



# Edgar Filing: BARCLAYS PLC - Form 6-K

## SIGNATURES

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

BARCLAYS PLC  
(Registrant)

Date: February 15, 2005

By: \_\_\_\_\_

Toby Vero  
Assistant Secretary

BARCLAYS BANK PLC  
(Registrant)

Date: February 15, 2005

By: \_\_\_\_\_

Toby Vero  
Assistant Secretary

This document includes portions from the previously published results announcement of Barclays PLC for the year ended 31 December 2004, as amended to comply with the requirements of Regulation G and Item 10(e) of Regulation S-K promulgated by the U.S. Securities and Exchange Commission. In addition, this document includes data relating to Barclays Bank PLC, the wholly owned subsidiary of Barclays PLC. The purpose of this document is to provide such additional disclosure as required by Regulation G and Regulation S-K Item 10 (e), to delete certain information not in compliance with SEC regulations and to include reconciliations of certain non-UK GAAP figures to the most directly equivalent UK GAAP figures, as of, and for the period ended, 31 December 2004, and does not update or otherwise supplement the information contained in the results announcement, which speaks only as of its date.

In this document certain non-GAAP measures are reported. Barclays management believes that these non-GAAP measures provide valuable information to readers of its financial statements because they enable the reader to focus more directly on the underlying day-to-day performance of its businesses and provide more detail concerning the elements of performance which the managers of these businesses are most directly able to influence. They also reflect an important aspect of the way in which operating targets are defined and performance is monitored by Barclays management.

An audit opinion has not been rendered on this announcement.

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The information in this document does not comprise statutory accounts within the meaning of Section 240 of the Companies Act 1985 (the 'Act'). Statutory accounts, which also include certain information required for the joint Annual Report on Form 20-F of Barclays PLC and Barclays Bank PLC to the US Securities and Exchange Commission (SEC), will be delivered to the Registrar of Companies in accordance with Section 242 of the Act. The 2004 Annual Review and Summary Financial Statement will be posted to shareholders together with the Group's full Annual Report for those shareholders who request it.

This document contains certain forward-looking statements within the meaning of Section 21E of the US Securities Exchange Act of 1934, as amended, and Section 27A of the US Securities Act of 1933, as amended, with respect to certain of the Group's plans and its current goals and expectations relating to its future financial condition and performance. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements sometimes use words such as "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", or other words of similar meaning. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances, including, but not limited to, UK domestic and global economic and business conditions, market related risks such as changes in interest rates and exchange rates, the policies and actions of governmental and regulatory authorities, changes in legislation, the outcome of pending and future litigation and the impact of competition, a number of which are beyond the Group's control. As a result, the Group's actual future results may differ materially from the plans, goals, and expectations set forth in the Group's forward-looking statements. Any forward-looking statements made by or on behalf of Barclays speak only as of the date they are made. Barclays does not undertake to update forward-looking statements to reflect any changes in Barclays expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based. The reader should, however, consult any additional disclosures that Barclays has made or may make in documents it has filed or may file with the SEC including its most recent Annual Report on Form 20-F.

Comparative figures have been restated for the changes in accounting policy and presentation detailed on page 46.

In this document the profit and loss analysis compares, unless stated otherwise, the full-year to 31st December 2004 to the corresponding period of 2003. Balance sheet comparisons, unless stated otherwise, relate to the corresponding position at 31st December 2003. Average balance sheet comparisons relate the full-year to 31st December 2004 to the corresponding period of 2003.

10th February 2005

BARCLAYS PLC

RESULTS FOR YEAR TO 31ST DECEMBER 2004

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Group Results

2004  
GBPm

2003  
GBPm

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Operating income	13,945	12,411
Operating expenses	(8,350)	(7,253)
Provisions for bad and doubtful debts	(1,091)	(1,347)
Profit before tax	4,603	3,845
Profit after tax	3,314	2,769
Earnings per share	51.2p	42.3p
Dividend per share	24.0p	20.5p
Post-tax return on average shareholders' funds	19.2%	17.0%

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### BARCLAYS PLC

#### BARCLAYS PLC - SUMMARY

- \* Group performance was very strong:
  - profit before tax up 20% to GBP4,603m
  - earnings per share up 21% at 51.2p
  - dividend per share up 17% to 24.0p
  - return on equity of 19.2%
  
- \* Barclays ranked top within its total shareholder return (TSR) global peer group<sup>1</sup>. TSR of 23% was almost double the average for the peer group and FTSE 100 Index. Economic profit<sup>2</sup> rose 32% to GBP1,885m, reflecting the growth in earnings and tight capital management.
  
- \* All business divisions made good progress and delivered higher profits with a very strong result from the global product businesses.
  
- \* Income grew 12% and was well diversified by business, income type and geography. Non interest income rose 22% and was over half of total income. Net revenue (income less provisions) was up 16%.
  
- \* Costs were 15% higher, with significant investment directed at future growth.
  
- \* A sharp fall in potential credit risk loans was a key driver in the reduction of provisions by 19% to GBP1,091m.
  
- \* UK Banking showed good growth with profit before tax excluding goodwill up 9%. UK Banking profit before tax including goodwill was up 9%. Good momentum in Business Banking led to a record performance whilst Retail Banking performance was broadly flat.
  
- \* Private Clients and International profit before tax excluding goodwill

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improved sharply, up 57%, reflecting the benefit of a diversified and growing portfolio. Private Clients and International profit before tax including goodwill rose 60%. The integrations of Banco Zaragozano and Gerrard are ahead of schedule.

- \* Barclaycard achieved growth in profit before tax excluding goodwill of 5%, with higher volumes more than offsetting margin pressure and the impact of considerable investment in both the UK and the international card businesses. Barclaycard profit before tax including goodwill rose 5%.
- \* Barclays Capital had another record year with profit before tax up 25%. The increasingly diverse business portfolio, both by product and geography, positions it strongly for future growth.
- \* Barclays Global Investors delivered outstanding results with profit before tax excluding goodwill up 82%, to GBP347m, benefiting from US\$118bn of net new assets, good investment performance and better market conditions. Barclays Global Investors profit before tax including goodwill rose 85%.
- \* The Group's capital position remained healthy with a Tier 1 ratio of 7.6%. In respect of 2004, over GBP2.2bn will have been returned to shareholders through dividends and share buybacks.

1 Peer group for 2004: ABN Amro, BBVA, BNP Paribas, Citigroup, Deutsche Bank, HBOS, HSBC, JP Morgan Chase, Lloyds TSB, Royal Bank of Scotland and UBS.

2 A reconciliation of economic profit to profit after tax and minority interests is included on page 44.

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### BARCLAYS PLC

#### FINANCIAL HIGHLIGHTS

	2004
RESULTS	GBPm
Net interest income	6,842
Non-interest income	7,103
Operating income	13,945
Operating expenses	(8,350)
Provisions for bad and doubtful debts	(1,091)
Provisions for contingent liabilities and commitments	(2)
Operating profit	4,502
Profit from joint ventures and associated undertakings	56
Exceptional items	45
Profit before tax	4,603
Profit after tax	3,314
Profit attributable to shareholders	3,268
Economic profit <sup>1</sup>	1,885
BALANCE SHEET	
Shareholders' funds	17,417
Minority interests: non-equity and equity	901

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Loan capital	12,277
Total capital resources	30,595
Total assets	522,089
Weighted risk assets	218,601
PER ORDINARY SHARE	
Earnings	p 51.2
Dividend	24.0
Net asset value	270
PERFORMANCE RATIOS	
Post-tax return on average shareholders' funds	% 19.2
CAPITAL RATIOS	
Tier 1 ratio	% 7.6
Risk asset ratio	11.5
GROUP NET INTEREST MARGIN	
Group	% 2.59
Domestic	3.48
International	0.81
ECONOMIC DATA	
Period end - US\$/GBP	1.92
Average - US\$/GBP	1.83
Period end - EUR/GBP	1.41
Average - EUR/GBP	1.47
FTSE 100 Index period end	4,814
FTSE 100 Index average	4,522

1 A reconciliation of economic profit to profit after tax and minority interests is included on page 44.

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BARCLAYS PLC

CONSOLIDATED PROFIT AND LOSS ACCOUNT

	2004
	GBPm
Interest receivable	13,665
Interest payable	(6,823)
Net interest income	6,842
Net fees and commissions receivable	4,966
Dealing profits	1,493
Other operating income	644
Total non-interest income	7,103
Operating income	13,945
Administration expenses - staff costs	(4,998)
Administration expenses - other	(2,758)
Depreciation	(295)
Goodwill amortisation	(299)

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Operating expenses	(8,350)
Operating profit before provisions	5,595
Provisions for bad and doubtful debts	(1,091)
Provisions for contingent liabilities and commitments	(2)
Operating profit	4,502
Profit from joint ventures and associated undertakings	56
Exceptional items	45
Profit on ordinary activities before tax	4,603
Tax on profit on ordinary activities	(1,289)
Profit on ordinary activities after tax	3,314
Minority interests (including non-equity interests)	(46)
Profit for the financial year attributable to the members of Barclays PLC	3,268
Dividends	(1,538)
Profit retained for the financial year	1,730
Earnings per ordinary share	51.2p
Fully diluted earnings per share	51.0p
Post tax return on average shareholders' funds	19.2%
Dividend per ordinary share	24.0p

