
Potential problem loans	**1,972**	2,695	3,523	2,456	1,797

Additional information
Additional financial disclosure (unaudited) continued

Interest foregone on credit risk loans	2011 £m	2010 £m	2009 £m
Interest income that would have been recognised under the original contractual terms			
United Kingdom	**272**	316	392
Rest of the World	**603**	748	736
Total	**875**	1,064	1,128

Total impairment allowance coverage of credit risk loans As at 31 December	2011 %	2010 %	2009 %	2008 %	2007 %
United Kingdom	**52.3**	56.9	53.2	50.7	56.6
Europe	**48.9**	44.8	42.1	41.8	60.9
Americas	**53.3**	24.2	51.7	31.8	9.5
Africa and Middle East	**40.1**	35.5	37.1	39.5	62.1
Asia	**90.7**	100.0	84.2	49.2	86.5
Total coverage of credit risk lending	**49.7**	39.0	47.9	41.9	39.1

Total impairment allowance coverage of potential credit risk loans As at 31 December	2011 %	2010 %	2009 %	2008 %	2007 %
United Kingdom	**45.7**	51.0	47.0	44.0	51.8
Europe	**44.9**	40.5	36.5	29.5	55.1
Americas	**51.9**	22.7	42.0	29.2	7.6
Africa and Middle East	**37.8**	33.3	33.2	37.1	43.4
Asia	**83.8**	95.2	78.4	45.5	86.5
Total coverage of potential credit risk lending	**45.5**	36.0	41.4	36.2	33.0

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Additional information
Additional financial disclosure (unaudited) continued

C. Maturity Analysis of Loans and Advances

Maturity analysis of loans and advances to customers

	On demand £m	Not more than three months £m	Over three months but not more than six months £m	Over six months but not more than one year £m	Over one year but not more than three years £m	Over three years but not more than five years £m	Over five years but not more than ten years £m	Over ten years £m	Total £m
As at 31 December 2011									
United Kingdom									
Corporate lending	23,215	13,742	1,606	3,199	14,484	11,674	6,949	7,834	82,703
Other lending to customers in the United Kingdom	4,982	2,364	1,785	3,774	14,114	22,307	26,247	66,530	142,103
Total United Kingdom	28,197	16,106	3,391	6,973	28,598	33,981	33,196	74,364	224,806
Europe	5,874	21,378	1,698	2,881	12,245	7,418	9,605	32,237	93,336
Americas	4,986	29,251	1,260	2,398	5,449	5,584	9,727	6,928	65,583
Africa and Middle East	1,333	8,732	1,621	4,448	7,131	6,409	9,546	11,534	50,754
Asia	347	5,036	753	406	613	304	215	333	8,007
Total loans and advances to customers	40,737	80,503	8,723	17,106	54,036	53,696	62,289	125,396	442,486
As at 31 December 2010									
United Kingdom									
Corporate lending	26,193	13,561	1,395	2,825	14,380	8,250	6,362	9,512	82,478
Other lending to customers in the United Kingdom	6,441	1,941	1,993	3,185	12,793	19,097	25,304	63,034	133,788
Total United Kingdom	32,634	15,502	3,388	6,010	27,173	27,347	31,666	72,546	216,266
Europe	6,210	10,753	2,206	3,158	10,852	10,142	17,287	32,828	93,436
Americas	5,470	27,411	1,820	2,670	4,806	2,927	9,496	6,876	61,476
Africa and Middle East	7,707	2,800	1,990	4,135	10,406	4,541	7,618	20,508	59,705
Asia	870	4,598	1,237	385	877	530	483	463	9,443
Total loans and advances to customers	52,891	61,064	10,641	16,358	54,114	45,487	66,550	133,221	440,326

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Additional information
Additional financial disclosure (unaudited) continued

Maturity analysis of loans and advances to banks	On demand £m	Not more than three months £m	Over three months but not more than six months £m	Over six months but not more than one year £m	Over one year but no more than three years £m	Over three years but not more than five years £m	Over five years but not more than ten years £m	Over ten years £m	Total £m
As at 31 December 2011									
United Kingdom	853	7,294	394	322	19	353	48	356	9,639
Europe	2,712	11,423	91	81	421	2	1	–	14,731
Americas	863	11,305	335	95	952	3	84	–	13,637
Africa and Middle East	482	1,796	299	217	189	18	172	61	3,234
Asia	1,237	3,942	929	112	5	2	21	2	6,250
Total loans and advances to banks	6,147	35,760	2,048	827	1,586	378	326	419	47,491
As at 31 December 2010									
United Kingdom	428	3,602	108	460	250	–	–	366	5,214
Europe	2,048	6,887	157	22	98	1	–	–	9,213
Americas	547	14,824	996	226	619	–	93	–	17,305
Africa and Middle East	743	812	91	13	318	5	–	74	2,056
Asia	1,943	354	524	226	975	–	18	19	4,059
Total loans and advances to banks	5,709	26,479	1,876	947	2,260	6	111	459	37,847

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Additional information
Additional financial disclosure (unaudited) continued

D. Industrial and Geographical Concentrations of Loans and Advances

Loans and advances to customers by industry As at 31 December	2011 £m	2010 £m	2009 £m	2008 £m	2007 £m
Financial institutions	**92,035**	90,409	95,839	114,069	71,160
Manufacturing	**13,264**	15,096	18,855	26,374	16,974
Construction	**4,931**	6,173	6,303	8,239	5,423
Property	**25,087**	23,720	23,468	22,155	17,018
Government and central bank	**6,135**	5,109	4,801	5,301	2,036
Energy and water	**7,425**	9,240	10,735	14,101	8,632
Wholesale and retail distribution and leisure	**16,818**	17,886	19,746	20,208	18,216
Business and other services	**27,214**	27,138	30,277	37,373	30,363
Home loans	**172,106**	168,909	149,738	140,166	106,751
Cards, unsecured loans and other personal lending	**53,783**	51,724	44,971	48,305	46,423
Other	**23,688**	24,922	26,226	32,047	26,171
Loans and advances to customers	**442,486**	440,326	430,959	468,338	349,167

Loans and advances to customers in the UK As at 31 December	2011 £m	2010 £m	2009 £m	2008 £m	2007 £m
Financial institutions	**18,912**	20,325	23,738	27,936	21,416
Manufacturing	**6,282**	6,744	8,705	11,528	9,475
Construction	**3,444**	3,683	3,544	4,280	3,564
Property	**16,351**	13,877	13,677	12,286	11,189
Government and central bank	**123**	80	496	20	204
Energy and water	**1,598**	2,183	2,446	3,037	2,503
Wholesale and retail distribution and leisure	**10,686**	11,850	12,793	14,629	13,612
Business and other services	**16,731**	15,430	16,576	19,891	20,217
Home loans	**112,394**	105,019	90,921	85,884	69,943
Cards, unsecured loans and other personal lending	**29,881**	28,970	27,493	28,134	28,695
Other	**8,404**	8,105	9,103	11,170	11,026
Loans and advances to customers in the UK	**224,806**	216,266	209,492	218,795	191,844

Loans and advances to customers in Europe As at 31 December	2011 £m	2010 £m	2009 £m	2008 £m	2007 £m
Financial institutions	**20,255**	18,333	15,583	14,899	8,227
Manufacturing	**3,545**	4,987	5,907	9,926	4,622
Construction	**943**	1,440	1,619	1,786	1,160
Property	**4,023**	3,771	4,425	4,952	2,561
Government and central bank	**2,167**	951	598	1,125	27
Energy and water	**2,453**	3,621	4,670	6,822	3,776
Wholesale and retail distribution and leisure	**3,134**	2,938	2,793	2,999	2,011
Business and other services	**5,498**	6,526	6,388	7,128	5,710
Home loans	**38,732**	37,524	36,100	34,999	21,405
Cards, unsecured loans and other personal lending	**6,875**	8,348	7,658	6,643	6,878
Other	**5,711**	4,997	5,844	7,496	6,027
Loans and advances to customers in Europe	**93,336**	93,436	91,585	98,775	62,404

Additional information
Additional financial disclosure (unaudited) continued

Loans and advances to customers in the Americas As at 31 December	2011 £m	2010 £m	2009 £m	2008 £m	2007 £m
Financial institutions	**46,636**	45,329	49,042	63,434	33,870
Manufacturing	**1,400**	922	1,864	2,875	1,132
Construction	**33**	34	–	21	19
Property	**882**	806	1,012	878	148
Government and central bank	**620**	354	346	498	414
Energy and water	**2,170**	2,428	2,521	3,222	1,506
Wholesale and retail distribution and leisure	**661**	651	1,004	1,228	1,128
Business and other services	**1,605**	1,211	1,952	2,457	1,441
Home loans	**566**	214	154	163	10
Cards, unsecured loans and other personal lending	**9,691**	8,129	7,719	8,028	3,364
Other	**1,319**	1,398	1,586	5,059	2,873
Loans and advances to customers in the Americas	**65,583**	61,476	67,200	87,863	45,905

Loans and advances to customers in Africa and the Middle East As at 31 December	2011 £m	2010 £m	2009 £m	2008 £m	2007 £m
Financial institutions	**2,343**	2,960	3,797	2,250	3,673
Manufacturing	**1,459**	1,565	1,615	1,287	1,436
Construction	**444**	961	903	2,053	637
Property	**3,618**	4,825	4,341	3,744	2,583
Government and central bank	**2,796**	3,271	3,310	3,641	766
Energy and water	**819**	520	569	721	658
Wholesale and retail distribution and leisure	**2,170**	1,968	1,805	1,024	1,326
Business and other services	**3,012**	3,530	4,700	5,196	1,452
Home loans	**19,912**	25,831	22,141	19,120	15,393
Cards, unsecured loans and other personal lending	**6,521**	4,933	993	3,171	6,322
Other	**7,660**	9,341	8,515	7,417	5,921
Loans and advances to customers in Africa and the Middle East	**50,754**	59,705	52,689	49,624	40,167

Loans and advances to customers in Asia As at 31 December	2011 £m	2010 £m	2009 £m	2008 £m	2007 £m
Financial institutions	**3,889**	3,462	3,679	5,550	3,974
Manufacturing	**578**	878	764	758	309
Construction	**67**	55	237	99	43
Property	**213**	441	13	295	537
Government and central bank	**429**	453	51	17	625
Energy and water	**385**	488	529	299	189
Wholesale and retail distribution and leisure	**167**	479	1,351	328	139
Business and other services	**368**	441	661	2,701	1,543
Home loans	**502**	321	422	–	–
Cards, unsecured loans and other personal lending	**815**	1,344	1,108	2,329	1,164
Other	**594**	1,081	1,178	905	324
Loans and advances to customers in Asia	**8,007**	9,443	9,993	13,281	8,847

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Additional information
Additional financial disclosure (unaudited) continued

Interest rate sensitivity of loans and advances As at 31 December	2011 Fixed rate £m	2011 Variable rate £m	2011 Total £m	2010 Fixed rate £m	2010 Variable rate £m	2010 Total £m
Banks	20,049	27,442	47,491	17,270	20,577	37,847
Customers	90,374	352,112	442,486	101,606	338,720	440,326

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Additional information
Additional financial disclosure (unaudited) continued

Foreign outstandings in currencies other than the local currency of the borrower for countries where this exceeds 0.75% of total Group assets

	As % of assets	Total £m	Banks and other financial institutions £m	Government and official institutions £m	Commercial industrial and other private sectors £m
As at 31 December 2011					
United States	**7.4**	**116,374**	**15,120**	**28,174**	**73,080**
Germany	**2.1**	**32,990**	**7,707**	**4,249**	**21,034**
France	**1.8**	**28,260**	**18,035**	**6,047**	**4,178**
Netherlands	**0.9**	**14,481**	**2,530**	**579**	**11,372**
As at 31 December 2010					
United States	6.4	95,707	4,775	11,988	78,944
France	2.0	29,357	21,711	3,440	4,206
Germany	1.7	24,636	14,079	1,164	9,393
Cayman Islands	0.9	12,683	178	17	12,488
Switzerland	0.8	11,940	2,776	5,673	3,491
As at 31 December 2009					
United States	1.2	16,907	4,622	–	12,285

Off-Balance Sheet and other Credit Exposures **As at 31 December**	**2011 £m**	2010 £m	2009 £m
Off-balance sheet exposures			
Contingent liabilities	**58,883**	50,630	52,774
Commitments	**241,640**	224,157	207,275
On-balance sheet exposures			
Trading portfolio assets	**152,183**	168,867	151,344
Financial assets designated at fair value on own account	**35,647**	40,056	41,311
Derivative financial instruments	**538,964**	420,319	416,815
Available for sale financial investments	**68,491**	65,110	56,483

Notional principal amounts of credit derivatives

As at 31 December	**2011 £m**	2010 £m	2009 £m
Credit derivatives held or issued for trading purposes[a]	**1,886,650**	1,952,475	2,016,796

Additional Related Parties disclosures

For US disclosure purposes, the aggregate emoluments of all Directors and Officers of Barclays PLC who held office during the year (2011: 24 persons, 2010: 26 persons, 2009: 28 persons) for the year ended 31 December 2011 amounted to £102.8m (2010: £121.7m 2009: £29.8m). In addition, the aggregate amount set aside for the year ended 31 December 2011, to provide pension benefits for the Directors and Officers amounted to £0.4m (2010 £1.0m, 2009: £0.7m).

Note

a Includes credit derivatives held as economic hedges which are not designated as hedges for accounting purposes

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Independent Registered Public Accounting Firm’s Report

Report of Independent Registered Public Accounting Firm
To the Board of Directors and Shareholders of Barclays Bank PLC

In our opinion, the accompanying Consolidated income statement and the related Consolidated statement of comprehensive income, Consolidated balance sheets, Consolidated statements of changes in equity and Consolidated cash flow statements present fairly, in all material respects, the financial position of Barclays Bank PLC and its subsidiaries at 31 December 2011 and 31 December 2010, and the results of their operations and their cash flows for each of the three years in the period ended 31 December 2011 in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board. These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP
London, United Kingdom
7 March 2012

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Barclays Bank PLC Data

Barclays Bank PLC is a wholly owned subsidiary of Barclays PLC, which is Barclays Bank PLC Group's ultimate parent company. The consolidated results and financial position of Barclays Bank PLC and Barclays PLC are materially the same, with the key differences being that, in accordance with IFRS:

- Barclays PLC shares held in employee share schemes and for trading purposes are deducted from reserves in Barclays PLC but recognised as available for sale and trading portfolio assets within Barclays Bank PLC;
- Preference shares issued by Barclays Bank PLC are included within share capital and share premium in the Barclays Bank PLC but represent non-controlling interests in the Barclays PLC; and
- Certain issuances of reserve capital instruments and capital notes by Barclays Bank PLC are included within other shareholders' equity in the Barclays Bank PLC, but represent non-controlling interests in Barclays PLC.

More extensive disclosures are contained in previous sections within this document for the year ended 31 December 2011, including risk exposures and business performance, which are materially the same as those in Barclays Bank PLC.

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Barclays Bank PLC data
Consolidated income statement

For the year ended 31 December	Notes	2011 £m	2010 £m	2009 £m
Continuing operations				
Interest income	a	**20,589**	20,035	21,236
Interest expense	a	**(8,393)**	(7,517)	(9,567)
Net interest income		**12,196**	12,518	11,669
Fee and commission income	b	**10,208**	10,368	9,946
Fee and commission expense	b	**(1,586)**	(1,497)	(1,528)
Net fee and commission income		**8,622**	8,871	8,418
Net trading income	c	**7,738**	8,080	6,994
Net investment income	d	**2,322**	1,490	283
Net premiums from insurance contracts		**1,076**	1,137	1,172
Gains on debt buy backs and extinguishers		**1,130**	–	1,249
Other income		**39**	118	140
Total income		**33,123**	32,214	29,925
Net claims and benefits incurred on insurance contracts		**(741)**	(764)	(831)
Total income net of insurance claims		**32,382**	31,450	29,094
Credit impairment charges and other provisions	7	**(3,802)**	(5,672)	(8,071)
Impairment of investment in Blackrock, Inc.	7	**(1,800)**	–	–
Net operating income		**26,780**	25,778	21,023
Staff costs	37	**(11,407)**	(11,916)	(9,948)
Administration and general expenses	e	**(6,351)**	(6,581)	(5,557)
Depreciation of property, plant and equipment	25	**(673)**	(790)	(759)
Amortisation of intangible assets	26	**(419)**	(437)	(447)
Goodwill impairment	26	**(597)**	(243)	(1)
Provision for PPI redress	29	**(1,000)**	–	–
UK Bank Levy	9	**(325)**	–	–
Operating expenses		**(20,772)**	(19,967)	(16,712)
Share of post-tax results of associates and joint ventures		**60**	58	34
(Loss)/Profit on disposal of subsidiaries, associates and joint ventures	10	**(94)**	81	188
Gain on acquisitions	41	**–**	129	26
Profit before tax from continuing operations		**5,974**	6,079	4,559
Taxation	f	**(1,928)**	(1,516)	(1,047)
Profit after tax from continuing operations		**4,046**	4,563	3,512
Profit after tax for the year from discontinued operations, including gain on disposal	14	**–**	–	6,777
Profit after tax		**4,046**	4,563	10,289
Profit attributable to equity holders of the Parent from:				
Continuing operations		**3,616**	4,172	3,228
Discontinued operations		**–**	–	6,765
Total		**3,616**	4,172	9,993
Profit attributable to non-controlling interests	n	**430**	391	296

The note numbers refer to the notes on pages 176 to 246, whereas the note letters refer to Barclays Bank PLC supplementary notes on pages 302 to 312.

Barclays Bank PLC supplementary notes provided on pages 302 to 312 cover the line items where there is a difference to Barclays PLC.

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Barclays Bank PLC data

Consolidated statement of comprehensive income

For the year ended 31 December	2011 £m	2010 £m	2009 £m
Profit after tax	**4,046**	4,563	10,289
Other Comprehensive Income for continuing operations:			
Currency translation reserve			
- Currency translation differences	**(1,607)**	1,177	(853)
- Tax		–	(2)
Available for sale reserve			
- Net gains/(losses) from changes in fair value	**2,581**	(152)	1,487
- Net gains transferred to net profit on disposal	**(1,614)**	(1,020)	(649)
- Net losses transferred to net profit due to impairment	**1,860**	53	672
- Net gains transferred to net profit due to fair value hedging	**(1,803)**	(308)	(123)
- Changes in insurance liabilities	**18**	31	(67)
- Tax	**170**	141	(177)
Cash flow hedging reserve			
- Net gains from changes in fair value	**2,406**	601	285
- Net gains transferred to net profit	**(753)**	(684)	(120)
- Tax	**(390)**	39	(65)
Other	**(74)**	59	217
Other comprehensive income for the year, net of tax, from continuing operations	**794**	(63)	605
Other comprehensive income for the year, net of tax, from discontinued operations	**–**	–	(58)
Total comprehensive income for the year	**4,840**	4,500	10,836
Attributable to:			
Equity holders of the Parent	**5,041**	3,609	10,286
Non-controlling interests	**(201)**	891	550
Total comprehensive income for the year	**4,840**	4,500	10,836

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Barclays Bank PLC data
Consolidated balance sheet

As at 31 December	Notes	2011 £m	2010 £m
Assets			
Cash and balances at central banks		**106,894**	97,630
Items in the course of collection from other banks		**1,812**	1,384
Trading portfolio assets	g	**152,183**	168,930
Financial assets designated at fair value	16	**36,949**	41,485
Derivative financial instruments	j	**538,964**	420,319
Available for sale financial investments	h	**69,023**	65,440
Loans and advances to banks	i	**46,792**	37,799
Loans and advances to customers	i	**431,934**	427,942
Reverse repurchase agreements and other similar secured lending	24	**153,665**	205,772
Prepayments, accrued income and other assets		**4,560**	5,143
Investments in associates and joint ventures	42	**427**	518
Property, plant and equipment	25	**7,166**	6,140
Goodwill and intangible assets	26	**7,846**	8,697
Current tax assets	f	**374**	196
Deferred tax assets	11	**3,010**	2,517
Retirement benefit assets	39	**1,803**	126
Total assets		**1,563,402**	**1,490,038**
Liabilities			
Deposits from banks		**91,116**	77,975
Items in the course of collection due to other banks		**969**	1,321
Customer accounts		**366,045**	345,802
Repurchase agreements and other similar secured borrowing	24	**207,292**	225,534
Trading portfolio liabilities	15	**45,887**	72,693
Financial liabilities designated at fair value	19	**87,997**	97,729
Derivative financial instruments	j	**527,798**	405,516
Debt securities in issue		**129,736**	156,623
Subordinated liabilities	33	**24,870**	28,499
Accruals, deferred income and other liabilities	28	**12,580**	13,233
Provisions	29	**1,529**	947
Current tax liabilities	f	**1,397**	646
Deferred tax liabilities	11	**695**	514
Retirement benefit liabilities	39	**321**	365
Total liabilities		**1,498,232**	**1,427,397**
Shareholders’ equity			
Shareholders’ equity excluding non-controlling interests		**62,078**	59,174
Non-controlling interests	n	**3,092**	3,467
Total shareholders’ equity		**65,170**	**62,641**
Total liabilities and shareholders’ equity		**1,563,402**	**1,490,038**

The note numbers refer to the notes on pages 176 to 246, whereas the note letters refer to those on pages 302 to 312.

These financial statements have been approved for issue by the Board of Directors on 7 March 2012.

Barclays Bank PLC data
Consolidated statement of changes in equity

	Called up share capital and share premium[a] £m	Available for sale reserve[b] £m	Cash flow hedging reserve[b] £m	Currency translation reserve[b] £m	Other shareholder's equity[c] £m	Retained earnings £m	Total £m	Non-controlling interests £m	Total equity £m
Balance as at 1 January 2011	**14,494**	**(1,348)**	**152**	**2,357**	**2,069**	**41,450**	**59,174**	**3,467**	**62,641**
Profit after tax	–	–	–	–	–	3,616	3,616	430	4,046
Currency translation movements	–	–	–	(1,009)	–	–	(1,009)	(598)	(1,607)
Available for sale investments	–	1,218	–	–	–	–	1,218	(6)	1,212
Cash flow hedges	–	–	1,290	–	–	–	1,290	(27)	1,263
Other	–	–	–	–	18	(92)	(74)	–	(74)
Total comprehensive income for the year	–	1,218	1,290	(1,009)	18	3,524	5,041	(201)	4,840
Issue of shares under employee share schemes	–	–	–	–	–	838	838	–	838
Vesting of Barclays PLC shares under share-based payment schemes	–	–	–	–	–	(499)	(499)	–	(499)
Dividends paid	–	–	–	–	–	(643)	(643)	(188)	(831)
Dividends on preference shares and other shareholders' equity	–	–	–	–	–	(539)	(539)	–	(539)
Redemption of Reserve Capital Instruments	–	–	–	–	(1,415)	–	(1,415)	–	(1,415)
Other reserve movements	–	–	–	–	(24)	145	121	14	135
Balance as at 31 December 2011	**14,494**	**(130)**	**1,442**	**1,348**	**648**	**44,276**	**62,078**	**3,092**	**65,170**
Balance as at 1 January 2010	14,494	(84)	252	1,615	2,559	37,089	55,925	2,774	58,699
Profit after tax	–	–	–	–	–	4,172	4,172	391	4,563
Currency translation movements	–	–	–	742	–	–	742	435	1,177
Available for sale investments	–	(1,264)	–	–	–	–	(1,264)	9	(1,255)
Cash flow hedges	–	–	(100)	–	–	–	(100)	56	(44)
Other	–	–	–	–	45	14	59	–	59
Total comprehensive income for the year	–	(1,264)	(100)	742	45	4,186	3,609	891	4,500
Issue of shares under employee share schemes	–	–	–	–	–	830	830	–	830
Vesting of Barclays PLC shares under share-based payment schemes	–	–	–	–	–	(718)	(718)	–	(718)
Dividends paid	–	–	–	–	–	(235)	(235)	(158)	(393)
Dividends on preference shares and other shareholders' equity	–	–	–	–	–	(645)	(645)	–	(645)
Capital injection from Barclays PLC	–	–	–	–	–	1,214	1,214	–	1,214
Redemption of Reserve Capital Instruments	–	–	–	–	(487)	–	(487)	–	(487)
Other reserve movements	–	–	–	–	(48)	(271)	(319)	(40)	(359)
Balance as at 31 December 2010	14,494	(1,348)	152	2,357	2,069	41,450	59,174	3,467	62,641

Notes
a For further details refer to Note k.
b For further details refer to Note l.
c For further details refer to Note m.

Barclays Bank PLC data
Consolidated cash flow statement

For the year ended 31 December	2011 £m	2010 £m	2009 £m
Continuing operations			
Reconciliation of profit before tax to net cash flows from operating activities:			
Profit before tax	**5,974**	6,079	4,559
Adjustment for non-cash items:			
Allowance for impairment	**5,602**	5,672	8,071
Depreciation, amortisation and impairment of property, plant, equipment and intangibles	**1,104**	1,346	1,196
Other provisions, including pensions	**1,787**	914	428
Net profit on disposal of investments and property, plant and equipment	**(1,645)**	(1,057)	(610)
Other non-cash movements	**432**	(6,886)	4,007
Changes in operating assets and liabilities			
Net decrease/(increase) in loans and advances to banks and customers	**38,994**	(63,212)	25,482
Net (decrease)/increase in deposits and debt securities in issue	**(11,555)**	63,699	(49,014)
Net decrease/(increase) in derivative financial instruments	**3,618**	(1,298)	3,321
Net decrease/(increase) in trading assets	**21,423**	(17,517)	34,292
Net (decrease)/increase in trading liabilities	**(26,899)**	21,441	(8,222)
Net (increase)/decrease in financial investments	**(4,255)**	11,126	20,459
Net decrease/(increase) in other assets	**122**	1,366	(465)
Net decrease in other liabilities	**(4,148)**	(2,521)	(907)
Corporate income tax paid	**(1,686)**	(1,430)	(1,176)
Net cash from operating activities	**28,868**	**17,722**	**41,421**
Purchase of available for sale investments	**(67,525)**	(76,418)	(78,420)
Proceeds from sale or redemption of available for sale investments	**66,941**	71,251	88,931
Purchase of property, plant and equipment	**(1,454)**	(1,767)	(1,150)
Disposal of discontinued operation, net of cash disposed	**–**	–	2,469
Other cash flows associated with investing activities	**126**	1,307	430
Net cash from investing activities	**(1,912)**	**(5,627)**	**12,260**
Dividends paid	**(1,370)**	(1,011)	(590)
Proceeds of borrowings and issuance of subordinated debt	**880**	2,131	3,549
Repayments of borrowings and redemption of subordinated debt	**(4,003)**	(1,211)	(4,383)
Net (redemption)/issue of shares and other equity instruments	**(1,257)**	–	14
Capital injection from Barclays Plc	**–**	1,214	800
Net cash from financing activities	**(5,750)**	**1,123**	**(610)**
Effect of exchange rates on cash and cash equivalents	**(2,933)**	3,842	(2,864)
Net cash from discontinued operations	**–**	–	(376)
Net increase in cash and cash equivalents	**18,273**	17,060	49,831
Cash and cash equivalents at beginning of year	**131,400**	114,340	64,509
Cash and cash equivalents at end of year	**149,673**	**131,400**	**114,340**
Cash and cash equivalents comprise:			
Cash and balances at central banks	**106,894**	97,630	81,483
Loans and advances to banks with original maturity less than three months	**40,481**	31,934	30,461
Available for sale treasury and other eligible bills with original maturity less than three months	**2,209**	1,667	2,244
Trading portfolio assets with original maturity less than three months	**89**	169	152
	149,673	**131,400**	**114,340**

Interest received in 2011 was £28,673m (2010: £28,631m, 2009: £32,437m) and interest paid in 2011 was £20,106m (2010: £20,759m, 2009: £20,889m).