1 A reconciliation of economic profit to profit after tax and minority interests is included on page 44.

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BARCLAYS PLC

CONSOLIDATED BALANCE SHEET

Assets:		2004	
		GBPm	
Cash and balances at central banks		1,753	
Items in course of collection from other banks		1,772	
Treasury bills and other eligible bills		6,658	
Loans and advances to banks	- banking	24,986	
	- trading	50,145	
		75,131	
Loans and advances to customers	- banking	189,847	1
	- trading	65,099	
		254,946	2
Debt securities		127,428	
Equity shares		12,166	
Interests in joint ventures and associated undertakings		409	
Intangible fixed assets - goodwill		4,295	
Tangible fixed assets		1,921	

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Other assets		27,232	
		-----	
		513,711	4
Retail life-fund assets attributable to policyholders		8,378	
		-----	
Total assets		522,089	4
		-----	
Liabilities:			
		-----	
Deposits by banks	- banking	74,211	
	- trading	36,813	
		-----	
		111,024	
		-----	
Customer accounts	- banking	171,963	1
	- trading	45,755	
		-----	
		217,718	1
Debt securities in issue		67,806	
Items in course of collection due to other banks		1,205	
Other liabilities		85,363	
Undated loan capital - non-convertible		6,149	
Dated loan capital - convertible to preference shares		15	
Dated loan capital - non-convertible		6,113	
		-----	
		495,393	4
		-----	
Minority interests and shareholders' funds:			
Minority interests (including non-equity interests)		901	
		-----	
Called up share capital		1,614	
Reserves		15,803	
		-----	
Shareholders' funds: equity		17,417	
		-----	
		18,318	
		-----	
		513,711	4
Retail life-fund liabilities attributable to policyholders		8,378	
		-----	
Total liabilities and shareholders' funds		522,089	4
		-----	

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BARCLAYS PLC

RECONCILIATION OF OPERATING EXPENSES, OPERATING PROFIT, PROFIT BEFORE TAX,  
AND TOTAL ASSETS

In the detailed business analyses shown on pages 13 to 30, results are also presented excluding goodwill amortisation. Barclays management believes that these non-GAAP measures provide valuable information to readers of its financial statements because they enable the reader to focus more directly on the underlying day-to-day performance of Barclays businesses and provide more detail

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concerning the elements of performance which the managers of these businesses are most directly able to influence. They also reflect an important aspect of the way in which operating targets are defined and performance is monitored by Barclays management. The tables below reconcile operating expenses excluding goodwill, operating profit excluding goodwill, profit before tax excluding goodwill and total assets excluding goodwill, which are non-GAAP numbers used in the presentation of the results of the businesses, to the relevant UK GAAP numbers.

### OPERATING EXPENSES BY BUSINESS

	2004			
	Excluding goodwill GBPm	Goodwill GBPm	Operating expenses GBPm	Exclud goodw G
UK Banking	(3,019)	(176)	(3,195)	(2,
UK Retail Banking	(2,270)	(158)	(2,428)	(2,
UK Business Banking	(749)	(18)	(767)	(
Private Clients and International	(1,304)	(64)	(1,368)	(1,
Private Clients - ongoing business	(696)	(40)	(736)	(
- closed life	-	-	-	-
International	(608)	(24)	(632)	(
Barclaycard	(806)	(41)	(847)	(
Barclays Capital	(2,237)	-	(2,237)	(1,
Barclays Global Investors	(545)	(18)	(563)	(
Head office functions and other operations	(140)	-	(140)	(
Goodwill	(299)	299	-	(
Operating expenses	(8,350)	-	(8,350)	(7,

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### BARCLAYS PLC

#### RECONCILIATION OF OPERATING EXPENSES, OPERATING PROFIT, PROFIT BEFORE TAX, AND TOTAL ASSETS

### OPERATING PROFIT BY BUSINESS

	2004			
	Excluding goodwill GBPm	Goodwill GBPm	Operating profit GBPm	Exclud goodw G
UK Banking	2,428	(176)	2,252	2,

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UK Retail Banking	1,085	(158)	927	1,
UK Business Banking	1,343	(18)	1,325	1,
Private Clients and International	395	(64)	331	
Private Clients - ongoing business	144	(40)	104	
- closed life	(4)	-	(4)	
International	255	(24)	231	
Barclaycard	797	(41)	756	
Barclays Capital	1,042	-	1,042	
Barclays Global Investors	348	(18)	330	
Head office functions and other operations	(209)	-	(209)	(
Goodwill	(299)	299	-	(
Operating profit	4,502	-	4,502	3,

PROFIT BEFORE TAX BY BUSINESS

	2004			
	Excluding goodwill	Goodwill	Profit before tax	Excluding goodwill
	GBPm	GBPm	GBPm	GBPm
UK Banking	2,474	(176)	2,298	2,2
UK Retail Banking	1,127	(158)	969	1,1
UK Business Banking	1,347	(18)	1,329	1,1
Private Clients and International	451	(71)	380	2
Private Clients - ongoing business	144	(40)	104	1
- closed life	(4)	-	(4)	(
International	311	(31)	280	2
Barclaycard	801	(41)	760	7
Barclays Capital	1,042	-	1,042	8
Barclays Global Investors	347	(18)	329	1
Head office functions and other operations	(206)	-	(206)	(2
Goodwill amortisation	(299)	299	-	(2
Goodwill relating to associated undertakings	(7)	7	-	
Profit before tax	4,603	-	4,603	3,8

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BARCLAYS PLC

RECONCILIATION OF OPERATING EXPENSES, OPERATING PROFIT, PROFIT BEFORE TAX,  
AND TOTAL ASSETS

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TOTAL ASSETS BY BUSINESS

	2004			
	Excluding goodwill GBPm	Goodwill GBPm	Total assets GBPm	Excluding goodwill GBPm
UK Banking	119,806	2,619	122,425	110,000
UK Retail Banking	69,028	2,586	71,614	67,000
UK Business Banking	50,778	33	50,811	43,000
Private Clients and International	30,606	1,097	31,703	26,000
Private Clients - ongoing business	4,988	665	5,653	3,000
- closed life	653	-	653	-
International	24,965	432	25,397	22,000
Barclaycard	23,019	400	23,419	20,000
Barclays Capital	332,606	-	332,606	268,000
Barclays Global Investors	796	174	970	800
Head office functions and other operations	2,583	5	2,588	3,000
Goodwill	4,295	(4,295)	-	4,000
Retail life-fund assets	8,378	-	8,378	8,000
Total assets	522,089	-	522,089	443,000

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BARCLAYS PLC

FINANCIAL REVIEW

Results by business

The following section analyses the Group's performance by business.

Barclays business divisions during 2004 were:

- \* UK Banking, comprising
  - UK Retail Banking
  - UK Business Banking
- \* Private Clients and International, comprising
  - Private Clients
  - International
- \* Barclaycard
- \* Barclays Capital
- \* Barclays Global Investors

The analysis of results by business division excludes goodwill amortisation. The reconciliation of operating expenses excluding goodwill to operating expenses is

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on page 6, the reconciliation of operating profit excluding goodwill to operating profit is on page 7, the reconciliation of profit on ordinary activities before tax excluding goodwill to profit before tax is on page 7 and the reconciliation of total assets excluding goodwill to total assets is on page 8.

### UK Banking

UK Banking delivers banking solutions to Barclays UK retail and business banking customers. It offers a range of integrated products and services and access to the expertise of other Group businesses. Customers are served through a variety of channels comprising: the branch network, automated teller machines, telephone banking, online banking and relationship managers. UK Banking is managed through two business areas, UK Retail Banking and UK Business Banking.

### UK Retail Banking

UK Retail Banking comprises Personal Customers, Mortgages, Small Business and UK Premier. The bringing together of these businesses enables the building of broader and deeper relationships with both existing and new customers. Personal Customers and Mortgages provide a wide range of products and services to over 14 million retail customers, including current accounts, savings, mortgages, and general insurance. Small Business provides banking services to 566,000 small businesses. UK Premier provides banking, investment products and advice to some 273,000 affluent customers.

### UK Business Banking

UK Business Banking provides relationship banking to the Group's larger and medium business customers in the United Kingdom. Customers are served by a network of relationship and industry sector specialist managers who provide local access to an extensive range of products and services, as well as offering business information and support. Customers are also offered access to the products and expertise of other businesses in the Group, particularly Barclays Capital.

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## BARCLAYS PLC

### Private Clients and International

Private Clients and International manages Barclays wealth management operations and the Group's international retail and commercial banking activities. It is managed as two distinct businesses.

### Private Clients

Private Clients serves affluent, high net worth and corporate clients, primarily in the UK and continental Europe, providing private banking, offshore banking, stockbroking and asset management services, as well as financial planning services to a broader customer base. Private Clients comprises two businesses: International and Private Banking; and Wealth Solutions (which includes Barclays Financial Planning, Barclays Stockbrokers and the Gerrard business, which was acquired in 2003). Through Wealth Solutions, Private Clients delivers investment products to UK Retail Banking. Private Clients also includes the closed life assurance activities.

### International

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International provides a range of banking services, including current accounts, savings, investments, mortgages and consumer loans to personal and corporate customers across Spain, Portugal, France, Italy, Africa and the Middle East. International also includes the results of the FirstCaribbean business, accounted for as an associated undertaking.

### Barclaycard

Barclaycard is a multi-brand credit card and consumer lending business with an increasing international presence and is one of the leading credit card businesses in Europe.

In the UK, Barclaycard manages the Barclaycard branded credit cards, Barclays branded consumer loans, mostly Barclayloan, and also comprises FirstPlus, Clydesdale Financial Services and Monument credit cards.

Outside the UK, Barclaycard International is in the United States, Germany, Spain, Greece, Italy, Portugal, Republic of Ireland and across Africa. The acquisition of the US credit card issuer, Juniper Financial Corporation, was completed on 1st December 2004. Juniper provides a platform for the expansion of Barclaycard's international business into the US credit card market and specialises in partnership card issuance programmes.

Barclaycard Business processes card payments for retailers and merchants and issues cards to corporate customers.

Barclaycard works closely with other parts of the Group, including UK Retail Banking, UK Business Banking and International, to leverage their distribution capability.

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## BARCLAYS PLC

### Barclays Capital

Barclays Capital is a leading global investment bank which provides large corporate, institutional and government clients with solutions to their financing and risk management needs.

The Barclays Capital business model focuses on a broad span of financing and risk management services. It services a wide variety of client needs, from capital raising and managing foreign exchange, interest rate and commodity risks, through to providing technical advice and expertise. Activities are primarily divided between two areas: Rates, which includes fixed income, foreign exchange, commodities, emerging markets, money markets sales, trading and research, prime brokerage and equity related activities; and Credit, which includes origination, sales, trading and research relating to loans, debt capital markets, structured capital markets, commercial mortgage backed securities, private equity and large asset leasing.

### Barclays Global Investors

Barclays Global Investors (BGI) is one of the world's largest asset managers and a leading global provider of investment management products and services.

BGI offers structured investment strategies such as indexing, global asset allocation and risk controlled active products, including hedge funds. BGI also provides related investment services such as securities lending, cash management and portfolio transition services. In addition, BGI is the global product leader

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in Exchange Traded Funds (iShares), with over 100 funds for institutions and individuals trading in ten global markets. BGI's investment philosophy is founded on managing all dimensions of performance with a consistent focus on controlling risk, return and cost.

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UK Banking

	2004	
	GBPm	
Net interest income	3,466	
Net fees and commissions	1,930	
Other operating income	250	
	-----	
Operating income	5,646	
Operating expenses excluding goodwill	(3,019)	
	-----	
Operating profit before provisions excluding goodwill	2,627	
Provisions for bad and doubtful debts	(199)	
	-----	
Operating profit excluding goodwill	2,428	
Profit from associated undertakings	4	
Exceptional items	42	
	-----	
Profit on ordinary activities before tax excluding goodwill	2,474	
	-----	
Total assets excluding goodwill	GBP119.8bn	GBP1
Weighted risk assets	GBP91.9bn	GBP
Risk Tendency	GBP375m	G

UK Banking managed its portfolio of businesses to deliver good profit growth in a year of extensive business re-organisation. UK Banking profit before tax excluding goodwill increased 9% (GBP199m) to GBP2,474m (2003: GBP2,275m) as a result of a very strong performance from UK Business Banking and a broadly flat contribution from UK Retail Banking. Profit before tax including goodwill increased 9% (GBP195m) to GBP2,298m (2003: GBP2,103m).

UK Banking held a seminar in October 2004 at which it outlined how the formation of UK Banking would seek to deliver integrated banking solutions to customers, an enhanced customer service experience and significant opportunities for revenue growth and productivity improvements.

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1 The reconciliation of certain figures excluding goodwill shown in this table to the comparable figures including goodwill appears on pages 6-8.

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### BARCLAYS PLC

#### UK Retail Banking

	2004	
	GBPm	
Net interest income	2,059	
Net fees and commissions	1,117	
Other operating income	239	
	-----	-----
Operating income	3,415	
Operating expenses excluding goodwill	(2,270)	
	-----	-----
Operating profit before provisions excluding goodwill	1,145	
Provisions for bad and doubtful debts	(60)	
	-----	-----
Operating profit excluding goodwill	1,085	
Profit from associated undertakings	-	
Exceptional items	42	
	-----	-----
Profit on ordinary activities before tax excluding goodwill <sup>1</sup>	1,127	
	-----	-----
Loans and advances to customers - banking (period end)	GBP65.6bn	G
Customer deposits - banking (period end)	GBP72.4bn	G
Total assets excluding goodwill <sup>1</sup>	GBP69.0bn	G
Weighted risk assets	GBP37.1bn	G
Risk Tendency	GBP150m	

1 The reconciliation of certain figures excluding goodwill shown in this table to the comparable figures including goodwill appears on pages 6-8.

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### BARCLAYS PLC

UK Retail Banking profit before tax excluding goodwill decreased 1% (GBP14m) to GBP1,127m (2003: GBP1,141m). Profit before tax including goodwill decreased 1% (GBP14m) to GBP969m (2003: GBP983m).

Operating income was broadly flat at GBP3,415m (2003: GBP3,439m). There were strong performances in current accounts and UK Premier. The performance in the mortgage business was impacted by margin pressure. Net revenue (operating income less provisions) was also broadly flat at GBP3,355m (2003: GBP3,332m).

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Net interest income increased 3% (GBP59m) to GBP2,059m (2003: GBP2,000m). Growth was driven by higher customer deposit balances particularly in Personal Customer current accounts and UK Premier deposits, together with an increase in the retail savings margin. This growth was partially offset by a reduced contribution from the mortgage business. The favourable impact of higher average UK mortgage balances was more than offset by margin pressure, due to a fall in the proportion of the mortgage portfolio on the standard variable rate, the impact of successive base rate increases and a reduction in early redemption income.

UK residential mortgage balances ended the period at GBP61.7bn (2003: GBP59.8bn). Gross advances were GBP17.5bn (2003: GBP18.3bn) and net lending was GBP1.9bn (2003: GBP2.0bn). The loan to value ratio within the mortgage book on a current valuation basis averaged 35% (2003: 40%).

Average overdraft balances within Personal Customers increased by 9%. Average customer deposit balances increased 5% to GBP68.5bn (2003: GBP65.0bn). Personal Customer average current account balances increased 10%. There was strong growth in UK Premier with average deposits up 15%, and in Small Business where average deposit balances were 7% higher. Retail average savings balances increased by 1% in a highly competitive market.

Net fees and commissions increased 4% (GBP43m) to GBP1,117m (2003: GBP1,074m), driven by strong growth in value added fee-based current account income.

Other operating income decreased 35% (GBP126m) to GBP239m (2003: GBP365m). The majority of the decrease was attributable to a reduction of GBP89m in income from the revision of estimated amounts expected to be repaid on banking liabilities. There was also lower net premium income on insurance underwriting due to a provision relating to the early termination of contracts.

Operating expenses excluding goodwill rose 4% (GBP82m) to GBP2,270m (2003: GBP2,188m). Operating expenses including goodwill rose 3% (GBP82m) to GBP2,428m (2003: GBP2,346m). Almost half of the cost increase (GBP40m) was attributable to preparations for a new regulatory environment, particularly in the mortgage and general insurance businesses. There was significant investment in the business infrastructure and restructuring costs were incurred in re-organising the business. This included adding 1,000 customer facing staff, an upgrade in branch management capability and investment in new technology.

Provisions decreased 44% (GBP47m) to GBP60m (2003: GBP107m). The quality of the loan portfolio improved and mortgage balances in arrears remained at a low level. The reduction in the provisions charge included a release of GBP40m associated with the UK mortgage business following a review of the portfolio and the current loss experience.

The exceptional item of GBP42m was predominantly in respect of the profit on the sale of a shareholding in Edotech, a former Barclays in-house statement printing operation.

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UK Business Banking

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	2004	
	GBPm	
Net interest income	1,407	
Net fees and commissions	813	
Other operating income	11	
	-----	
Operating income	2,231	
Operating expenses excluding goodwill	(749)	
	-----	
Operating profit before provisions excluding goodwill	1,482	
Provisions for bad and doubtful debts	(139)	
	-----	
Operating profit excluding goodwill	1,343	
Profit from associated undertakings	4	
Exceptional items	-	
	-----	
Profit on ordinary activities before tax excluding goodwill <sup>1</sup>	1,347	
	-----	
Loans and advances to customers - banking (period end)	GBP48.6bn	G
Customer deposits - banking (period end)	GBP42.4bn	G
Total assets excluding goodwill <sup>1</sup>	GBP50.8bn	G
Weighted risk assets	GBP54.8bn	G
Risk Tendency	GBP225m	

1 The reconciliation of certain figures excluding goodwill shown in this table to the comparable figures including goodwill appears on pages 6-8.

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BARCLAYS PLC

UK Business Banking profit before tax excluding goodwill increased 19% (GBP213m) to GBP1,347m (2003: GBP1,134m), as a result of good income growth, a continued focus on cost management and a significantly reduced provision charge. Profit before tax including goodwill increased 19% (GBP209m) to GBP1,329m (2003: GBP1,120m). Both Larger Business and Medium Business performed well. Market shares of primary banking relationships for Larger Business and Medium Business were maintained.

Operating income increased 8% (GBP165m) to GBP2,231m (2003: GBP2,066m). Net revenue (operating income less provisions) increased 13% (GBP245m) to GBP2,092m (2003: GBP1,847m).

Net interest income increased 8% (GBP106m) to GBP1,407m (2003: GBP1,301m), as a result of strong balance sheet growth. Average lending balances increased 11% to GBP44.6bn (2003: GBP40.2bn); the quality of the new lending was good and the overall credit profile of the portfolio was maintained. Average deposit balances increased 9% to GBP41.5bn (2003: GBP37.9bn). There was an improvement in the lending margin and a modest decline in the deposit margin. There was a lower contribution from the structural hedge.

Net fees and commissions increased 11% (GBP80m) to GBP813m (2003: GBP733m), driven by significantly higher lending related fees.