The Group is required to maintain balances with central banks and other regulatory authorities and these amounted to £2,500m at 31 December 2011 (2010: £2,310m, 2009: £2,470m).

Barclays Bank PLC data
Notes to the accounts

a Net interest income

	2011 £m	2010 £m	2009 £m
Cash and balances with central banks	**392**	271	131
Available for sale investments	**2,137**	1,483	1,937
Loans and advances to banks	**350**	440	513
Loans and advances to customers	**17,271**	17,677	18,456
Other	**439**	164	199
Interest income	**20,589**	20,035	21,236
Deposits from banks	**(366)**	(370)	(634)
Customer accounts	**(2,531)**	(1,415)	(2,720)
Debt securities in issue	**(3,524)**	(3,632)	(4,134)
Subordinated liabilities	**(1,813)**	(1,778)	(1,718)
Other	**(159)**	(322)	(361)
Interest expense	**(8,393)**	(7,517)	(9,567)
Net interest income	**12,196**	12,518	11,669

Interest income includes £243m (2010: £213m, 2009: £185m) accrued on impaired loans.

Other interest income principally includes interest income relating to reverse repurchase agreements and hedging activity. Similarly, other interest expense principally includes interest expense relating to repurchase agreements and hedging activity.

Included in net interest income is hedge ineffectiveness as detailed in Note 17.

b Net fee and commission income

	2011 £m	2010 £m	2009 £m
Banking, investment management and credit related fees and commissions	**9,958**	10,142	9,711
Brokerage fees	**87**	77	88
Foreign exchange commission	**163**	149	147
Fee and commission income	**10,208**	10,368	9,946
Fee and commission expense	**(1,586)**	(1,497)	(1,528)
Net fee and commission income	**8,622**	8,871	8,418

c Net Trading Income

	2011 £m	2010 £m	2009 £m
Trading income	**5,030**	7,689	8,814
Own credit gain/(charge)	**2,708**	391	(1,820)
Net trading income	**7,738**	8,080	6,994

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Barclays Bank PLC data

Notes to the accounts continued

d Net investment income

	2011 £m	2010 £m	2009 £m
Net gain from disposal of available for sale assets	**1,652**	1,027	576
Dividend income	**139**	129	6
Net gain/(loss) from financial instruments designated at fair value	**287**	274	(208)
Other investment income/(losses)	**244**	60	(91)
Net investment income	**2,322**	1,490	283

e Administrative and general expenses

	2011 £m	2010 £m	2009 £m
Property and equipment	**1,763**	1,813	1,641
Outsourcing and professional services	**1,864**	1,704	1,495
Operating lease rentals	**659**	637	639
Marketing, advertising and sponsorship	**585**	631	492
Communications, subscriptions, publications and stationery	**740**	750	695
Travel and accommodation	**328**	358	273
Other administration and general expenses	**400**	563	261
Impairment of property, equipment and intangible assets	**12**	125	61
Administration and general expenses	**6,351**	6,581	5,557

f Tax

	2011 £m	2010 £m	2009 £m
Current tax charge			
Current year	**2,690**	1,413	1,235
Adjustment for prior years	**(61)**	(20)	(131)
	2,629	1,393	1,104
Deferred tax (credit)/charge			
Current year	**(631)**	118	45
Adjustment for prior years	**(70)**	5	(102)
	(701)	123	(57)
Tax charge	**1,928**	1,516	1,047

Tax relating to each component of other comprehensive income can be found in the consolidated statement of comprehensive income, which includes within Other, tax charge of £74m (2010: £59m credit, 2009: £218m credit) principally relating to share based payments.

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Barclays Bank PLC data
Notes to the accounts continued

The table below shows the reconciliation between the actual tax charge and the tax charge that would result from applying the standard UK corporation tax rate to the Group's profit before tax.

	2011 £m	2010 £m	2009 £m
Profit before tax from continuing operations	**5,974**	6,079	4,560
Tax charge based on the standard UK corporation tax rate of 26.5% (2010:28%, 2009:28%)	**1,583**	1,702	1,277
Effect of non-UK profits or losses at local statutory tax rates different from the UK statutory tax rate[a]	**190**	108	(27)
Non-creditable taxes[b]	**567**	454	175
Non-taxable gains and income	**(519)**	(576)	(294)
Impact of share price movements on share-based payments	**147**	41	(38)
Deferred tax assets (previously not recognised) / not recognised	**(816)**	(160)	27
Non-deductible impairment charges, loss on disposals and bank levy[c]	**770**	68	19
Change in tax rates	**17**	34	(12)
Other items including non-deductible expenses	**120**	(140)	153
Adjustments in respect of prior years	**(131)**	(15)	(233)
Tax charge	**1,928**	1,516	1,047
Effective tax rate	**32%**	25%	23%

Current tax assets and liabilities
Movements on current tax assets and liabilities were as follows:

	2011 £m	2010 £m
Assets	**196**	349
Liabilities	**(646)**	(964)
As at 1 January	**(450)**	(615)
Income statement	**(2,629)**	(1,393)
Equity	**104**	180
Tax paid	**1,686**	1,430
Acquisitions and disposals	**90**	(4)
Exchange and other adjustments	**176**	(48)
	(1,023)	(450)
Assets	**374**	196
Liabilities	**(1,397)**	(646)
As at 31 December	**(1,023)**	(450)

Notes
a In 2010 £205m (2009: £nil) was previously included in the effect of non-UK profits or losses at local statutory rates that differ from the UK rate and related to a deferred tax benefit on the reorganisation of Spanish securitisation financing. This benefit is now included in other items including non-deductible expenses.
b This is a new item in the reconciliation to show the impact of non-creditable taxes. In 2010 £420m (2009: £175m) was previously included in non-taxable gains and income, £72m (2009: £nil) was previously included in other items including non-deductible expenses and £(38)m (2009: £nil) was previously included in the effect of non-UK profits or losses at local statutory rates that differ from the UK rate.
c This is a new item in the reconciliation to show the impact of non-deductible impairments charges, loss on disposals and the bank levy. In 2010 non-deductible impairment charges of £68m (2009: £19m) was previously included in other items including non-deductible expenses.

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Barclays Bank PLC data
Notes to the accounts continued

g Trading portfolio assets

	2011 £m	2010 £m
Debt securities and other eligible bills	**123,364**	139,240
Equity securities	**24,861**	25,676
Traded loans	**1,374**	2,170
Commodities	**2,584**	1,844
Trading portfolio assets	**152,183**	168,930

h Available for sale financial investments

	2011 £m	2010 £m
Debt securities and other eligible bills	**63,610**	59,629
Equity securities	**5,413**	5,811
Available for sale financial investments	**69,023**	65,440

i Loans and advances to banks and customers

	2011 £m	2010 £m
Gross loans and advances to banks	**46,837**	37,847
Less: allowance for impairment	**(45)**	(48)
Loans and advances to banks	**46,792**	37,799
Gross loans and advances to customers	**442,486**	440,326
Less: allowance for impairment	**(10,552)**	(12,384)
Loans and advances to customers	**431,934**	427,942

j Derivatives financial instruments

		Fair value	
	Notional contract amount £m	Assets £m	Liabilities £m
Year ended 31 December 2011			
Total derivative assets/(liabilities) held for trading	**43,095,991**	**535,306**	**(524,440)**
Total derivative assets/(liabilities) held for risk management	**243,534**	**3,658**	**(3,358)**
Derivative assets/(liabilities)	**43,339,525**	**538,964**	**(527,798)**
Year ended 31 December 2010			
Total derivative assets/(liabilities) held for trading	48,517,204	418,586	(403,163)
Total derivative assets/(liabilities) held for risk management	240,353	1,733	(2,353)
Derivative assets/(liabilities)	48,757,557	420,319	(405,516)

k Called up share capital

Ordinary Shares

The issued ordinary share capital of Barclays Bank PLC, as at 31 December 2011, comprised 2,342 million ordinary shares of £1 each (2010: 2,342 million).

Preference Shares

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Barclays Bank PLC data
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The issued preference share capital of Barclays Bank PLC, as at 31 December 2011, comprised 1,000 sterling Preference Shares of £1 each (2010: 1,000); 240,000 Euro Preference Shares of €100 each (2010: 240,000); 75,000 Sterling Preference Shares of £100 each (2010: 75,000); 100,000 US Dollar Preference Shares of US$100 each (2010: 100,000); 237 million US Dollar Preference Shares of US$0.25 each (2010: 237 million).

Share capital	2011 £m	2010 £m
Called up ordinary share capital, alloted and fully paid		
As at 1 January	2,342	2,342
As at 31 December	**2,342**	2,342
Called up preference share capital, allotted and fully paid as at 1 January and 31 December	**60**	60
Called up share capital	**2,402**	2,402

Share premium	2011 £m	2010 £m
As at 1 January	**12,092**	12,092
As at 31 December	**12,092**	12,092

Sterling £1 Preference Shares
1,000 sterling cumulative callable preference shares of £1 each (the £1 Preference Shares) were issued on 31 December 2004 at nil premium.

The £1 Preference Shares entitle the holders thereof to receive Sterling cumulative cash dividends out of distributable profits of Barclays Bank PLC, semi-annually at a rate reset semi-annually equal to the Sterling interbank offered rate for six-month sterling deposits.

Barclays Bank PLC shall be obliged to pay such dividends if: (1) it has profits available for the purpose of distribution under the Companies Act 2006 as at each dividend payment date; and (2) it is solvent on the relevant dividend payment date, provided that a capital regulations condition is satisfied on such dividend payment date. The dividends shall not be due and payable on the relevant dividend payment date except to the extent that Barclays Bank PLC could make such payment and still be solvent immediately thereafter. Barclays Bank PLC shall be considered solvent on any date if: (1) it is able to pay its debts to senior creditors as they fall due; and (2) its auditors have reported within the previous six months that its assets exceed its liabilities. If Barclays Bank PLC shall not pay, or shall pay only in part, a dividend for a period of seven days or more after the due date for payment, the holders of the £1 Preference Shares may institute proceedings for the winding-up of Barclays Bank PLC. No remedy against Barclays Bank PLC shall be available to the holder of any £1 Preference Shares for the recovery of amounts owing in respect of £1 Preference shares other than the institution of proceedings for the winding-up of Barclays Bank PLC and/or proving in such winding-up.

On a winding-up or other return of capital (other than a redemption or purchase by Barclays Bank PLC of any of its issued shares, or a reduction of share capital, permitted by the Articles of Barclays Bank PLC and under applicable law), the assets of Barclays Bank PLC available to shareholders shall be applied in priority to any payment to the holders of ordinary shares and any other class of shares in the capital of Barclays Bank PLC then in issue ranking junior to the £1 Preference Shares on such a return of capital and pari passu on such a return of capital with the holders of any other class of shares in the capital of Barclays Bank PLC then in issue (other than any class of shares in the capital of Barclays Bank PLC then in issue ranking in priority to the £1 Preference Shares on a winding-up or other such return of capital), in payment to the holders of the £1 Preference Shares of a sum equal to the aggregate of: (1) an amount equal to the dividends accrued thereon for the then current dividend period (and any accumulated arrears thereof) to the date of the commencement of the winding-up or other such return of capital; and (2) an amount equal to £1 per £1 Preference Share. After payment of the full amount of the liquidating distributions to which they are entitled, the holders of the £1 Preference Shares will have no right or claim to any of the remaining assets of Barclays Bank PLC and will not be entitled to any further participation in such return of capital.

The £1 Preference Shares are redeemable at the option of Barclays Bank PLC, in whole but not in part only, subject to the Companies Act 2006 and its Articles. Holders of the £1 Preference Shares are not entitled to receive notice of, or to attend, or vote at, any general meeting of Barclays Bank PLC.

Euro Preference Shares
100,000 Euro 4.875% non-cumulative callable preference shares of €100 each (the 4.875% Preference Shares) were issued on 8 December 2004 for a consideration of € 993.6m (£688.4m), of which the nominal value was €10m and the balance was share premium. The 4.875% Preference Shares entitle the holders thereof to receive Euro non-cumulative cash dividends out of distributable profits of Barclays Bank PLC, annually at a fixed rate of 4.875% per annum on the amount of €10,000 per preference share until 15 December 2014, and thereafter quarterly at a rate reset quarterly equal to 1.05% per annum above the Euro interbank offered rate for three-month Euro deposits.

The 4.875% Preference Shares are redeemable at the option of Barclays Bank PLC, in whole but not in part only, on 15 December 2014, and on each dividend payment date thereafter at €10,000 per share plus any dividends accrued for the then current dividend period to the date fixed for redemption.

140,000 Euro 4.75% non-cumulative callable preference shares of €100 each (the 4.75% Preference Shares) were issued on 15 March 2005 for a consideration of €1,383.3m (£966.7m), of which the nominal value was €14m and the balance was share premium. The 4.75% Preference Shares entitle the holders thereof to receive Euro non-cumulative cash dividends out of distributable profits of Barclays Bank PLC, annually at a fixed rate of 4.75% per annum on the amount of €10,000 per preference share until 15 March 2020, and thereafter quarterly at a rate reset quarterly equal to 0.71% per annum above the Euro interbank offered rate for three month Euro deposits.

The 4.75% Preference Shares are redeemable at the option of Barclays Bank PLC, in whole but not in part only, on 15 March 2020, and on each dividend payment date thereafter at €10,000 per share plus any dividends accrued for the then current dividend period to the date fixed for redemption.

Sterling Preference Shares
75,000 Sterling 6.0% non-cumulative callable preference shares of £100 each (the 6.0% Preference Shares) were issued on 22 June 2005 for a consideration of £743.7m, of which the nominal value was £7.5m and the balance was share premium. The 6.0% Preference Shares entitle the holders thereof to receive Sterling noncumulative cash dividends out of distributable profits of Barclays Bank PLC, annually at a fixed rate of 6.0% per annum on the amount of £10,000 per preference share until 15 December 2017, and thereafter quarterly at a rate reset quarterly equal to 1.42% per annum above the London interbank offered rate for three-month Sterling deposits.