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Operating expenses excluding goodwill increased 5% (GBP34m) to GBP749m (2003: GBP715m), reflecting higher business volumes and increased expenditure on front line staff and marketing. The cost of regulatory compliance programmes also increased. Operating expenses including goodwill increased 5% (GBP38m) to GBP765m (2003: GBP767m).

Provisions decreased 37% (GBP80m) to GBP139m (2003: GBP219m). The provisions performance was driven by the impact of significantly lower potential problem loans and non-performing loans and the benefit of a single recovery of GBP57m.

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BARCLAYS PLC

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BARCLAYS PLC

Private Clients and International

	2004 GBPm
Net interest income	836
Net fees and commissions	850
Other operating income	47
	-----
Operating income	1,733
Operating expenses excluding goodwill	(1,304)
	-----
Operating profit before provisions excluding goodwill	429
Provisions for bad and doubtful debts	(30)
	-----
Operating profit excluding goodwill - ongoing business	399
Profit from associated undertakings	56
Exceptional items	-
	-----
Profit on ordinary activities before tax excluding goodwill - ongoing business	455
Contribution from closed life assurance activities	(4)
	-----
Profit on ordinary activities before tax excluding goodwill <sup>1</sup>	451
	-----
Total assets excluding goodwill <sup>1</sup>	GBP30.6bn
Weighted risk assets	GBP23.3bn
Risk Tendency	GBP70m

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Private Clients and International profit before tax excluding goodwill increased 57% (GBP164m) to GBP451m (2003: GBP287m). Profit before tax including goodwill increased 60% (GBP142m) to GBP380m (2003: GBP238m).

The improved performance reflected good momentum in the businesses with strong income growth in both the Private Clients and International businesses. This was supported by improved market conditions together with the benefits from the acquisitions made in 2003 and the return on the prior investments in improving the client experience.

There was a significantly improved performance from the closed life assurance activities.

1 The reconciliation of certain figures excluding goodwill shown in this table to the comparable figures including goodwill appears on pages 6-8.

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### BARCLAYS PLC

#### Private Clients

		200
		GBP
Net interest income		30
Net fees and commissions		52
Other operating income		-----
Operating income		83
Operating expenses excluding goodwill		(69)
		-----
Operating profit before provisions excluding goodwill		14
Provisions for bad and doubtful debts		-----
Operating profit excluding goodwill - ongoing business		14
Exceptional items		-----
Profit on ordinary activities before tax excluding goodwill		14
- ongoing business		(
Contribution from closed life assurance activities		)-----
Profit on ordinary activities before tax excluding goodwill		14
		-----
Loans and advances to customers - banking (period end)		GBP4.1b
Customer deposits - banking (period end)		GBP21.3b
Total assets excluding goodwill		GBP5.6b
Weighted risk assets		GBP4.0b
Risk Tendency		GBP5

1 The reconciliation of certain figures excluding goodwill shown in this table

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to the comparable figures including goodwill appears on pages 6-8.

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### BARCLAYS PLC

The comparison with the prior period is impacted by the acquisitions of the Gerrard business in mid December 2003 and the retail stockbroking business of Charles Schwab Europe at the end of January 2003.

Private Clients profit before tax excluding goodwill for the ongoing business increased 40% (GBP41m) to GBP144m (2003: GBP103m). Profit before tax including goodwill for the ongoing business increased 42% (GBP31m) to GBP104m (2003: GBP73m). There was a significantly improved performance from the closed life assurance activities.

Operating income increased 22% (GBP153m) to GBP839m (2003: GBP686m).

Net interest income increased 5% (GBP14m) to GBP302m (2003: GBP288m). Total average loans increased 31% to GBP3.8bn (2003: GBP2.9bn). Total average customer deposits increased 4% to GBP21.4bn (2003: GBP20.6bn). Good income growth from offshore corporate deposits and loans in International and Private Banking reflected the benefit of investment in relationship managers and internet based offerings, partially offset by adverse exchange rate movements. Deposit margins improved slightly and were partially offset by lower lending margins.

Net fees and commissions increased 34% (GBP135m) to GBP529m (2003: GBP394m). Excluding the contribution from Gerrard, net fees and commissions increased 8%. Business volumes improved as higher average equity market levels contributed to increased sales of investment products and higher fund management fees. The average level of the FTSE 100 Index was 12% higher at 4,522 (2003: 4,051). Stockbroking fee income increased 6% reflecting the benefits of the integration of Charles Schwab Europe as well as improved market conditions. Although headline average daily deal volumes in UK retail stockbroking decreased to 7,800 (2003: 8,200), a more favourable product mix, including an increase in higher margin deals, more than compensated for the lower volume. Fee income in Private Banking increased 13%, reflecting the impact of additional private bankers and new product launches.

Operating expenses excluding goodwill increased 19% (GBP111m) to GBP696m (2003: GBP585m). Operating expenses including goodwill increased 20% (GBP121m) to GBP736m (2003: GBP615m).

Excluding the Gerrard business, operating expenses remained broadly flat. Cost savings resulting from reduced restructuring costs and cost synergies from Charles Schwab Europe enabled increased investment in product development and customer service in International and Private Banking and in Wealth Solutions.

Total customer funds, comprising customer deposits and assets under management, increased to GBP77bn (2003: GBP75bn). Growth in new business and the impact of the rising stockmarket were partly offset by adverse exchange rate movements. In October 2004, a multi-manager product was launched, which had GBP1.6bn of assets under management at the year-end.

The contribution from the closed life assurance activities was a loss of GBP4m (2003: loss of GBP80m). The impact of stronger stock markets, improved investment performance and better persistency levels largely offset the costs of GBP97m (2003: GBP95m) relating to redress for customers in respect of sales of endowment policies. The loss of GBP4m is reflected in the Group's results as a gain of GBP49m (2003: loss of GBP40m) within other operating income offset by a

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reduction of GBP53m (2003: GBP40m) within net interest income.

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### BARCLAYS PLC

#### International

	2004	
	GBPm	
Net interest income	534	
Net fees and commissions	321	
Other operating income	39	
	-----	-----
Operating income	894	
Operating expenses excluding goodwill	(608)	
	-----	-----
Operating profit before provisions excluding goodwill	286	
Provisions for bad and doubtful debts	(31)	
	-----	-----
Operating profit excluding goodwill	255	
Profit from associated undertakings	56	
Exceptional items	-	
	-----	-----
Profit on ordinary activities before tax excluding goodwill <sup>1</sup>	311	
	-----	-----
Loans and advances to customers - banking (period end)	GBP19.7bn	G
Customer deposits - banking (period end)	GBP10.1bn	
Total assets excluding goodwill <sup>1</sup>	GBP25.0bn	G
Weighted risk assets	GBP19.3bn	G
Risk Tendency	GBP65m	

1 The reconciliation of certain figures excluding goodwill shown in this table to the comparable figures including goodwill appears on pages 6-8.

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### BARCLAYS PLC

The comparison with the prior period is impacted by the acquisition of Banco Zaragozano in July 2003.

International profit before tax excluding goodwill increased 18% (GBP47m) to GBP311m (2003: GBP264m) reflecting good growth in all businesses. Profit before tax including goodwill increased 14% (GBP35m) to GBP280m (2003: GBP245m).

Operating income increased 14% (GBP112m) to GBP894m (2003: GBP782m). Net revenue

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(operating income less provisions) increased 15% (GBP114m) to GBP863m (2003: GBP749m).

Net interest income increased 16% (GBP73m) to GBP534m (2003: GBP461m) as a result of the inclusion of Banco Zaragozano and good balance growth in Spain, Africa and Italy.

Total average customer deposits increased 18% to GBP9.4bn (2003: GBP8.0bn), resulting from both the inclusion of Banco Zaragozano and strong organic growth in Spain and Africa.

Total average loans increased 48% to GBP18.3bn (2003: GBP12.4bn), reflecting strong growth across the portfolio and the inclusion of Banco Zaragozano for a full year in 2004. Mortgage balance growth in Europe was very strong with balances up 39%. Average lending balances in Africa increased 25%. Overall lending margins reduced mainly due to the impact of mortgage growth on the product mix.

Net fees and commissions increased 11% (GBP32m) to GBP321m (2003: GBP289m), with the majority of the increase reflecting the inclusion of Banco Zaragozano. There was a strong performance in France and Spain from increased fund management related fees. Spain's total assets under management increased by 27%.

Operating expenses excluding goodwill increased 19% (GBP97m) to GBP608m (2003: GBP511m) with the majority of the increase attributable to the inclusion of Banco Zaragozano. Operating expenses including goodwill increased 21% (GBP109m) to GBP639m (2003: GBP530m). Investment in the development of new products and in enhancing the customer experience remained high across the portfolio.

Provisions decreased 6% (GBP2m) to GBP31m (2003: GBP33m).

The profit from associated undertakings reflected the contribution from FirstCaribbean. The improved performance reflected the delivery of synergies arising from the merger which created FirstCaribbean, together with good underlying growth in customer activity. The results of FirstCaribbean included a gain of GBP28m on the sale of shares held in Republic Bank Limited.

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### BARCLAYS PLC

#### Barclaycard

	2004 GBPm
Net interest income	1,600
Net fees and commissions	764
	-----
Operating income	2,364
Operating expenses excluding goodwill	(806)
	-----
Operating profit before provisions excluding goodwill	1,558
Provisions for bad and doubtful debts	(761)
	-----
Operating profit excluding goodwill	797
Profit from joint ventures	4

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Profit on ordinary activities before tax excluding goodwill <sup>1</sup>	801	
<hr style="border-top: 1px dashed black;"/>		
Loans and advances to customers - banking (period end)	GBP22.3bn	G
Total assets excluding goodwill <sup>1</sup>	GBP23.0bn	G
Weighted risk assets	GBP20.2bn	G
Risk Tendency	GBP860m	

<sup>1</sup> The reconciliation of certain figures excluding goodwill shown in this table to the comparable figures including goodwill appears on pages 6-8.

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### BARCLAYS PLC

Barclaycard profit before tax excluding goodwill increased 5% (GBP40m) to GBP801m (2003: GBP761m). Profit before tax including goodwill increased 5% (GBP37m) to GBP760m (2003: GBP723m).

Operating income increased 6% (GBP136m) to GBP2,364m (2003: GBP2,228m). Net revenue (operating income less provisions) increased 5% (GBP83m) to GBP1,603m (2003: GBP1,520m). A high level of recruitment of UK retail card customers continued at 1.33m (2003: 1.55m).

Net interest income increased 3% (GBP45m) to GBP1,600m (2003: GBP1,555m) reflecting growth in UK average extended credit balances, up 11% to GBP8.2bn (2003: GBP7.4bn) and higher UK average loan balances, up 11% to GBP9.4bn (2003: GBP8.5bn). Margins in the consumer lending business remained broadly stable whereas margins in UK cards decreased, reflecting higher funding costs and the impact of increased balance transfer activity at promotional rates.

Net fees and commissions increased 14% (GBP91m) to GBP764m (2003: GBP673m) as a result of the continued growth in the credit card and consumer lending businesses and good volume growth within the merchant acquiring business.

Operating expenses excluding goodwill rose 6% (GBP45m) to GBP806m (2003: GBP761m). Operating expenses including goodwill rose 6% (GBP48m) to GBP847m (2003: GBP799m). The increase reflected investment in Barclaycard International and brand related investment in the UK.

Provisions increased 7% (GBP53m) to GBP761m (2003: GBP708m). This increase was lower than the growth in assets and reflected the continued benefit of improved collections activity. Non-performing loan balances increased but at a significantly lower rate than the growth in assets. Delinquency levels as a percentage of outstandings for both Barclaycard branded credit cards and for Barclayloan were stable.

In the UK, particularly strong performances from the Monument and FirstPlus businesses, together with Barclaycard Business, more than offset the margin pressure and brand investment in the Barclaycard branded card activities.

Barclaycard International made good progress with its growth strategy. Profit before tax increased to GBP8m (2003: GBP4m). Income increased 30% due to the

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growth in average extended credit balances, up 28% to GBP882m (2003: GBP689m). The number of Barclaycard International cards in issue rose to 2.9m (2003: 1.7m). Barclaycard established a presence in the US credit card market through the acquisition of the Juniper Financial Corporation in December 2004. Juniper is a US credit card issuer with US\$1.4bn in receivables and 1 million cards in issue. In 2004, Juniper contributed a loss of GBP2m, for the month of December, in line with expectations at the time of the acquisition.

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### BARCLAYS PLC

#### Barclays Capital

	2004 GBPm
Net interest income	1,006
Dealing profits	1,469
Net fees and commissions	611
Other operating income	295
	-----
Operating income	3,381
Operating expenses	(2,237)
	-----
Operating profit before provisions	1,144
Provisions for bad and doubtful debts	(102)
	-----
Operating profit	1,042
Profit from associated undertakings	-
	-----
Profit on ordinary activities before tax	1,042
	-----
Net revenue per member of staff (year average FTE '000)	GBP479
Total assets	GBP333bn
Weighted risk assets	GBP80bn
Risk Tendency	GBP70m

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### BARCLAYS PLC

Barclays Capital profit before tax increased 25% (GBP206m) to GBP1,042m (2003: GBP836m), as a result of very strong operating income growth and the continued improvement in the credit environment. The very strong performance was driven by growth in business volumes and client activity levels. Net revenue (operating income less provisions) increased 33% (GBP806m) to GBP3,279m (2003: GBP2,473m).

Operating income increased 24% (GBP655m) to a record GBP3,381m (2003: GBP2,726m) as a result of strong growth across most of the product areas in Rates and Credit. Income by product continued to diversify with the strongest growth

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delivered by credit products and equity related products. Regional growth was broadly based with particularly strong results in the US and Asia. Average DvaR increased to GBP34m (2003: GBP26m). Period end DvaR was GBP32m (2003: GBP37m).

Secondary income, comprising dealing profits and net interest income, is mainly generated from providing client risk management solutions. This increased 20% (GBP409m) to GBP2,475m (2003: GBP2,066m).

Dealing profits increased 41% (GBP427m) to GBP1,469m (2003: GBP1,042m), with very strong performances in both the Rates and Credit businesses. This reflected higher volumes of client led activity across a broad range of products and the continued benefit of recent headcount investments in product depth and geographic reach. Net interest income fell 2% (GBP18m) to GBP1,006m (2003: GBP1,024m) driven by lower contributions from money markets due to the reduced size of the book.

Primary income, comprising net fees and commissions from advisory and origination activities, grew 11% (GBP60m) to GBP611m (2003: GBP551m). Securitisation, structured bonds and leveraged finance grew significantly, more than offsetting lower market activity by corporates. Net fees and commissions included GBP63m (2003: GBP89m) of internal fees for structured capital markets activities arranged by Barclays Capital.

Other operating income increased to GBP295m (2003: GBP109m) as a result of a number of private equity realisations and structured capital markets transactions.

Operating expenses increased 37% (GBP599m) to GBP2,237m (2003: GBP1,638m) due to the execution of the business expansion plan and an increase in performance related pay. Business as usual costs increased significantly, reflecting higher volumes and the growth in staff numbers. Revenue related costs increased due to the strong profit performance. The recruitment of staff to expand product, client coverage and distribution capabilities resulted in significantly higher strategic investment costs. The ratio of total costs to net revenue and staff costs to net revenue both increased by 2% to 68% and 55% respectively. Approximately half of the total costs comprised performance related pay, discretionary investment spend and short-term contractor resource.

Total headcount increased by 2,000 to 7,800 (2003: 5,800). Almost a third were in the front office, mainly in Europe and the US. Approximately half of the increase was directed at strengthening the back office and control functions. The remainder related to contract staff, mainly in technology, which ensured that the support platform could be developed whilst maintaining flexibility. Barclays Capital accelerated targeted investments in revenue generating capabilities together with a strengthening of the control and support environment. This investment has expanded the scope of the product offering, building new income streams from commercial and residential mortgage backed securities and home equity loans. Existing offerings in commodities trading and equity related products were extended to the US and client channels continued to be extended in Europe, the US and Asia.

Provisions fell 60% (GBP151m) to GBP102m (2003: GBP253m), reflecting the significant decline in non-performing and potential problem loan balances as a result of a more stable wholesale credit environment.

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### Barclays Global Investors

	2004
	GBPm
Net interest income	5
Net fees and commissions	882
Other operating income	6
	-----
Operating income	893
Operating expenses excluding goodwill	(545)
	-----
Operating profit excluding goodwill	348
Loss from joint ventures	(2)
Exceptional items	1
	-----
Profit on ordinary activities before tax excluding goodwill <sup>1</sup>	347
	-----
Net revenue per member of staff (year average FTE '000)	GBP464
Total assets excluding goodwill <sup>1</sup>	GBP0.8bn
Weighted risk assets	GBP1.2bn

<sup>1</sup> The reconciliation of certain figures excluding goodwill shown in this table to the comparable figures including goodwill appears on pages 6-8.

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### BARCLAYS PLC

Barclays Global Investors (BGI) delivered another year of record performance. Profit before tax excluding goodwill increased 82% (GBP156m) to GBP347m (2003: GBP191m) reflecting substantial income growth and continued discipline in cost management. Profit before tax including goodwill increased 85% (GBP151m) to GBP329m (2003: GBP178m). Foreign exchange movements impacted growth in income and costs. Approximately 55% of income is generated in the US and 31% in the UK and continental Europe.

Net fees and commissions increased 33% (GBP220m) to GBP882m (2003: GBP662m), with strong income generation across both the active and index businesses and particularly in investment management fees. These resulted from strong net new sales, growth in sales of higher margin products and stronger global equity markets, partially offset by adverse foreign exchange movements. Securities lending income growth was also very strong, benefiting from increased volumes.

Successful income generation continued across a diverse range of products, distribution channels and geographies and active product investment performance remained strong. BGI's commitment to innovation continued as a number of iShare (Exchange Traded Funds) products were launched during 2004. There was significant growth in global iShares with assets under management up 88% to US\$130bn at the year-end.

Operating expenses excluding goodwill increased 14% (GBP65m) to GBP545m (2003:

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GBP480m) primarily as a result of higher performance based expenses and benefited from foreign exchange movements. Operating expenses including goodwill increased 14% (GBP70m) to GBP563m (2003: GBP493m).

Total assets under management increased 19% (GBP111bn) to GBP709bn (2003: GBP598bn). The growth included the significant generation of net new assets of GBP65bn. An increase of GBP97bn attributable to market movements was partially offset by GBP51bn of adverse exchange rate movements.

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### BARCLAYS PLC

#### Head office functions and other operations

Head office functions comprise all the Group's central costs, including the following areas that fall within Group Functions: Executive Management, Finance, Treasury, Marketing, Communications, Human Resources, Strategy and Planning, Internal Audit, Legal, Corporate Secretariat, Tax, Compliance and Risk. Costs incurred wholly on behalf of the business units are recharged to them.

Central items include internal fees charged by Barclays Capital for structured capital markets activities, income from the management of the Group's operational premises, property related services and other central items including activities which support the operating business.