The 6.0% Preference Shares are redeemable at the option of Barclays Bank PLC, in whole but not in part only, on 15 December 2017, and on each dividend payment date thereafter at £10,000 per share plus any dividends accrued for the then current dividend period to the date fixed for redemption.

US Dollar Preference Shares
100,000 US Dollar 6.278% non-cumulative callable preference shares of US$100 each (the 6.278% Preference Shares), represented by 100,000 American Depositary Shares, Series 1, were issued on 8 June 2005 for a consideration of US$995.4m (£548.1m), of which the nominal value was US$10m and the balance was share premium. The 6.278% Preference Shares entitle the holders thereof to receive US Dollar non-cumulative cash dividends out of distributable profits of Barclays Bank PLC, semi-annually at a fixed rate of 6.278% per annum on the amount of US$10,000 per preference share until 15 December 2034, and thereafter quarterly at a rate reset quarterly equal to 1.55% per annum above the London interbank offered rate for three-month US Dollar deposits.

The 6.278% Preference Shares are redeemable at the option of Barclays Bank PLC, in whole but not in part only, on 15 December 2034, and on each dividend payment date thereafter at US$10,000 per share plus any dividends accrued for the then current dividend period to the date fixed for redemption.

30 million US Dollar 6.625% non-cumulative callable preference shares of US$0.25 each (the 6.625% Preference Shares), represented by 30 million American Depositary Shares, Series 2, were issued on 25 and 28 April 2006 for a consideration of US$727m (£406m), of which the nominal value was US$7.5m and the balance was share premium. The 6.625% Preference Shares entitle the holders thereof to receive US Dollar non-cumulative cash dividends out of distributable profits of Barclays Bank PLC, quarterly at a fixed rate of 6.625% per annum on the amount of US$25 per preference share.

The 6.625% Preference Shares are redeemable at the option of Barclays Bank PLC, in whole but not in part only, on any dividend payment date at US$25 per share plus any dividends accrued for the then current dividend period to the date fixed for redemption.

55 million US Dollar 7.1% non-cumulative callable preference shares of US$0.25 each (the 7.1% Preference Shares), represented by 55 million American Depositary Shares, Series 3, were issued on 13 September 2007 for a consideration of US$1,335m (£657m), of which the nominal value was US$13.75m and the balance was share premium. The 7.1% Preference Shares entitle the holders thereof to receive US Dollar non-cumulative cash dividends out of distributable profits of Barclays Bank PLC, quarterly at a fixed rate of 7.1% per annum on the amount of US$25 per preference share.

The 7.1% Preference Shares are redeemable at the option of Barclays Bank PLC, in whole or in part, on 15 December 2012, and on each dividend payment date thereafter at US$25 per share plus any dividends accrued for the then current dividend period to the date fixed for redemption.

46 million US Dollar 7.75% non-cumulative callable preference shares of US$0.25 each (the 7.75% Preference Shares), represented by 46 million American Depositary Shares, Series 4, were issued on 7 December 2007 for a consideration of US$1,116m (£550m), of which the nominal value was US$11.5m and the balance was share premium. The 7.75% Preference Shares entitle the holders thereof to receive US Dollar non-cumulative cash dividends out of distributable profits of Barclays Bank PLC, quarterly at a fixed rate of 7.75% per annum on the amount of US$25 per preference share.

The 7.75% Preference Shares are redeemable at the option of Barclays Bank PLC, in whole or in part, on 15 December 2013, and on each dividend payment date thereafter at US$25 per share plus any dividends accrued for the then current dividend period to the date fixed for redemption.

106 million US Dollar 8.125% non-cumulative callable preference shares of US$0.25 each (the 8.125% Preference Shares), represented by 106 million American Depositary Shares, Series 5, were issued on 11 April 2008 and 25 April 2008 for a total consideration of US$2,650m (£1,345m), of which the nominal value was US$26.5m and the balance was share premium. The 8.125% Preference Shares entitle the holders thereof to receive US Dollar non-cumulative cash dividends out of distributable profits of Barclays Bank PLC, quarterly at a fixed rate of 8.125% per annum on the amount of US$25 per preference share.

The 8.125% Preference Shares are redeemable at the option of Barclays Bank PLC, in whole or in part, on 15 June 2013, and on each dividend payment date thereafter at US$25 per share plus any dividends accrued for the then current dividend period to the date fixed for redemption.

No redemption or purchase of any 4.875% Preference Shares, the 4.75% Preference Shares, the 6.0% Preference Shares, the 6.278% Preference Shares, the 6.625% Preference Shares, the 7.1% Preference Shares, the 7.75% Preference Shares and the 8.125% Preference Shares (together, the Preference Shares) may be made by Barclays Bank PLC without the prior notification to the UK FSA and any such redemption will be subject to the Companies Act 2006 and the Articles of Barclays Bank PLC.

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On a winding-up of Barclays Bank PLC or other return of capital (other than a redemption or purchase of shares of Barclays Bank PLC, or a reduction of share capital), a holder of Preference Shares will rank in the application of assets of Barclays Bank PLC available to shareholders: (1) junior to the holder of any shares of Barclays Bank PLC in issue ranking in priority to the Preference Shares; (2) equally in all respects with holders of other preference shares and any other shares of Barclays Bank PLC in issue ranking pari passu with the Preference Shares; and (3) in priority to the holders of ordinary shares and any other shares of Barclays Bank PLC in issue ranking junior to the Preference Shares.

The holders of the £91m 6% Callable Perpetual Core Tier One Notes and the US$681m 6.86% Callable Perpetual Core Tier One Notes of Barclays Bank PLC (together, the TONs) and the holders of the £81m 5.3304% Step-up Callable Perpetual Reserve Capital Instruments, the US$533m 5.926% Step-up Callable Perpetual Reserve Capital Instruments, the £95m 6.3688% Step-up Callable Perpetual Reserve Capital Instruments, the US$347m 7.434% Step-up Callable Perpetual Reserve Capital Instruments and the £3,000m 14% Step-up Callable Perpetual Reserve Capital Instruments of Barclays Bank PLC (together, the RCIs) would, for the purposes only of calculating the amounts payable in respect of such securities on a winding-up of Barclays Bank PLC, subject to limited exceptions and to the extent that the TONs and the RCIs are then in issue, rank pari passu with the holders of the most senior class or classes of preference shares then in issue in the capital of Barclays Bank PLC. Accordingly, the holders of the preference shares would rank equally with the holders of such TONs and RCIs on such a winding-up of Barclays Bank PLC (unless one or more classes of shares of Barclays Bank PLC ranking in priority to the preference shares are in issue at the time of such winding-up, in which event the holders of such TONs and RCIs would rank equally with the holders of such shares and in priority to the holders of the preference shares).

Subject to such ranking, in such event, holders of the preference shares will be entitled to receive out of assets of Barclays Bank PLC available for distributions to shareholders, liquidating distributions in the amount of €10,000 per 4.875% Preference Share, €10,000 per 4.75% Preference Share, £10,000 per 6.0% Preference Share, US$10,000 per 6.278% Preference Share, US$25 per 6.625% Preference Share, US$25 per 7.1% Preference Share, US$25 per 7.75% Preference Share and US$0.25 per 8.125% Preference Share, plus, in each case, an amount equal to the accrued dividend for the then current dividend period to the date of the commencement of the winding-up or other such return of capital. If a dividend is not paid in full on any preference shares on any dividend payment date, then a dividend restriction shall apply.

This dividend restriction will mean that neither Barclays Bank PLC nor Barclays PLC may (a) declare or pay a dividend (other than payment by Barclays PLC of a final dividend declared by its shareholders prior to the relevant dividend payment date, or a dividend paid by Barclays Bank PLC to Barclays PLC or to a wholly owned subsidiary) on any of their respective ordinary shares, other preference shares or other share capital or (b) redeem, purchase, reduce or otherwise acquire any of their respective share capital, other than shares of Barclays Bank PLC held by Barclays PLC or a wholly owned subsidiary, until the earlier of: (1) the date on which Barclays Bank PLC next declares and pays in full a preference dividend; and (2) the date on or by which all the preference shares are redeemed in full or purchased by Barclays Bank PLC.

Holders of the preference shares are not entitled to receive notice of, or to attend, or vote at, any general meeting of Barclays Bank PLC. Barclays Bank PLC is not permitted to create a class of shares ranking as regards participation in the profits or assets of Barclays Bank PLC in priority to the preference shares, save with the sanction of a special resolution of a separate general meeting of the holders of the preference shares (requiring a majority of not less than three-fourths of the holders of the preference shares voting at the separate general meeting) or with the consent in writing of the holders of three-fourths of the preference shares.

Except as described above, the holders of the preference shares have no right to participate in the surplus assets of Barclays Bank PLC.

l Reserves

Currency translation reserve

The currency translation reserve represents the cumulative gains and losses on the retranslation of the Group’s net investment in foreign operations, net of the effects of hedging. Currency translation movements in 2011 of £1,607m (2010: £1,177m), including £598m (2010: £435m) associated with non-controlling interests, are largely due to the depreciation of the Rand, Euro and Indian Rupee against Sterling.

The impact of the currency translation reserve recognised in the income statement during the year was nil (2010: £279m), as the £23m loss from the disposal of Barclays Bank Russia was offset by other movements.

Available for sale reserve

The available for sale reserve represents the unrealised change in the fair value of available for sale investments since initial recognition.

The available for sale reserve increased £1,218m (2010: decreased £1,264m), largely driven by £2,581m gains from changes in fair value, offset by £1,557m of net gains transferred to the income statement after recognition of impairment on The Group’s investment in BlackRock, Inc.

Cash flow hedging reserve

The cash flow hedging reserve represents the cumulative gains and losses on effective cash flow hedging instruments that will be recycled to the income statement when the hedged transactions affect profit or loss. Movements in the cash flow hedge reserve principally reflected increases in the fair value of interest rate swaps held for hedging purposes more than offset by related gains transferred to net profit.

Barclays Bank PLC data
Notes to the accounts continued

m Other shareholders' equity

	2011 £m	2010 £m
As at 1 January	**2,069**	2,559
Tax credits	**18**	45
Other movements	**(24)**	(48)
Redemption	**(1,415)**	(487)
As at 31 December	**648**	2,069

Included in other shareholders' equity are:

Issuance of capital notes which bear interest at rates fixed periodically in advance, based on London interbank rates. These notes are repayable in each case, at the option of the Bank, in whole on any interest payment date. The Bank is not obliged to make a payment of interest on its capital notes if, in the preceding six months, a dividend has not been declared or paid on any class of shares of Barclays PLC.

The remaining equity accounted reserve capital instruments were redeemed in full during 2011, resulting in a reduction in other shareholders' equity of £1,415m.

n Non-controlling interests

	Profit attributable to non-controlling interests		Equity attributable to non-controlling interests	
	2011 £m	2010 £m	2011 £m	2010 £m
Absa Group	**401**	362	**2,861**	3,208
Other non-controlling interests	**29**	29	**231**	259
Total	**430**	391	**3,092**	3,467

The decrease in Absa Group equity attributable to non-controlling interest to £2,861m (2010: £3,208m) is principally due to £583m depreciation of African currencies against Sterling and £162m of dividends paid, offset by retained profits of £401m.

o Dividends

	2011 £m	2010 £m
Dividends paid during the year		
Final dividend	**288**	–
Interim dividend	**355**	235
Total	**643**	235

Ordinary dividends were paid to enable Barclays PLC to fund its dividend to shareholders.

Dividends per ordinary share for 2011 were 15p (2010: 10p). Dividends paid on the 4.75% €100 preference shares amounted to £408.27 per share (2010: £433.27). Dividends paid on the 4.875% €100 preference shares amounted to £412.64 per share (2010: £408.11). Dividends paid on the 6.0% £100 preference shares amounted to £600.00 per share (2010: £600.00). Dividends paid on the 6.278% US$100 preference shares amounted to £394.48 per share (2010: £413.25). Dividends paid on the 6.625% US$0.25 preference shares amounted to £1.04 per share (2010: £1.09). Dividends paid on the 7.1% US$0.25 preference shares amounted to £1.11 per share (2010: £1.17). Dividends paid on the 7.75% US$0.25 preference shares amounted to £1.22 per share (2010: £1.28). Dividends paid on the 8.125% US$0.25 preference shares amounted to £1.28 per share (2010: £1.34).

Dividends paid on preference shares amounted to £467m (2010: £485m). Dividends paid on other equity instruments amounted to £72m (2010: £160m).

Barclays Bank PLC data
Notes to the accounts continued

p Capital

The Barclays Bank PLC Group's policies and objectives for managing capital are the same as those for the Barclays PLC Group, disclosed on pages 103 to 111.

The table below provides details of the Barclays Bank PLC Group at 31 December 2011 and 2010.

Regulatory Capital	2011 £m	2010 £m
Core Tier 1 Capital	43,040	43,240
Tier 1 Capital	50,447	53,729
Tier 2 Capital	16,063	15,823
Deductions from total Capital	(2,588)	(2,250)
Total Capital resources	**63,922**	67,302

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Barclays Bank PLC data
Notes to the accounts continued

Key capital ratios			
Core Tier 1	**11.0%**	10.9%	10.1%
Tier 1	**12.9%**	13.5%	13.0%
Total capital	**16.3%**	16.9%	16.6%

Capital Resources	£m	£m	£m
Shareholders' equity (excluding non-controlling interests) per balance sheet	**62,078**	59,174	55,925
Non-controlling interests per balance sheet	**9,607**	11,404	11,201
– Less: Other Tier 1 capital - preference shares	**(6,235)**	(6,317)	(6,256)
– Less: Other Tier 1 capital - Reserve Capital Instruments	**–**	(1,275)	(1,980)
– Less: Non-controlling Tier 2 capital	**(573)**	(572)	(547)
Other regulatory adjustments	**(138)**	(317)	(67)
Regulatory adjustments and deductions:			
Own credit cumulative gain (net of tax)	**(2,680)**	(621)	(340)
Defined benefit pension adjustment	**(1,241)**	99	431
Unrealised losses on available for sale debt securities	**555**	340	83
Unrealised gains on available for sale equity (recognised as tier 2 capital)	**(828)**	–	(335)
Cash flow hedging reserve	**(1,442)**	(152)	(252)
Goodwill and intangible assets	**(7,560)**	(8,326)	(8,345)
50% excess of expected losses over impairment (net of tax)	**(506)**	(268)	(17)
50% of securitisation positions	**(1,577)**	(2,360)	(2,799)
Other regulatory adjustments	**95**	368	357
Less: Non Core Tier 1 capital issues included in shareholders' funds	**(6,515)**	(7,937)	(8,427)
Core Tier 1 capital	**43,040**	**43,240**	**38,632**
Other Tier 1 capital:			
Preference shares	**6,235**	6,317	6,256
Tier 1 notes[a]	**530**	1,046	1,017
Reserve Capital Instruments	**2,895**	6,098	6,724
			–
Regulatory adjustments and deductions:			
50% of material holdings	**(2,382)**	(2,872)	(2,915)
50% tax on excess of expected losses over impairment	**129**	(100)	8
Total Tier 1 capital	**50,447**	**53,729**	**49,722**
Tier 2 capital:			
Undated subordinated liabilities	**1,657**	1,648	1,350
Dated subordinated liabilities	**15,189**	16,565	15,658
Non-controlling Tier 2 capital	**573**	572	547
Reserves arising on revaluation of property	**25**	29	26
Unrealised gains on available for sale equity	**828**	–	335
Collectively assessed impairment allowances	**2,385**	2,409	2,443
Tier 2 deductions:			
50% of material holdings	**(2,382)**	(2,872)	(2,915)
50% excess of expected losses over impairment (gross of tax)	**(635)**	(168)	(25)
50% of securitisation positions	**(1,577)**	(2,360)	(2,799)
Total capital regulatory adjustments and deductions:			
Investments that are not material holdings or qualifying holdings	**(1,991)**	(1,622)	(137)
Other deductions from total capital	**(597)**	(628)	(743)
Total regulatory capital	**63,922**	**67,302**	**63,462**

Note
a Tier 1 notes are included in subordinated liabilities in the consolidated balance sheet.

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Barclays Bank PLC data
Notes to the accounts continued

q Segmental reporting
Segmental reporting by Barclays Bank PLC is the same as that presented in the Barclays PLC financial statements, except for:

- the difference in profit before tax of £95m (2010: £14m) between Barclays PLC and Barclays Bank PLC is included in Head Office Functions and Other Operations of £85m and Barclays Capital of £10m ; and
- the difference in total assets of £125m (2010: £393m) is represented by holdings of Barclays PLC shares held for employee share schemes.

r Related parties
The aggregate emoluments of all Directors and Officers of Barclays Bank PLC who held office during the year (2011: 25 persons 2010: 27 persons, 2009: 29 persons) for the year ended 31 December 2011 amounted to £103.1m (2010 £122.0m, 2009: £30.1m). In addition, the aggregate amount set aside by the Bank and its subsidiaries for the year ended 31st December 2011, to provide pension benefits for the Directors and Officers amounted to £0.4m (2010: £1.0m 2009: £0.7m).

Barclays Bank PLC data
Financial data

Selected financial statistics	2011	2010	2009	2008	2007
	%	%	%	%	%
Return on average shareholders' equity[a]	**5.7**	6.8	6.5	12.1	14.5
Return on average total assets[b]	**0.2**	0.3	0.2	0.3	0.4
Average shareholders' equity as a percentage of average total assets	**4.0**	4.0	2.9	2.0	2.2

Selected income statement data	£m	£m	£m	£m	£m
Continuing operations					
Interest income	**20,589**	20,035	21,236	28,010	25,296
Interest expense	**(8,393)**	(7,517)	(9,567)	(16,595)	(15,707)
Non-interest income	**20,927**	19,696	18,256	9,975	11,948
Operating expenses	**(20,772)**	(19,967)	(16,712)	(13,387)	(12,096)
Impairment charges	**(5,602)**	(5,672)	(8,071)	(5,419)	(2,795)
Share of post-tax results of associates and joint ventures	**60**	58	34	14	42
Profit on disposal of subsidiaries, associates and joint ventures	**(94)**	81	188	327	28
Gain on acquisitions	**–**	129	26	2,406	–
Profit before tax from continuing operations	**5,974**	6,079	4,559	5,094	6,254
Profit for the year from discontinued operations, including gain on disposal	**–**	–	6,777	604	571
Profit attributable to equity holders of the Parent from:					
Continuing operations	**3,616**	4,172	3,228	4,259	4,218
Discontinued operations	**–**	–	6,765	587	531

Selected balance sheet data	£m	£m	£m	£m	£m
Total shareholders' equity	**65,170**	62,641	58,699	43,574	31,821
Subordinated liabilities	**24,870**	28,499	25,816	29,842	18,150
Deposits from banks, customer accounts and debt securities in issue	**586,897**	580,400	534,803	603,869	506,623
Loans and advances to banks and customers	**478,726**	465,741	461,359	509,522	385,518
Total assets	**1,563,402**	1,490,038	1,379,148	2,053,029	1,227,583

Notes
a Return on average shareholders' equity represents profit attributable to the equity holders of the parent as a percentage of average shareholders' equity.
b Return on average total assets represents profit attributable to the equity holders of the parent as a percentage of average total assets.

Barclays Bank PLC data
Financial data continued

Ratio of earnings to fixed charges – Barclays Bank Plc	2011	2010	2009	2008	2007
		(In £m except for ratios)			
Ratio of earnings to fixed charges					
Fixed charges					
Interest expense	**21,053**	20,516	20,962	38,197	37,903
Rental expense	**268**	254	256	235	158
Total fixed charges	**21,321**	20,770	21,218	38,432	38,061
Earnings					
Income before taxes and non-controlling interests	**5,974**	6,079	4,559	5,094	6,254
Less: unremitted pre-tax income of associated companies and joint ventures	**(47)**	(49)	(43)	(19)	(45)
	5,927	6,030	4,516	5,075	6,209
Fixed charges	**21,321**	20,770	21,218	38,432	38,061
Total earnings including fixed charges	**27,248**	26,800	25,734	43,507	44,270
Ratio of earnings to fixed charges	**1.28**	1.29	1.21	1.13	1.16

Ratio of earnings to fixed charges and preference shares – Barclays Bank Plc	2011	2010	2009	2008	2007
		(In £m except for ratios)			
Combined fixed charges, preference share dividends and similar appropriations					
Interest expense	**21,053**	20,516	20,962	38,197	37,903
Rental expense	**268**	254	256	235	158
Fixed charges	**21,321**	20,770	21,218	38,432	38,061
Preference share dividends and similar appropriations	**514**	594	646	583	345
Total fixed charges	**21,835**	21,364	21,864	39,015	38,406
Earnings					
Income before taxes and non-controlling interests	**5,974**	6,079	4,559	5,094	6,254
Less: unremitted pre-tax income of associated companies and joint ventures	**(47)**	(49)	(43)	(19)	(45)
	5,927	6,030	4,516	5,075	6,209
Fixed charges	**21,835**	21,364	21,864	39,015	38,406
Total earnings including fixed charges	**27,762**	27,394	26,380	44,090	44,615
Ratio of earnings to fixed charges, preference share dividends and similar appropriations	**1.27**	1.28	1.21	1.13	1.16

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Shareholder enquiries

Investors who have any questions about their investment in Barclays, or about Barclays in general, may write to the Director, Investor Relations at our Head office as follows:

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E14 5HP

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Glossary of terms

'ABCP' Asset backed commercial paper; typically short-term notes secured on specified assets issued by consolidated special purpose entities for funding purposes.

'ABS CDO Super Senior' Super senior tranches of debt linked to collateralised debt obligations of asset backed securities (defined below). Payment of super senior tranches takes priority over other obligations.

'Absa' The previously reported South African segment of Barclays PLC excluding Absa Capital, Absa Card and Absa Wealth which are reported within Barclays Capital, Barclaycard, and Barclays Wealth respectively.

'ABX Indices' A published index used in the valuation of sub-prime mortgage backed securities. Also known as the Asset Backed Securities Index.

'Acceptances and endorsements' An acceptance is an undertaking by a bank to pay a bill of exchange drawn on a customer. The Group expects most acceptances to be presented, but reimbursement by the customer is normally immediate. Endorsements are residual liabilities of the Group in respect of bills of exchange which have been paid and subsequently rediscounted.

'Adjusted Gross Leverage' 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 and cash collateral on derivative liabilities, goodwill and intangible assets. See 'Tier 1 Capital' below.

'Adjusted profit before tax' Profit before tax adjusted to exclude the impact of own credit gains, gains on debt buy-backs, loss on disposal of a portion of the Group's strategic investment in BlackRock, Inc., impairment of investment in BlackRock, Inc., provision for PPI redress, goodwill impairment and gains and losses on acquisitions and disposals.

'Africa' Geographic segment comprising countries where Barclays operates in Africa and the Indian Ocean.

'Africa Retail and Business Banking (Africa RBB)' A business unit that provides a full range of retail banking services and insurance products under the Absa and Barclays brands through a variety of retail distribution channels and offers customised business solutions for commercial and large corporate customers across Africa and the Indian Ocean.

'Alt-A' Loans regarded as lower risk than sub-prime, but with higher risk characteristics than lending under normal criteria.

'Americas' Geographic segment comprising the USA, Canada and countries where Barclays operates within Latin America.

'Annual Earnings at Risk (AEaR)' The sensitivity of annual earnings to shocks in market rates, at approximately 99th percentile for change over one year. For interest rates this equates to a 2% parallel shift in rates. For equity indices, it equates to a 25% change from one-year end to the next, or 15% from one-year end to the next year's average.

'Arrears' Customers are said to be in arrears when they are behind in fulfilling their obligations with the result that an outstanding loan is unpaid or overdue. Such customers are also said to be in a state of delinquency. When a customer is in arrears, their entire outstanding balance is said to be delinquent, meaning that delinquent balances are the total outstanding loans on which payments are overdue.

'Asia' Geographic segment comprising countries where Barclays operates within Asia (including Singapore, Japan, China and India), Australasia and the Middle East.

'Asset Backed Securities (ABS)' Securities that represent an interest in an underlying pool of referenced assets. The referenced pool can comprise any assets which attract a set of associated cash flows but are commonly pools of residential or commercial mortgages and, in the case of Collateralised Debt Obligations (CDOs), the referenced pool may be ABS or other classes of assets.

'Average LTV (Loan to Value) on new mortgages' The ratio of all new mortgage balances disbursed in the period to the appraised property value of those mortgages, i.e. total amount disbursed year-to-date divided by total amount of appraised property value.

'Average income per employee' Total income net of insurance claims divided by the number of employees.

'Backstop facility' A standby facility, that is a liquidity arrangement whereby another party agrees to make a payment should the primary party not do so.

'Bank' Barclays Bank PLC.

'Banking Book' A regulatory classification consisting of all exposures which are not in the trading book. Banking book positions attract credit risk regulatory capital requirements (or deductions where required).

'Barclays Business' A business unit within UK Retail and Business Banking providing banking services to small and medium enterprises.

'Barclays Corporate' A business unit that provides global banking services across 10 countries grouped into three regionally based businesses: UK, Europe (Spain, Italy, Portugal, France and Ireland) and Rest of World (India, Pakistan, Russia and the UAE).

'Basel 2' The second of the Basel Accords. It sets a framework of minimum capital requirements for banks – covering credit, operational and market risk; supervisory review of banks' assessment of capital adequacy and disclosure requirements.

'Basel 2.5' The update to the Basel framework which includes changes to capital and disclosure requirements for securitisation and market risk.

'Basel 3' The third of the Basel Accords. It has been developed in response to the financial crisis of 2008 and sets new requirements on composition capital, counterparty credit risk, liquidity and leverage ratios.

'Basic Indicator Approach' An approach for calculating the Operational Risk Capital Requirement, under the relevant FSA rules, equal to 15% of the three-year average of the sum of a firm's net interest income and net non-interest income.

'Basis point(s)/bp(s)' One hundredth of a per cent (0.01%); 100 basis points is 1%. The measure is used in quoting movements in interest rates, yields on securities and for other purposes.

'BCBS' Basel Committee of Banking Supervisors ('BCBS', or 'The Basel Committee'), a forum for regular cooperation on banking supervisory matters which develops global supervisory standards for the banking industry. Its members are officials from central banks or prudential supervisors from 27 countries and territories.

'Capital adequacy' The Group manages its capital resources to ensure that those Group entities that are subject to local capital

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Glossary of terms

adequacy regulation in individual countries meet their minimum capital requirements.

'Capital ratios' Key financial ratios measuring the Group's capital adequacy or financial strength. These include the Core Tier 1 ratio, Tier 1 ratio and Risk asset ratio.

'Capital requirements' Amount to be held by the bank to cover the risk of losses to a certain confidence level.

'Capital resources' Financial instruments on balance sheet that are eligible to satisfy capital requirements.

'Collateralised Debt Obligation (CDO)' Securities issued by a third party which reference Asset Backed Securities (ABSs) (defined above) and/or certain other related assets purchased by the issuer. CDOs may feature exposure to sub-prime mortgage assets through the underlying assets. CDO^2 securities represent investments in CDOs that have been securitised by a third party.

'Collateralised Loan Obligation (CLO)' A security backed by the repayments from a pool of commercial loans. The payments may be made to different classes of owners (in tranches).

'Collateralised Synthetic Obligation (CSO)' A form of synthetic collateralised debt obligation (CDO) that does not hold assets like bonds or loans but invests in credit default swaps (CDSs) or other non-cash assets to gain exposure to a portfolio of fixed income assets.

'Collectively assessed impairment allowances' Impairment is measured collectively where a portfolio comprises homogenous assets and where appropriate statistical techniques are available.