Transition Businesses comprise discontinued South American and Middle Eastern corporate banking businesses and other centrally managed Transition Businesses. These non-core relationships are managed separately with the objective of maximising the recovery from the assets concerned.

	2004 GBPm
Head office functions and central items	(201)
Transition Businesses	7
Restructuring costs	(12)
	-----
Loss on ordinary activities before tax excluding goodwill <sup>1</sup>	(206)
	-----

Head office functions and central items costs increased 5% (GBP9m) to GBP201m (2003: GBP192m). Central items included internal fees charged by Barclays Capital for structured capital market activities of GBP63m (2003: GBP89m).

The improved performance of Transition Businesses, from a loss of GBP25m to a profit of GBP7m, primarily reflected provisions released.

<sup>1</sup> The reconciliation of loss on ordinary activities before tax excluding goodwill to loss before tax is on page 7.

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BARCLAYS PLC

## Results by nature of income and expense

Net interest income	2004
	GBPm
Interest receivable	13,665
Interest payable	(6,823)
	-----
	6,842
	-----
Group net interest margin <sup>1</sup>	%
Group	2.59
Domestic	3.48
International	0.81

<sup>1</sup> Domestic business is conducted primarily in the UK in Sterling. International business is conducted primarily in foreign currencies. In addition to the business carried out by overseas branches and subsidiaries, some international business is transacted in the UK. Interest margin is net interest income as a percentage of average interest earning assets.

The margins shown above exclude non-margin related items, including profits and losses on the repurchase of loan capital and the unwinding of the discount on vacant leasehold property provisions.

Group net interest income increased 4% (GBP238m) to GBP6,842m (2003: GBP6,604m), reflecting growth in balances which more than offset a 2 basis points fall in the Group net interest margin to 2.59%.

The Group net interest margin of 2.59% (2003: 2.61%) includes 0.42% (2003: 0.48%) arising from the benefit of free funds. A component of the benefit of free funds is the structural hedge against short-term interest rate movements. The contribution of the structural hedge has decreased to 0.12% (2003: 0.19%) largely due to the impact of higher short-term interest rates.

Group average interest earning assets increased GBP11bn to GBP264bn (2003: GBP253bn). Domestic average interest earning assets increased GBP14bn to GBP176bn (2003: GBP162bn). This reflected increases across the businesses. International average interest earning assets remained broadly stable at GBP88bn (2003: GBP90bn).

The domestic net interest margin fell 16 basis points to 3.48% (2003: 3.64%). This was attributable to the margin pressure in the mortgage business, the impact of base rate rises during the year, higher funding costs, increased promotional balance transfer activity in the cards business and the impact of the structural hedge. This was partially offset by increased margins in retail savings, Business Banking loans and Barclays Capital banking activities. Margins in other areas remained broadly stable.

The international net interest margin increased by 4 basis points to 0.81% (2003: 0.77%) largely due to a change in the mix of both assets and liabilities in Barclays Capital banking activities.

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The Group net interest margin was impacted by the factors described above with the reduction largely mitigated by an increase in the proportion of domestic interest earning assets.

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### BARCLAYS PLC

#### Net fees and commissions

	2004
	GBPm
Fees and commissions receivable	5,672
Less: fees and commissions payable	(706)
	4,966
	-----

Group net fees and commissions increased 16% (GBP703m) to GBP4,966m (2003: GBP4,263m), reflecting good growth across all businesses.

Fees and commissions receivable rose 16% (GBP776m) to GBP5,672m (2003: GBP4,896m) driven by increases in: Barclays Global Investors, reflecting strong income generation across both the active and index businesses; Barclays Capital, with good contributions from origination and advisory activities; and Private Clients, as a result of stronger business volumes and the acquisition of Gerrard. Good growth was also achieved in UK Banking and in Barclaycard.

#### Dealing profits

	2004
	GBPm
Rates related business	1,141
Credit related business	352
	1,493
	-----

Almost all the Group's dealing profits are generated in Barclays Capital.

Dealing profits increased 42% (GBP439m) to GBP1,493m (2003: GBP1,054m), with very strong performances in both the Rates and Credit businesses. This reflected higher volumes of client led activity throughout the year across a broad range of products and the continued benefit of headcount investments to broaden product depth and geographical reach. The very strong growth in the Rates businesses was across equity related activities, foreign exchange and fixed income. The very strong performance in the Credit businesses reflected an increase in the contribution from credit derivatives.

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Total foreign exchange income was GBP520m (2003: GBP498m) and consisted of revenues earned from both retail and wholesale activities. The foreign exchange income earned on customer transactions by UK Banking, Private Clients and International and Barclaycard, both externally and within Barclays Capital, is reported in those business units, within fees and commissions.

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### BARCLAYS PLC

#### Other operating income

	2004 GBPm
Net premium income on insurance underwriting	211
Gain on disposal of investment securities	181
Income from the long term assurance business	58
Property rentals	9
Dividend income from equity shares	17
Other income	168
	644
	644

Other operating income increased 31% (GBP154m) to GBP644m (2003: GBP490m).

Net premium income on insurance underwriting decreased 20% (GBP53m) to GBP211m (2003: GBP264m), primarily due to a provision relating to the early termination of contracts.

Gain on disposal of investment securities rose by GBP108m to GBP181m (2003: GBP73m), predominantly due to a number of realisations in the private equity business within Barclays Capital.

Virtually all the Group's long term assurance activity is based in the UK and was the main component of the GBP58m contribution. This included costs of redress for customer claims in respect of endowment policies of GBP97m (2003: GBP95m).

Dividend income increased by GBP11m to GBP17m (2003: GBP6m) as a result of a significant dividend received from an investment.

Other income was flat at GBP168m (2003: GBP165m). This reflected a reduction of GBP98m in income, primarily in UK Retail Banking, from the revision of estimated amounts expected to be repaid on banking liabilities. This was offset by realisations on structured capital market transactions.

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## BARCLAYS PLC

### Operating expenses

The Group manages costs on the basis of three specific categories: business as usual, revenue related and strategic investment. Revenue related costs are costs that are directly associated with a corresponding change in revenue or profits. Strategic investment costs are costs that can generate or enable new revenue streams or definable growth in a revenue stream, or generate or enable reduced costs. Acquisition and disposal costs are those expenses incurred in 2004 or 2003 by those businesses that were purchased or sold by the group in 2004 or 2003. Restructuring costs and goodwill amortisation are reported separately.

The Group's expenses are summarised in the following table:

	2004 GBPm
Business as usual expenses	5,864
Revenue related costs	1,213
Strategic investment costs	502
Acquisitions and disposals	273
Restructuring charge	199
Goodwill amortisation	299
	-----
	8,350
	-----

Operating expenses rose 15% (GBP1,097m) to GBP8,350m (2003: GBP7,253m).

Business as usual costs increased 10% (GBP548m) to GBP5,864m (2003: GBP5,316m), reflecting higher business volumes and increased organic investment. Costs associated with the implementation of major regulatory and legislative programmes, including the new Mortgage & General Insurance regulations, International Financial Reporting Standards, Basel II and Sarbanes Oxley, represented GBP94m of the increase.

Revenue related costs rose 24% (GBP231m) to GBP1,213m (2003: GBP982m) driven largely by increased performance related payments, primarily in Barclays Capital and Barclays Global Investors.

Strategic investment costs increased 28% (GBP110m) to GBP502m (2003: GBP392m). This reflected increased spend in Barclays Capital, due to the impact of targeted acquisition of staff to drive the development of products, client coverage and distribution capabilities, across Europe, the US and Asia. Also included is a GBP23m cost increase relating to the relocation of Barclays headquarters to Canary Wharf.

Acquisitions and disposals costs reflected the acquisitions of Juniper Financial Corporation in 2004 and Charles Schwab Europe, Clydesdale Financial Services, Banco Zaragozano and Gerrard in 2003.

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### Administrative expenses - staff costs

	2004 GBPm
Salaries and accrued incentive payments	4,043
Social security costs	339
Pension costs	160
Post-retirement health care	22
Other staff costs	434
	4,998
	2004
Number of staff at period end:	
UK Banking	41,800
	UK Retail Banking 34,400
	UK Business Banking 7,400
	Private Clients and International 19,300
	Private Clients 7,200
	International 12,100
Barclaycard	6,700
Barclays Capital	7,800
Barclays Global Investors	1,900
Head office functions and other operations	900
	Total Group permanent and contract staff worldwide 78,400
	Temporary and agency staff worldwide 4,300
	Total including temporary and agency staff 82,700

Staff costs increased by 16% (GBP703m) to GBP4,998m (2003: GBP4,295m).

Salaries and accrued incentive payments rose by 17% (GBP602m) to GBP4,043m (2003: GBP3,441m) principally reflecting increased performance related payments primarily within Barclays Capital and Barclays Global Investors, increased headcount, and the impact of the businesses acquired in 2003.

Pension costs comprise all UK and international pension schemes. Included in the costs is a charge of GBP103m (2003: GBP128m) in respect of the Group's main UK pension schemes.

Staff numbers shown are on a full time equivalent basis. United Kingdom permanent and contract staff are 60,000 (2003: 58,000). Internationally based permanent and contract staff numbers are 18,400 (2003: 16,800).

During 2004, permanent and contract staff increased by 3,600. The implementation of restructuring programmes resulted in a decrease of 2,100 staff, but this was more than offset by the recruitment of additional staff throughout the Group and 400 staff from the acquisition of Juniper. Significant areas of recruitment were: Barclays Capital, to drive the expansion of its business; Barclaycard,

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through the growth of Barclaycard International, and the addition of front office staff to improve customer service in Barclaycard UK; and UK Banking, mostly from the recruitment of front line staff in both UK Retail Banking and UK Business Banking.