'Commercial Mortgage Backed Securities (CMBS)' Securities that represent interests in a pool of commercial mortgages. Investors in these securities have the right to cash received from future mortgage payments (interest and/or principal).

'Commercial Paper (CP)' Typically short-term notes issued by entities, including banks, for funding purposes.

'Commercial real estate' Commercial real estate includes office buildings, industrial property, medical centres, hotels, retail stores, shopping centres, farm land, multifamily housing buildings, warehouses, garages, and industrial properties. Commercial real estate loans are loans backed by a package of commercial real estate.

'Commodity products' Exchange traded and OTC derivatives based on a commodity underlying (e.g. metals, precious metals, oil and oil related, power and natural gas).

'Compensation: income ratio' Staff compensation based costs compared to total income.

'Conduits' A financial vehicle that holds asset-backed debt such as mortgages, vehicle loans, and credit card receivables, all financed with short-term loans (generally commercial paper) that use the asset-backed debt as collateral. The profitability of a conduit depends on the ability to roll over maturing short-term debt at a cost that is lower than the returns earned from asset-backed securities held in the portfolio.

'Core Tier 1 capital' Called-up share capital and eligible reserves plus non-controlling equity interests, less intangible assets and deductions relating to the excess of expected loss over regulatory impairment allowance and securitisation positions as specified by the FSA.

'Core Tier 1 ratio' Core Tier 1 capital as a percentage of risk weighted assets.

'Corporate income tax paid' Tax paid during the year on taxable profits, including withholding tax deducted from income.

'Cost: income ratio' Operating expenses compared to total income net of insurance claims.

'Cost: net operating income ratio' Operating expenses compared to total income net of insurance claims less credit impairment charges and other provisions.

'Cost of Equity' The rate of return targeted by the equity holders of a company.

'Counterparty risk' In the context of Risk Weighted Assets by Risk, a component of risk weighted assets that represents the risk of loss in derivative, repo and similar transactions resulting from the default of the counterparty.

'Coverage ratio' Impairment allowances as a percentage of credit risk loan balances.

'Covered bonds' Debt securities backed by a portfolio of mortgages that are segregated from the issuer's other assets solely for the benefit of the holders of the covered bonds.

'CRD3' The Third Capital Requirements Directive; EU Directive that came into force on 31 December 2011 updating market risk capital requirements and requirements relating to securitisation.

'CRD4' The Fourth Capital Requirements Directive. Proposal for a Directive and an accompanying Regulation that together will (among other things) update EU capital adequacy and liquidity requirements and implement Basel 3 in the European Union.

'CRD4 leverage ratio' The ratio of Tier 1 capital to particular on- and off-balance sheet exposures, calculated in accordance with the methodology set out in the Basel 3 guidelines published in December 2010.

'Credit derivatives' An arrangement whereby the credit risk of an asset (the reference asset) is transferred from the buyer to the seller of the protection.

'Credit default swaps' A contract under which the protection seller receives premiums or interest-related payments in return for contracting to make payments to the protection buyer in the event of a defined credit event. Credit events normally include bankruptcy, payment default on a reference asset or assets, or downgrades by a rating agency.

'Credit Derivative Product Company (CDPC)' A company that sells protection on credit derivatives. CDPCs are similar to monoline insurers. However, unlike monoline insurers, they are not regulated as insurers. See Risk Management section - Credit Market Exposures.

'Credit enhancements' see 'Liquidity and Credit enhancements'.

'Credit impairment charges' Impairment charges on loans and advances to customers and banks and in respect of undrawn facilities and guarantees (see Loan Impairment) and impairment charges on available for sale asset and reverse repurchase agreements.

'Credit market exposures (CME)' Assets and other instruments relating to commercial real estate and leveraged finance businesses that have been significantly impacted by the deterioration in the global credit markets. The exposures include positions subject to fair value movements in the Income Statement, positions that are classified as loans and advances and available for sale and other assets.

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Glossary of terms

'Credit risk' In the context of Risk Weighted Assets by Risk, a component of risk weighted assets that represents the risk of loss in loans and advances and similar transactions resulting from the default of the counterparty.

'Credit Risk Loans (CRLs)' A loan becomes a credit risk loan when evidence of deterioration has been observed, for example a missed payment or other breach of covenant. A loan may be reported in one of three categories: impaired loans, accruing past due 90 days or more, impaired or restructured loans. These may include loans which, while impaired, are still performing but have associated individual impairment allowances raised against them.

'Credit spread' The yield spread between securities with the same coupon rate and maturity structure but with different associated credit risks, with the yield spread rising as the credit rating worsens. It is the premium over the benchmark or risk-free rate required by the market to accept a lower credit quality.

'Credit Valuation Adjustment (CVA)' The difference between the risk-free value of a portfolio of trades and the market value which takes into account the counterparty's risk of default. The CVA therefore represents an estimate of the adjustment to fair value that a market participant would make to incorporate the credit risk of the counterparty due to any failure to perform on contractual agreements.

'CRL Coverage' Impairment allowances as a percentage of total CRL (See Credit Risk Loans above).

'Customer asset margin' Net interest income earned on customer assets (excluding the impact of the product structural hedge relating to those assets), divided by total average customer assets.

'Customer deposits' Money deposited by all individuals and companies that are not credit institutions. Such funds are recorded as liabilities in the Group's balance sheet under Customer Accounts.

'Customer liability margin' Net interest income earned on customer liabilities (excluding the impact of the product structural hedge relating to those liabilities), divided by total average customer liabilities.

'Daily Value at Risk (DVaR)' An estimate of the potential loss which might arise from market movements under normal market conditions, if the current positions were to be held unchanged for one business day, measured to a specified confidence level.

'Debit Valuation Adjustment (DVA)' The opposite of credit valuation adjustment (CVA). It is the difference between the risk-free value of a portfolio of trades and the market value which takes into account the Group's risk of default. The DVA, therefore, represents an estimate of the adjustment to fair value that a market participant would make to incorporate the credit risk of the Group due to any failure to perform on contractual agreements. The DVA decreases the value of a liability to take into account a reduction in the remaining balance that would be settled should the Group default or not perform in terms of contractual agreements.

'Debt buy-backs' Purchases of the Group's issued debt securities, including equity accounted instruments, leading to their de-recognition from the balance sheet.

'Debt restructuring' This is when the terms and provisions of outstanding debt agreements are changed. This is often done in order to improve cash flow and the ability of the borrower to repay the debt. It can involve altering the repayment schedule as well as reducing the debt or interest charged on the loan.

'Debt securities in issue' Transferable certificates of indebtedness of the Group to the bearer of the certificates. These are liabilities of the Group and include certificates of deposit.

'Delinquency' See 'Arrears'.

'Dividend payout ratio' Yearly dividends paid per share as a fraction of earnings per share.

'Dodd-Frank Act (DFA)' The US Dodd-Frank Wall Street Reform and Consumer Protection Act. The DFA is intended to address perceived deficiencies and gaps in the regulatory framework for financial services in the United States and implements comprehensive changes across the financial regulatory landscape.

'Economic capital' An internal measure of the minimum equity and preference capital required for the Group to maintain its credit rating based upon its risk profile.

'Economic profit' Profit attributable to equity holders of the Parent excluding amortisation of acquired intangible assets less a capital charge representing adjusted average shareholders' equity excluding non-controlling interests multiplied by the Group cost of capital.

'Egg' The credit card portfolio acquired from Egg in 2011.

'Equities and Prime Services' Trading businesses encompassing Cash Equities, Equity Derivatives & Equity Financing.

'Equity products' Products linked to equity markets. This category includes listed equities, exchange traded derivatives, equity derivatives, preference shares and contract for difference (CFD) products.

'Equity risk' The risk of change in market value of an equity investment.

'Equity structural hedge' An interest rate hedge which functions to reduce the impact of the volatility of short-term interest rate movements on equity positions on the balance sheet that do not re-price with market rates.

'Europe' Geographic segment comprising countries in which Barclays operates within the EU (excluding UK), Northern Continental and Eastern Europe, including Russia.

'Europe Retail and Business Banking (Europe RBB)' Operating segment that provides retail banking and credit card services in Spain, Italy, Portugal and France.

'Expected losses' The Group's measure of anticipated losses for exposures captured under an internal ratings based credit risk approach for capital adequacy calculations. It is measured as the Barclays modelled view of anticipated losses based on Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD), with a one year time horizon.

'Expected shortfall' The average of all one day hypothetical losses in excess of DVaR.

'Exposure in the event of default (EAD)' The estimation of the extent to which Barclays may be exposed to a customer or counterparty in the event of, and at the time of, that counterparty's default. At default, the customer may not have drawn the loan fully or may already have repaid some of the principal, so that exposure is typically less than the approved loan limit.

'Financial Services Compensation Scheme (FSCS)' The UK's fund for compensation of authorised financial services firms that are unable to pay claims.

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'FirstPlus' The second charge lending business included within the Barclaycard segment. Since September 2008, FirstPlus has been closed to new business.

'Fitch' A credit rating agency.

'Fixed charge' Security taken over a specific asset of a borrower to secure the repayment of a loan. In this arrangement the asset is signed over to the creditor and the borrower would need the lender's permission to sell it. The lender also registers a charge against the asset which remains in force until the loan is repaid.

'Fixed Income, Currency and Commodities (FICC)' Trading businesses encompassing Rates, Credit, Emerging Markets, Commodities, Foreign Exchange & Fixed Income Financing.

'Forbearance' Forbearance programmes to assist customers in financial difficulty through agreements to accept less than contractual amounts due where financial distress would otherwise prevent satisfactory repayment within the original terms and conditions of the contract. These agreements may be initiated by the customer, Barclays or a third party and include approved debt counselling plans, minimum due reductions, interest rate concessions and switches from capital and interest repayments to interest-only payments.

'Funds and fund-linked products' As used in Note 20 'Fair value of financial instruments', this category includes holdings in mutual funds, hedge funds, fund of funds and fund linked derivatives.

'Funded' Exposures where the notional amount of the transaction is funded. Represents exposures where a commitment to provide future funding has been made and the funds have been released.

'FX options/swaps' As used in Note 20 'Fair value of financial instruments', these products are derivatives linked to the foreign exchange market. This category includes FX spot and forward contracts, FX swaps and FX options.

'Gains on acquisitions' The amount by which the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities, recognised in a business combination, exceeds the cost of the combination.

'Gross charge-off rates' represents the balances charged-off to recoveries in the reporting period, expressed as a percentage of average outstanding balances excluding balances in recoveries. Charge-off to recoveries generally occurs when the collections focus switches from the collection of arrears to the recovery of the entire outstanding balance, and represents a fundamental change in the relationship between the bank and the customer. This is a measure of the proportion of customers that have gone into default during the period.

'Gross new lending' New lending advanced to customers during the year.

'Group' Barclays PLC together with its subsidiaries.

'Guarantees' An undertaking by a third party to pay a creditor should a debtor fail to do so and is a form of credit substitution.

'High Net Worth' The business within the Wealth segment that provides banking and other services to high net worth customers.

'Haircut' The valuation percentage applicable to each type of collateral and will be largely based on liquidity and price volatility of the underlying security.

'Home Loan' A loan to purchase a residential property. The property is then used as collateral to guarantee repayment of the loan. The borrower gives the lender a lien against the property and the lender can foreclose on the property if the borrower does not repay the loan per the agreed terms. Also known as a residential mortgage.

'Impaired loans' Loans are reported as Credit Risk Loans (defined above) and comprise loans where individual identified impairment allowance has been raised and also include loans which are fully collateralised or where indebtedness has already been written down to the expected realisable value. The impaired loan category may include loans, which, while impaired, are still performing.

'Impairment allowances' A provision held on the balance sheet as a result of the raising of a charge against profit for incurred losses inherent in the lending book. An impairment allowance may either be identified or unidentified and individual or collective.

'Income' Total income net of insurance claims, unless otherwise specified.

'Independent Commission on Banking (ICB)' Body set up by HM Government to identify structural and non-structural measures to reform the UK banking system and promote competition.

'Individual liquidity guidance (ILG)' Guidance given to a firm about the amount, quality and funding profile of liquidity resources that the FSA has asked the firm to maintain.

'Interchange' Income paid to a credit card issuer for the clearing and settlement of a sales or cash advance transaction.

'Interest rate products' As used in Note 20 'Fair value of financial instruments', these are products with a payoff linked to interest rates. This category includes interest rate swaps, swaptions, caps and exotic interest rate derivatives.

'Internal Capital Adequacy Assessment Process ('ICAAP')' Companies are required to perform a formal Internal Capital Adequacy Assessment Process (ICAAP) as part of the Pillar 2 requirements (BIPRU) and to provide this document to the FSA on a yearly basis. The ICAAP document summarises the Group's risk management framework, including approach to managing all risks (i.e. Pillar 1 and non-Pillar 1 risks); and, the Group's risk appetite, economic capital and stress testing frameworks.

'Internal funds pricing' The Group's mechanism for pricing intra-group funding and liquidity.

'Investment banking' Fee generating businesses encompassing Advisory, Debt and Equity Origination.

'Investment grade' A debt security, treasury bill or similar instrument with a credit rating measured by external agencies of AAA to BBB.

'ISDA Master Agreement' The most commonly used master contract for OTC derivative transactions internationally. It is part of a framework of documents, designed to enable OTC derivatives to be documented fully and flexibly. The framework consists of a master agreement, a schedule, confirmations, definition booklets, and a credit support annex. The ISDA master agreement is published by the International Swaps and Derivatives Association.

'Letters of credit' A letter typically used for the purposes of international trade guaranteeing that a debtor's payment to a creditor will be received on time and in full. In the event that the debtor is unable to make payment, the bank will be required to cover the full or remaining amount of the purchase.

'Leveraged finance' Loans or other financing agreements provided to companies whose overall level of debt is high in relation to their cash flow (net debt: EBITDA) typically arising from private equity sponsor led acquisitions of the businesses concerned.

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'Liability margin' Interest paid on customer liabilities relative to the average internal funding rate, divided by average customer liabilities, expressed as an annualised percentage.

'London Interbank Offered Rare (LIBOR)' A bench mark interest rate at which banks can borrow funds from other banks in the London interbank market.

'Liquidity and Credit enhancements' Credit enhancement facilities are used to enhance the creditworthiness of financial obligations and cover losses due to asset default. Two general types of credit enhancement are third-party loan guarantees and self-enhancement through over collateralisation. Liquidity enhancement makes funds available if required, for other reasons than asset default, e.g. to ensure timely repayment of maturing commercial paper.

'Liquidity Coverage Ratio (LCR)' The ratio of the stock of high quality liquid assets to expected net cash outflows over the next 30 days. High-quality liquid assets should be unencumbered, liquid in markets during a time of stress and, ideally, be central bank eligible. These include, for example, cash and claims on central governments and central banks. The Basel 3 rules require this ratio to be at least 100% and it is expected to apply from 2015.

'Liquidity pool' The Group liquidity pool comprises cash at central banks and highly liquid collateral specifically held by the Group as a contingency to enable the bank to meet cash outflows in the event of stressed market conditions.

'Loan capital' Part of capital, excluding equity capital employed that earns a fixed rate of interest instead of dividends, and must be repaid within a specified period, irrespective of financial position.

'Loan impairment' Charges on loans and advances to customers and banks and in respect of undrawn facilities and guarantees.

'Loan loss rate' Is quoted in basis points and represents total annualised loan impairment divided by gross loans and advances to customers and banks held at amortised cost at the balance sheet date.

'Loan to deposit ratio' The ratio of loans and advances to customer accounts. This excludes particular liabilities issued by the retail businesses that have characteristics comparable to retail deposits (for example structured Certificates of Deposit and retail bonds), which are included within debt securities in issue.

'Loan to value (LTV) of new mortgage lending' The ratio of all new mortgage balances disbursed in the period to the appraised property value relating to those mortgages

'Loan to value ratio (LTV)' Expresses the amount borrowed against an asset (i.e. a mortgage) as a percentage of the appraised value of the asset. The ratios are used in determining the appropriate level of risk for the loan and are generally reported as an average for new mortgages or an entire portfolio.

'Loss Given Default (LGD)' The fraction of Exposure at Default (EAD) (defined above) that will not be recovered following default. LGD comprises the actual loss (the part that is not expected to be recovered), together with the economic costs associated with the recovery process.

'Master netting agreements' A contract that enables a bank to offset all credit and debt balances of the same customer or group of customers (or a range of designated accounts of the same customer) in the case of the customer's default or bankruptcy, resulting in a reduced exposure.

'Marked to market (MTM) LTV ratio' The loan amount as a percentage of the current value of the asset used to secure the loan.

'Market risk' In the context of Risk Weighted Assets by Risk, a component of risk weighted assets that represents the risk of loss resulting from fluctuations in the market value of positions held in equities, commodities, currencies, derivatives and interest rates.

'Material holdings' In the context of Capital Resources, a deduction from Tier 1 capital and Tier 2 capital representing a regulated entity's investment in either (i) the capital of a credit or a financial institution that exceeds either 10% of the share capital of that credit or financial institution or 10% of the total capital of the regulated entity itself or (ii) an insurance entity where the regulated entity owns more than 20% of the capital in the insurance entity or exercises significant influence.

'Medium Term Notes (MTNs)' Corporate notes, continuously offered by a company to investors through a dealer. Investors can choose from differing maturities, ranging from 9 months to 30 years.

'Moody's' A credit rating agency.

'Monoline protection' Protection against credit losses provided by a monoline insurer - an entity which specialises in providing credit protection to the holders of debt instruments in the event of default by a debt security counterparty. This protection is typically held in the form of derivatives such as Credit Default Swaps (CDS) referencing the underlying exposures held.

'Mortgage Backed Securities (MBS)' Securities that represent interests in a group of mortgages. Investors in these securities have the right to cash received from future mortgage payments (interest and/or principal).

'Net asset value per share' Computed by dividing shareholders' equity excluding non-controlling interests by the number of issued ordinary shares.

'Net interest income' The difference between interest received on assets and interest paid on liabilities.

'Net interest margin' Annualised net interest income for Retail and Business Banking, Barclays Corporate and Barclays Wealth divided by the sum of the average assets and average liabilities for those businesses.

'Net investment income' Changes in the fair value of financial instruments designated at fair value, dividend income and the net result on disposal of available for sale assets.

'Net Stable Funding Ratio (NSFR)' The ratio of available stable funding to required stable funding over a one year time horizon, assuming a stressed scenario. The ratio is required to be over 100% with effect from 2015. Available stable funding would include such items as equity capital, preferred stock with a maturity of over 1 year, or liabilities with a maturity of over 1 year. The required amount of stable funding is calculated as the sum of the value of the assets held and funded by the institution, multiplied by a specific Required Stable Funding (RSF) factor assigned to each particular asset type, added to the amount of potential liquidity exposure multiplied by its associated RSF factor.

'Net trading income' Gains and losses arising from trading positions which are held at fair value, in respect of both market-making and customer business, together with interest, dividends and funding costs relating to trading activities.

'Net tangible asset value per share' Computed by dividing shareholders' equity, excluding non-controlling interests less

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goodwill and intangible assets, by the number of issued ordinary shares.

'Non-asset backed debt instruments' Debt instruments not backed by collateral, including government bonds; US agency bonds; corporate bonds; commercial paper; certificates of deposit; convertible bonds; corporate bonds and issued notes.

'Non-performing loans' A loan that is in default or close to being in default because interest or capital payments are not made on time.

'Operational risk' In the context of Risk Weighted Assets, a component of risk weighted assets that represents the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events, including legal risk.

'Other credit products' As used in Note 20 'Fair value of financial instruments', these are products linked to the credit risk of a referenced entity, index or a basket. This category includes collateralised synthetic obligations (non-asset backed CDOs) and OTC derivatives. The OTC derivatives are namely, CDS single name; CDS index; CDS index tranche and Nth to default basket swaps (in which the payout is linked to one in a series of defaults, such as first-, second- or third to-default, with the contract terminating at that point).

'Over the counter derivatives (OTC)' Contracts that are traded (and privately negotiated) directly between two parties, without going through an exchange or other intermediary. They offer flexibility because, unlike standardised exchange-traded products, they can be tailored to fit specific needs.

'Own credit' The effect of changes in the Group's own credit standing on the fair value of financial liabilities.

'PCRL Coverage ratio' Impairment allowances as a percentage of total CRL (Credit Risk Loan) and PPL (Potential Problem Loan) balances. See CRL and PPL.

'Performance awards' Annual performance incentives (including deferred incentives), long-term incentive awards and commission payments. A detailed description of the Group's incentive plans is provided in the Directors' Remuneration Report.

'Performance costs' The accounting charge recognised in the period for performance awards. For deferred incentives and long-term incentives the accounting charge is spread over the relevant periods in which the employee delivers service.

'Point-in-time (PIT)' Refers to credit risk measures which do not factor longer-term average risk characteristics of a credit asset.

'Potential Credit Risk Loans (PCRLs)' Comprise the outstanding balances to Potential Problem Loans (defined below) and the three categories of Credit Risk Loans (defined above).

'Potential Problem Loans (PPLs)' Loans where serious doubt exists as to the ability of the borrowers to continue to comply with repayment terms in the near future.

'Payment Protection Insurance (PPI) redress' Provision for the settlement of PPI mis-selling claims pending as at, and those after, 9 May 2011, following the Judicial Review proceedings.

'Primary Stress Testing' A stress of the key liquid, hedgeable risk factors for each of the major asset classes.

'Prime' Loans of a higher credit quality and would be expected to satisfy the criteria for inclusion into Government programmes.

'Prime Services' Involves financing of fixed income and equity positions using Repo and Stock Lending facilities. The Prime Services business also provides brokerage facilitation services for Hedge Fund clients offering execution and clearance facilities for a variety of asset classes.

'Principal' The amount borrowed, or the part of the amount borrowed which remains unpaid (excluding interest).

'Principal Investments' Private equity investments.

'Prior year compensation deferrals' The accounting charge recognised for service delivered in the current period in respect of deferred incentives and long-term incentives awarded in previous years.

'Private equity investments' As used in Note 20 'Fair value of financial instruments', private equity is equity securities in operating companies not quoted on a public exchange. Investment in private equity often involves the investment of capital in private companies or the acquisition of a public company that results in the delisting of public equity. Capital for private equity investment is raised by retail or institutional investors and used to fund investment strategies such as leveraged buyouts, venture capital, growth capital, distressed investments and mezzanine capital.

'Private-label securitisation' Residential mortgage backed security transactions sold or guaranteed by entities that are not sponsored or owned by the government.

'Probability of default (PD)' The likelihood that a loan will not be repaid and will fall into default. PD may be calculated for each client who has a loan (normally applicable to wholesale customers/clients) or for a portfolio of clients with similar attributes (normally applicable to retail customers). To calculate PD, Barclays assesses the credit quality of borrowers and other counterparties and assigns them an internal risk rating. Multiple rating methodologies may be used to inform the rating decision on individual large credits, such as internal and external models, rating agency ratings, and for wholesale assets market information such as credit spreads. For smaller credits, a single source may suffice such as the result from an internal rating model.

'Product structural hedge' An interest rate hedge which functions to reduce the economic impact of the volatility of short-term interest rate movements on balance sheet positions that can be matched to a specific product, e.g. customer balances that do not re-price with market rates.

'Project Merlin' Encompasses statements made by the major UK banks (Barclays, HSBC, Lloyds Banking Group, RBS and Santander) and HM Government to demonstrate their clear and shared intent to work together to help the UK economy recover and grow, particularly with regard to promoting lending to business.

'Proprietary trading' When a bank, brokerage or other financial institution trades on its own account, at its own risk, rather than on behalf of customers, so as to make a profit for itself.

'Recoveries Impairment Coverage Ratio' Impairment allowance held against recoveries balances expressed as a percentage of balance in recoveries.

'Recoveries proportion of outstanding balances' represents the amount of recoveries (gross month-end customer balances of all accounts that have charged-off) as at the period end compared to total outstanding balances. The size of the recoveries book would ultimately have an impact on the overall impairment requirement on the portfolio. Balances in recoveries will decrease if: assets are written-off; amounts are collected; assets are sold to a third party (i.e. debt sale).

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'Regulatory capital' The amount of capital that a bank holds to satisfy regulatory requirements.

'Renegotiated loans and advances' Loans and advances are generally renegotiated either as part of an ongoing customer relationship or in response to an adverse change in the circumstances of the borrower. In the latter case renegotiation can result in an extension of the due date of payment or repayment plans under which the Group offers a concessionary rate of interest to genuinely distressed borrowers. This will result in the asset continuing to be overdue and will be individually impaired where the renegotiated payments of interest and principal will not recover the original carrying amount of the asset. In other cases, renegotiation will lead to a new agreement, which is treated as a new loan.

'Repurchase agreement (repo)/reverse repurchase agreement (reverse repo)' Arrangements that allow counterparties to use financial securities as collateral for an interest bearing cash loan. The borrower agrees to sell a security to the lender subject to a commitment to repurchase the asset at a specified price on a given date. For the party selling the security (and agreeing to repurchase it in the future) it is a repurchase agreement or repo; for the counterparty to the transaction (buying the security and agreeing to sell in the future) it is a reverse repurchase agreement or reverse repo.

'Reserve Capital Instruments (RCIs)' Hybrid issued capital securities which may be debt or equity accounted, depending on the terms. Under FSA rules, they qualify as other Tier 1 capital.

'Residential Mortgage Backed Securities (RMBS)' Securities that represent interests in a group of residential mortgages. Investors in these securities have the right to cash received from future mortgage payments (interest and/or principal).

'Rest of World' See Barclays Corporate.

'Retail and Business Banking (RBB)' UK Retail and Business Banking, Europe Retail and Business Banking, Africa Retail and Business Banking and Barclaycard.

'Restructured loans' 'Impaired and restructured loans' comprises loans where, for economic or legal reasons related to the debtor's financial difficulties, a concession has been granted to the debtor that would not otherwise be considered. Where the concession results in the expected cash flows discounted at the original effective interest rate being less than the loan's carrying value, an impairment allowance will be raised.

'Retail Loans' Loans to individuals rather than to financial institutions. It includes both secured and unsecured loans such as mortgages and credit card balances, as well as loans to certain smaller business customers.

'Return on average shareholders' equity' Calculated as profit for the year attributable to equity holders of the parent divided by average shareholders' equity for the year, excluding non-controlling interests.

'Return on average equity' Calculated as profit after tax and non-controlling interests for the year, divided by average allocated equity for the year. Average allocated equity is calculated as 10% of average risk weighted assets, adjusted for capital deductions, including goodwill and intangible assets.

'Return on average risk weighted assets' Calculated as profit after tax for the year divided by average risk weighted assets for the year.

'Return on average tangible shareholders' equity' Calculated as profit for the year attributable to equity holders of the parent divided by average shareholders' equity for the year, excluding non-controlling interests, goodwill and intangible assets.

'Return on average tangible equity' Calculated as profit after tax and non-controlling interests for the year, divided by average allocated tangible equity for the year. Average allocated tangible equity is calculated as 10% of average risk weighted assets, adjusted for capital deductions, excluding goodwill and intangible assets.

'Risk asset ratio' A measure of the risk attached to the assets of a business using definitions of capital and risk weightings established in accordance with the Basel Capital Accord as implemented by the FSA.

'Risk adjusted net interest margin' Annualised net interest income less the income statement impairment charge on loans and advances, divided by total average customer assets for the relevant businesses.

'Risk weighted assets (RWAs)' A measure of a bank's assets adjusted for their associated risks. Risk weightings are established in accordance with the Basel Capital Accord as implemented by the FSA.

'Second Lien' Debt that is issued against the same collateral as higher lien debt but that is subordinate to it. In the case of default, compensation for this debt will only be received after the first lien has been repaid and thus represents a riskier investment than the first lien. See Risk Management section – Barclays Capital Credit Market Exposures.