Head office functions and other operations include staff undertaking activities which support the operating businesses including central information technology services. These costs are predominantly passed onto the businesses.

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### BARCLAYS PLC

#### Administrative expenses - other

	2004 GBPm
Property and equipment expenses	1,041
Other administrative expenses	1,717
	-----
	2,758
	-----

Administrative expenses - other rose by 15% (GBP354m) to GBP2,758m (2003: GBP2,404m) as a result of higher business activity and the impact of acquisitions.

#### Depreciation

	2004 GBPm
Property depreciation	86
Equipment depreciation	209
	-----
	295
	-----

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### BARCLAYS PLC

#### Provisions for bad and doubtful debts

	2004 GBPm
The provisions charge for the year in respect of bad and doubtful debts comprises:	

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Specific provisions	1,767
New and increased provisions	(211)
Releases	(255)
Recoveries	-----
	1,301
General provisions (release) / charge	(210)
	-----
Net charge	1,091
	-----
Total provisions balances for bad and doubtful debts at end of the year comprise:	
Specific provisions	2,202
General provisions	564
	-----
	2,766
	-----

The credit environment in both retail and in corporate and wholesale businesses was relatively benign in 2004. This led to lower provisions charges, a lower level of potential problem loans and non-performing loans and consequently a reduced need to hold provision balances.

Overall, the Group provisions charge declined 19% to GBP1,091m (2003: GBP1,347m). This resulted from a substantial decrease in the corporate and wholesale provisions charge, whilst the retail provision charge was steady.

The provision coverage of potential credit risk loans (PCRLs), comprising potential problem loans and non performing loans, was higher at 59.2% (2003: 54.6%) as PCRLs fell relatively more than the provisions balance. As a percentage of average banking loans and advances, the provisions rate fell to 0.54% (2003: 0.73%).

In the corporate and wholesale businesses, PCRLs fell 29% to GBP2,062m (2003: GBP2,920m), reflecting the strong corporate credit environment. The corporate and wholesale provisions charge declined to GBP284m (2003: GBP543m). The reduction in the provisions charge included an exceptional recovery of GBP57m in UK Business Banking.

In the retail businesses, PCRLs remained steady at GBP2,679m (2003: GBP2,712m). The provisions charge in the retail businesses was also steady at GBP807m (2003: GBP804m). The provisions charge increased in Barclaycard (the card and unsecured consumer lending business) due to volume growth and the maturation of new customer recruitment. The provisions charge included a release of GBP40m associated with the UK mortgage business, following a review of the portfolio and the current loss experience.

Total provision balances declined 9% (GBP262m) to GBP2,766m (2003: GBP3,028m). The fall in the general provisions balance of GBP231m largely resulted from transfers to specific provisions of GBP198m, which had no effect on the net provisions charge as the specific provisions charge was increased by the same amount. The transfers reflected enhancements to provisioning models and the resolution of an individual large corporate exposure.

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## BARCLAYS PLC

Profit from joint ventures and associated undertakings

	2004
	GBPm
(Loss)/profit from joint ventures	(3)
Profit from associated undertakings	59
	56
	56

The majority of the profit from associated undertakings for the year relates to the investment in FirstCaribbean. The profit from FirstCaribbean reflects a strong operating performance and includes a gain of GBP28m on the disposal of shares held in Republic Bank Limited.

Exceptional items

	2004
	GBPm
Profit on sale of businesses	45
	45
	45

The profit on disposal relates mainly to the sale of the shareholding in Edotech, an investment in a former Barclays in-house statement printing operation.

Tax rate

The charge for the year is based upon a UK corporation tax rate of 30% for the calendar year 2004 (2003: 30%). The effective rate of tax is 28.0% (2003: 28.0%). The rate is lower than the standard rate of tax due to the beneficial effects of lower tax on overseas income and certain non-taxable gains offset by the absence of tax relief on goodwill.

Minority interests (including non-equity interests)

Minority interests (including non-equity interests) of GBP46m (2003: GBP25m) includes GBP21m (2003: GBP2m) attributable to the equity owned by staff in Barclays Global Investors.

## BARCLAYS PLC

Earnings per ordinary share

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	2004
Profit for the financial year attributable to the members of Barclays PLC	GBP3,268m
Weighted average number of ordinary shares in issue	6,381m
Dilutive effect of share options outstandings	33m
	6,414m
Diluted weighted average number of shares	6,414m
Earnings per ordinary share	
	p 51.2
Fully diluted earnings per ordinary share	51.0

### Dividends on ordinary shares

The Board has decided to pay, on 29th April 2005, a final dividend for the year ending 31st December 2004 of 15.75p per ordinary share, for shares registered in the books of the Company at the close of business on 25th February 2005. Shareholders who have their dividends paid direct to their bank or building society account will receive a consolidated tax voucher detailing the dividends paid in the 2005/2006 tax year in mid-October 2005.

For qualifying US and Canadian resident ADR holders, the final dividend of 15.75p per ordinary share becomes 63.00p per ADS (representing four shares). The ADR depository will mail the dividend on 29th April 2005 to ADR holders on the record on 25th February 2005.

For qualifying Japanese shareholders, the final dividend of 15.75p per ordinary share will be distributed at the beginning of June to shareholders on the record on 25th February 2005.

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## BARCLAYS PLC

### Balance Sheet

#### Capital resources

	2004 GBPm
Shareholders' funds: equity	17,417
Minority interests: non-equity	690
Minority interests: equity	211
	18,318
Loan capital	12,277
	30,595

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Total capital resources increased in the year by GBP1,599m.

Shareholders' funds increased by GBP1,043m, reflecting profit retentions of GBP1,730m, net proceeds of share issues of GBP114m and gains arising from transactions with third parties which are reflected in the statement of recognised gains and losses of GBP13m; offset primarily by share repurchases of GBP699m, an increase in treasury shares of GBP53m and exchange rate losses of GBP58m.

Non-equity minority interests reflected the issue by Barclays Bank PLC of EUR1bn (GBP688m) of non-cumulative preference shares on 8th December 2004 and an additional GBP2m of profits attributable to these non-equity minority interests at the year-end.

Loan capital decreased by GBP62m reflecting raisings of GBP774m, more than offset by redemptions of GBP611m, exchange rate movements of GBP224m and amortisation of issue expenses of GBP1m.

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### BARCLAYS PLC

#### Capital ratios

Weighted risk assets and capital resources, as defined for supervisory purposes by the Financial Services Authority, comprise:

	2004	
	GBPm	
Weighted risk assets:		
Banking book		
on-balance sheet	148,621	1
off-balance sheet	26,741	
Associated undertakings and joint ventures	3,020	
	-----	
Total banking book	178,382	1
	-----	
Trading book		
Market risks	22,106	
Counterparty and settlement risks	18,113	
	-----	
Total trading book	40,219	
	-----	
Total weighted risk assets	218,601	1
	-----	
Capital resources:		
Tier 1		
Called up share capital	1,614	
Eligible reserves	15,670	
Minority interests - non-equity	688	
Minority interests - equity	575	
Reserve capital instruments <sup>1</sup>	1,627	

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Tier one notes <sup>1</sup>	920
Less: goodwill	(4,432)
	-----
Total qualifying tier 1 capital	16,662
	-----
Tier 2	
Revaluation reserves	25
General provisions	564
Qualifying subordinated liabilities <sup>2</sup>	
Undated loan capital	3,573
Dated loan capital	5,647
Other	2
	-----
Total qualifying tier 2 capital	9,811
	-----
Tier 3: short term subordinated liabilities <sup>2</sup>	286
	-----
Less: Supervisory deductions	
Investments not consolidated for Supervisory purposes <sup>3</sup>	(1,047)
Other deductions	(496)
	-----
	(1,543)
	-----
Total net capital resources	25,216
	-----
	%
Tier 1 ratio	7.6
Risk asset ratio	11.5

1 Reserve capital instruments (RCIs) and tier one notes (TONs) are included in the undated loan capital in the consolidated balance sheet.

2 Subordinated liabilities are included in tiers 2 or 3, subject to limits laid down in the supervisory requirements. Barclays retains significant capacity to raise additional capital within these limits.

3 Includes GBP610m (2003: GBP478m) of shareholders' interest in the retail life fund.

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BARCLAYS PLC

Capital ratios (continued)

Net capital resources grew by 4.1% (GBP1.0bn). Tier 1 capital rose by GBP1.7bn with retained profits of GBP1.7bn and the issue of GBP0.7bn of preference shares being offset by ordinary share repurchases of GBP0.7bn. Tier 2 capital fell by 3.0% (GBP0.3bn) and tier 3 capital remained broadly as reported at 31st December 2003. Supervisory deductions increased by GBP0.4bn.

The overall growth in weighted risk assets of GBP29.6bn comprised trading book weighted risk assets growth of 37.0% (GBP10.9bn) and banking book weighted risk assets growth of 11.7% (GBP18.7bn).

The risk asset ratio was 11.5% (2003: 12.8%). The tier 1 ratio was 7.6% (2003:

7.9%).

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## BARCLAYS PLC

## Economic Capital

Barclays assesses capital requirements by measuring the Group risk profile using both internally and externally developed models. The Group assigns economic capital primarily within seven risk categories: Credit Risk, Market Risk, Business Risk, Operational Risk, Insurance Risk, Fixed Assets and Private Equity.