'Secondary Stress Testing' A stress of illiquid risks, risks associated with structural positions and risks not otherwise captured within the stress framework.

'Securities lending arrangements' Arrangements whereby securities are legally transferred to a third party subject to an agreement to return them at a future date. The counterparty generally provides collateral against non performance in the form of cash or other assets.

'Securitisation' Typically, a process by which debt instruments such as mortgage loans or credit card balances are aggregated into a pool, which is used to back new securities. A company sells assets to a special purpose vehicle (SPV) which then issues securities backed by the assets. This allows the credit quality of the assets to be separated from the credit rating of the original borrower and transfers risk to external investors.

'Securitisation positions' In the context of Capital Resources, a deduction from Core Tier 1 and Qualifying Tier 2 capital in respect of the Group's exposure to securitisation assets, such as RMBS. A 'securitisation' in this context means a transaction or scheme, whereby the credit risk associated with an exposure or pool of exposures is tranched and has the following characteristics: (a) payments in the transaction or scheme are dependent upon the performance of the exposure or pool of exposures; and (b) the subordination of tranches determines the distribution of losses during the ongoing life of the transaction or scheme.

'SIV-Lites' Special Purpose Entities which invest in diversified portfolios of interest earning assets to take advantage of the spread differentials between the assets in the Structured Investment Vehicle (SIV) and the funding cost. Unlike SIVs they are not perpetual, making them more like CDOs, which have fixed maturity dates.

'South Africa' The operations of Africa RBB based in South Africa.

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'Sovereign exposure(s)' Exposures to central governments, including holdings in government bonds and local government bonds.

'Special Purpose Entities (SPEs)/Special Purpose Vehicles (SPVs)' Entities created to accomplish a narrow and well defined objective. There are often specific restrictions or limits around their ongoing activities. Transactions with SPEs take a number of forms, including:

- The provision of financing to fund asset purchases, or commitments to provide finance for future purchases.
- Derivative transactions to provide investors in the SPE with a specified exposure.
- The provision of liquidity or backstop facilities which may be drawn upon if the SPE experiences future funding difficulties.
- Direct investment in the notes issued by SPEs.

'Standards and Poor's' A credit rating agency.

'Standby facilities, credit lines and other commitments' Agreements to lend to a customer in the future, subject to certain conditions. Such commitments are either made for a fixed period, or have no specific maturity but are cancellable by the lender subject to notice requirements.

'Statutory' Line items of income, expense, profit or loss, assets, liabilities or equity stated in accordance with the requirements of the UK Companies Act 2006, which incorporates the requirements of International Financial Reporting Standards (IFRS). See 'Adjusted profit before tax' for details of the adjustments made to the statutory results in arriving at the adjusted profit.

'Structural currency exposures' Foreign currency exposures arising from the net assets of overseas or otherwise non-sterling operations such as subsidiaries, associates, joint ventures and branches. The value of the net assets of these operations increases or decreases due to changes in sterling exchange rates, which may be mitigated by hedging.

'Structural hedge' An interest rate hedge which functions to reduce the impact of the volatility of short-term interest rate movements on positions that exist within the balance sheet that carry interest rates that do not re-price with market rates. See also equity structural hedge and product structural hedge.

'Structured Investment Vehicles (SIVs)' SPEs (Special Purpose Entities) which invest in diversified portfolios of interest earning assets to take advantage of the spread differentials between the assets in the SIV and the funding cost.

'Structured notes' A structured note is an investment which pays a return linked to the value or level of a specified asset or index and sometimes offers capital protection if the value declines. Structured notes can be linked to equities, interest rates, funds, commodities and foreign currency.

'Subordination' The state of prioritising repayments of principal and interest on debt to a creditor lower than repayments to other creditors by the same debtor. That is, claims of a security are settled by a debtor to a creditor only after the claims of securities held by other creditors of the same debtor have been settled.

'Subordinated liabilities' Liabilities which, in the event of insolvency or liquidation of the issuer, are subordinated to the claims of depositors and other creditors of the issuer.

'Sub-prime' Loans to borrowers typically having weak credit histories that include payment delinquencies and potentially more severe problems such as court judgements and bankruptcies. They may also display reduced repayment capacity as measured by credit scores, high debt-to-income ratios, or other criteria indicating heightened risk of default.

'Tangible equity' Equity adjusted for the deduction of intangible assets and goodwill.

'Tax paid' All amounts paid to taxation authorities during the year in respect of taxes borne and collected by the Group. This includes corporate income tax paid, taxes paid on behalf of employees, irrecoverable VAT and other taxes.

'Through-The-Cycle (TTC)' Refers to credit risk measures which seek to capture the average risk characteristics of a credit asset over a credit cycle.

'Tier 1 capital' A measure of a bank's financial strength defined by the FSA. It captures Core Tier 1 capital plus other Tier 1 securities in issue, but is subject to a deduction in respect of material holdings in financial companies.

'Tier 1 capital ratio' The ratio expresses Tier 1 capital as a percentage of risk weighted assets.

'Tier 1 notes / Tier One Notes (TONS)' Hybrid issued capital securities which are debt accounted. Under FSA rules, they qualify as other Tier 1 capital.

'Tier 2 capital' Broadly includes qualifying subordinated debt and other Tier 2 securities in issue, eligible collective impairment allowances, unrealised available for sale equity gains and revaluation reserves. It is subject to deductions relating to the excess of expected loss over regulatory impairment allowance, securitisation positions and material holdings in financial companies.

'Trading Book' A regulatory classification consisting of all positions in financial instruments or commodities which Barclays deems to be held with trading intent or to be hedging other instruments in the trading book. Trading book positions attract market risk and counterparty credit risk regulatory capital requirements (or capital deduction where required).

'UK' Geographic segment where Barclays operates comprising the UK.

'UK Bank levy' A levy that applies to UK banks, building societies and the UK operations of foreign banks from 1 January 2011. The levy is payable based on a percentage of the chargeable equity and liabilities of the bank as at the balance sheet date starting with the 31 December 2011 balance sheet.

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

'UK & Ireland' See Barclays Corporate.

'Unencumbered' Assets not used to secure liabilities or otherwise pledged.

'Unfunded' Exposures where the notional amount of the transaction is unfunded. Represents exposures where a commitment to provide future funding has been made and the funds have not been released.

'US Credit CARD Act' Credit Card Accountability Responsibility and Disclosure Act of 2009 (CARD Act). Legislation signed into US law on 22 May 2009 to provide changes to credit card industry practices in the US including significantly restricting credit card issuers' ability to change interest rates and assess fees to reflect individual consumer risk, change the way payments are applied

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Glossary of terms

and requiring changes to consumer credit card disclosures. The majority of the provisions became effective in February 2010.

'US economic sanctions' US economic sanctions, administered by the Office of Foreign Assets Control, against designated foreign countries, nationals and others.

'Value at Risk (VaR)' An estimate of the potential loss which might arise from market movements under normal market conditions, if the current positions were to be held unchanged for one business day, measured to a confidence level. (Also see DVaR).

'Wholesale loans/lending' Lending to larger businesses, financial institutions and sovereign entities.

'Write down' After an advance has been identified as impaired and is subject to an impairment allowance, the stage may be reached whereby it is concluded that there is no realistic prospect of further recovery. Write downs will occur when, and to the extent that, the whole or part of a debt is considered irrecoverable.

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Signatures

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorised the undersigned to sign this annual report on its behalf.

Date March 30, 2012	Barclays PLC (Registrant)
	By /s/ Chris Lucas Chris Lucas, Group Finance Director

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorised the undersigned to sign this annual report on its behalf.

Date March 30, 2012	Barclays Bank PLC (Registrant)
	By /s/ Chris Lucas Chris Lucas, Group Finance Director

EXHIBIT INDEX

Exhibit	Description
1.1	Articles of Association of Barclays PLC (incorporated by reference to the Form 6-K filed on May 13th, 2010)
1.2	Articles of Association of Barclays Bank PLC (incorporated by reference to the Form 6-K filed on May 13th, 2010)
2.1	Long Term Debt Instruments: Neither Barclays PLC nor Barclays Bank PLC is party to any single instrument relating to long-term debt pursuant to which a total amount of securities exceeding 10% of either Barclays PLC’s or Barclays Bank PLC’s total assets (on a consolidated basis) is authorised to be issued. Each of Barclays PLC and Barclays Bank PLC hereby agrees to furnish to the Securities and Exchange Commission (the “Commission”), upon its request, a copy of any instrument defining the rights of holders of its long-term debt or the rights of holders of the long-term debt of any of its subsidiaries for which consolidated or unconsolidated financial statements are required to be filed with the Commission.
4.0	Rules of the Barclays Group Performance Share Plan (2005) (incorporated by reference to the 2006 Form 20-F filed on March 26th, 2007)
4.1	Rules of the Barclays PLC Renewed 1986 Executive Share Option Scheme (incorporated by reference to the Barclays PLC Registration Statement on Form S-8 (File no. 333-153723) filed on September 29th, 2008)
4.2	Rules of the Barclays PLC Approved Incentive Share Option Plan (incorporated by reference to the Barclays PLC Registration Statement on Form S-8 (File no. 333-153723) filed on September 29th, 2008)
4.3	Rules of the Barclays PLC Unapproved Incentive Share Option Plans (incorporated by reference to the Barclays PLC Registration Statement on Form S-8 (File no. 333-153723) filed on September 29th, 2008)
4.4	Rules of the Barclays PLC Executive Share Award Scheme – Incorporated by reference to the Barclays PLC Registration Statement on Form S-8 (File no. 333-173899) filed on May 3rd, 2011)
4.5	Rules of the Barclays Group Special Award Performance Share Plan (incorporated by reference to the Barclays PLC Registration Statement on Form S-8 (File no. 333-153723) filed on September 29th, 2008
4.6	Rules of the Barclays Group Incentive Share Plan (incorporated by reference to the Barclays PLC Registration Statement on Form S-8 (File no. 333-153723) filed on September 29th, 2008)
4.7	Rules of Barclays Bank PLC 1999 Directors Deferred Compensation Plan (amended and restated, effective January 1, 2008) (incorporated by reference to Barclays Bank PLC’s Registration Statement on Form S-8 (File no. 333-149301) filed on February 19th, 2008)
4.8	Rules of Barclays Bank PLC Senior Management Deferred Compensation Plan (amended and restated, effective January 1, 2008) (incorporated by reference to Barclays Bank PLC’s Registration Statement on Form S-8 (File no. 333-149302) filed on February 19th, 2008)
4.9	Rules of the Barclays Group Share Value Plan – Incorporated by reference to the Barclays PLC Registration Statement on Form S-8 (File no. 333-173899) filed on May 3rd, 2011)
4.10	Rules of the Barclays PLC Long Term Incentive Plan incorporated by reference to the Barclays PLC Registration Statement on Form S-8 (File no. 333-173899) filed on May 3rd, 2011)
4.11	Service Contract – Robert E. Diamond Jr (incorporated by reference to the 2010 Form 20-F filed on March 21, 2011)

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4.12	Contract of Employment – Christopher Lucas (incorporated by reference to the 2006 Form 20-F filed on March 26th, 2007)
4.13	Appointment Letter – Alison Carnwath (incorporated by reference to the 2010 Form 20-F filed on March 21, 2011)
4.14	Appointment Letter – John Sunderland (incorporated by reference to the 2005 Form 20-F filed on March 29th, 2006)
4.15	Appointment Letter – Marcus Agius (incorporated by reference to the 2006 Form 20-F filed on March 26th, 2007)
4.16	Appointment Letter – Fulvio Conti (incorporated by reference to the 2006 Form 20-F filed on March 26th, 2007)
4.17	Appointment Letter – David Booth (incorporated by reference to the 2007 20-F filed on March 26th, 2008)
4.18	Appointment Letter – Sir Michael Rake (incorporated by reference to the 2007 20-F filed on March 26th, 2008)
4.19	Appointment Letter – Simon Fraser (incorporated by reference to the 2008 Form 20-F filed on March 24th, 2008)
4.20	Appointment Letter – Reuben Jeffery III (incorporated by reference to the 2009 Form 20-F filed on March 19, 2010)
4.21	Indemnity Letter – Robert E. Diamond Jr (incorporated by reference to the 2010 Form 20-F filed on March 21, 2011)
4.22	Indemnity Letter – Sir Andrew Likierman (incorporated by reference to the 2005 Form 20-F filed on March 29th, 2006)
4.23	Indemnity Letter – John Sunderland (incorporated by reference to the 2005 Form 20-F filed on March 29th, 2006)
4.24	Term sheet for Barclays PLC Warrants (incorporated by reference to the 2008 Form 20-F filed March 24th, 2008)
4.25	Amended and Restated Stock Purchase Agreement, dated as of June 16, 2009, by and among Barclays Bank PLC, Barclays PLC (solely for the purposes of Section 6.16, Section 6.18 and Section 6.24) and BlackRock, Inc. (incorporated by reference to the 2009 Form 20-F filed on March 19th, 2010)
4.26	Stockholder Agreement, dated as of December 1, 2009, by and among BlackRock, Inc., Barclays Bank PLC and Barclays BR Holdings S.à r.l. (incorporated by reference to the 2009 Form 20-F filed on March 19th, 2010)
7.1	Ratios of earnings to fixed charges. The calculations can be found in the Barclays Bank PLC financial data on page 314 of the Form 20-F.
7.2	Ratios of earnings to combined fixed charges, preference share dividends and similar appropriations. The calculations can be found in the Barclays Bank PLC financial data on page 314 of the Form 20-F.
8.1	List of subsidiaries
11.1	Code of Ethics
12.1	Certifications filed pursuant to 17 CFR 240. 13(a)-14(a)
13.1	Certifications filed pursuant to 17 CFR 240. 13(a) and 18 U.S.C 1350(a) and 1350(b)
15.1	Consent of PricewaterhouseCoopers LLP for incorporation by reference of reports in certain securities registration statements of Barclays PLC and Barclays Bank PLC.