The Group regularly enhances its economic capital methodology. During 2004, enhancements included improvements in the modelling of the time horizon, correlation of risks and risk concentrations. The developments in the methodology are consistent with the capital proposals within the Basel II accord.

Average economic capital by business is set out below:

	2004 GBPm
UK Banking	4,650
UK Retail Banking	2,200
UK Business Banking	2,450
Private Clients and International	1,400
Private Clients - ongoing business	300
- closed life assurance activities	100
International	1,000
Barclaycard	2,450
Barclays Capital	2,100
Barclays Global Investors	150
Head office functions and other operations <sup>1</sup>	200
Average business unit economic capital	10,950
Capital held at Group centre <sup>2</sup>	1,650
Average historical goodwill	5,600
Total average shareholders' funds	18,200

<sup>1</sup> Includes Transition Businesses and capital for central functional risks.

<sup>2</sup> The Group's practice is to maintain an appropriate level of excess capital, held at Group centre, which is not allocated to business units. This variance arises as a result of capital management timing and includes capital held to cover pension contribution risk.

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Total average shareholders' funds including unamortised goodwill rose by GBP1.2bn to GBP18.2bn during 2004.

UK Retail Banking economic capital allocation decreased GBP50m to GBP2.2bn with the impact of continued growth more than offset by the sale in 2003 of non-core assets that had previously been acquired with the Woolwich. UK Business Banking economic capital allocation decreased GBP50m to GBP2.45bn as a consequence of a general improvement in the credit quality of counterparties and improved risk assessment of complex transactions.

Private Clients ongoing business economic capital allocation increased GBP100m to GBP300m following the acquisition of Gerrard and growth of the business. International economic capital allocation increased by GBP200m to GBP1.0bn reflecting the inclusion of Banco Zaragozano for a full year and growth of the Spanish business.

Barclaycard economic capital allocation increased by GBP250m to GBP2.45bn due to growth in outstandings and the acquisition of Juniper.

Barclays Capital economic capital decreased by GBP50m to GBP2.1bn as a result of improved wholesale credit conditions during 2004, more than offsetting the increase in market risk capital driven by growth of the business.

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### BARCLAYS PLC

#### Economic Profit

Economic profit for 2004 was GBP1,885m (2003: GBP1,430m).

The reconciliation of economic profit to profit after tax and minority interests is shown below:

	2004 GBPm
Profit after tax and minority interests	3,268
Goodwill amortisation	299
Tax credit on goodwill	(11)
Goodwill relating to associated undertakings	7
Profit after tax and minority interests excluding goodwill amortisation	3,563
Gain/(loss) on disposal recognised in the statement of total recognised gains and losses	13
	3,576
Average shareholders' funds including average historical goodwill <sup>1</sup>	18,237
Post tax cost of equity	9.5%

Cost of average shareholders' funds including average historical

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goodwill2	(1,691)
Economic profit	1,885

- 1 The difference between the average shareholders' funds (excluding minority interests) and that reported above represents cumulative goodwill amortisation charged and goodwill previously written off to reserves.
- 2 The cost includes a charge for purchased goodwill of GBP490m (2003: GBP442m). A post-tax cost of equity of 8.5% has been used for goodwill associated with the acquisition of Woolwich plc. A post-tax cost of equity of 9.5% has been used for all other goodwill. The post tax cost of equity is unchanged for 2004.

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BARCLAYS PLC

Risk Tendency

As part of its credit risk measurement system, the Group uses a model-based methodology to assess the quality of the credit portfolios across different customer categories. The approach is termed Risk Tendency and applies to all performing credit exposures in both wholesale and retail sectors. Looking one year ahead, it provides a statistical estimate that is the average in the range of possible losses expected from the current performing portfolio. The actual outcome in any one year is likely to be different. Thus it is not a prediction of specific provisions but it gives management a clear view of the evolution of the quality of the credit portfolio.

	2004 GBPm
UK Banking	375
UK Retail Banking	150
UK Business Banking	225
Private Clients and International	70
Private Clients	5
International	65
Barclaycard	860
Barclays Capital	70
Transition Businesses	20
	1,395

Risk Tendency remained steady at GBP1,395m (2003: GBP1,390m).

Risk Tendency declined in the corporate and wholesale businesses during 2004 as the corporate and wholesale credit environments continued to improve and as

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potential problem loans declined significantly.

In Private Clients and International, Risk Tendency decreased GBP5m (7%) to GBP70m (2003: GBP75m) as the Group developed a better understanding of the risks in the Banco Zaragozano portfolio acquired in 2003.

Barclaycard Risk Tendency increased 11% to GBP860m (2003: GBP775m) due to growth in the portfolio and the acquisition of Juniper.

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### BARCLAYS PLC

#### ADDITIONAL INFORMATION

Group structure changes from 2003

From 1st January 2004, for reporting purposes, Barclays was organised into the business divisions outlined on pages 9 to 11. Results are also provided for Head office functions and other operations.

The structural changes in the Group's organisation announced on 14th December 2004 took effect from 1st January 2005. Under the reorganisation, the Private Clients and International businesses have been separated. David Roberts became Chief Executive, International Retail and Commercial Banking, responsible for Barclays retail and commercial banking businesses outside the UK. Robert E. Diamond Jr., Chief Executive of Barclays Capital and Chairman of Barclays Global Investors, assumed responsibility for the Private Clients businesses - International & Private Banking and Wealth Solutions.

Acquisitions and disposals

On 11th March 2004, Barclays purchased the remaining 40% minority share in Barclays Cairo Bank.

On 7th April 2004, Barclays completed the disposal of its shareholding in Edotech Limited to Astron, the business process outsourcing group.

On 1st December 2004, Barclays completed the acquisition of Juniper Financial Corporation from Canadian Imperial Bank of Commerce.

Accounting policies

A change in accounting policy arose from the adoption in 2004 of UITF Abstract 38 (UITF 38), 'Accounting for ESOP trusts'. UITF 38 requires Barclays PLC shares held in Employee Share Ownership Plans (ESOP) trusts to be accounted for as a deduction in arriving at shareholders' funds, rather than as assets. The balance sheet for December 2003 has been restated accordingly, and other assets and shareholders' funds have been reduced by GBP153m at 31st December 2004 (2003: GBP99m). There was no impact on the 2003 or 2004 profit and loss account.

There have been no other significant changes to the accounting policies as described in the 2003 Annual Report.

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BARCLAYS PLC

## ADDITIONAL INFORMATION

### Future UK accounting developments

During 2004, the Accounting Standards Board (ASB) issued seven new Financial Reporting Standards, FRS 20 to FRS 26, as part of its convergence programme between UK GAAP and International Financial Reporting Standards (IFRS). These new UK standards, which are not effective until 2005, will not impact the Group because of the conversion to IFRS in 2005, as discussed below.

In December 2004, the ASB issued FRS 27 'Life Assurance'. Following feedback received in response to the exposure draft issued in July 2004, the ASB has deferred implementation of the standard until 2005. However, in line with the Memorandum of Understanding entered into by the ASB, together with the Association of British Insurers and major insurers and bancassurers, Barclays plans to make additional voluntary disclosure in respect of its life assurance business in the 2004 Annual Report.

### Conversion to International Financial Reporting Standards in 2005

By Regulation the European Union (EU) has agreed that virtually all listed companies must use International Financial Reporting Standards (IFRS) adopted for use in the EU in the preparation of their 2005 consolidated accounts. Barclays will comply with this Regulation. The objective is to improve financial reporting and enhance transparency to assist the free flow of capital throughout the EU and to improve the efficiency of the capital markets.

The Group commenced a programme of work in 2002, initially identifying the differences between IFRS and existing UK standards based on the requirements then in force. This led to a programme of work led centrally, but involving all the businesses and functions, to change systems and processes and to provide training so as to ensure that the Group can meet the requirements fully in 2005. In addition, the programme is assisting the businesses and functions to consider and address the wider business impact of the change in reporting in the EU. This work is nearing completion. Conversion work, including reviewing the accuracy of the opening balances, will continue during 2005.

Although many of the uncertainties concerning whether and how the standards will be adopted for use in the EU have been resolved, some questions remain, particularly regarding the adoption of amendments to standards and to interpretations issued in the second half of 2004. In addition, how IFRS financial statements will be interpreted for tax and regulatory capital purposes remains subject to some uncertainty, with the regulatory capital requirements not expected to be finalised before April 2005 and the tax treatment of the first time adoption adjustments not determined until later. However, the programme is following normal project controls and change management and the Group believes it is on track to meet all requirements for financial reporting in 2005.

The restated 2004 IFRS results, excluding the impact of IAS 32 and IAS 39 on financial instruments and IFRS 4 on insurance contracts, and the opening 2005 IFRS balance sheet including these standards, will be issued in the second quarter of 2005. The first results on full IFRS basis will be the June 2005 half-year results.

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BARCLAYS PLC

## ADDITIONAL INFORMATION

### Changes in accounting presentation

The prior period presentation has, where appropriate, been restated to conform with current year classification, and the change in accounting policy discussed above.

### Share capital

The Group manages both its debt and equity capital actively. The Group will seek to renew its authority to buy back ordinary shares at the 2005 Annual General Meeting to provide additional flexibility in the management of the Group's capital resources.

### Group share schemes

The independent trustees of the Group's share schemes may make purchases of Barclays PLC ordinary shares in the market at any time or times following the announcement of the Group's results for the purposes of those schemes' current and future requirements. The total number of ordinary shares purchased would not be material in relation to the issued share capital of Barclays PLC.

### Recent developments

As announced on 23rd September 2004, Barclays is in discussion with Absa Group Limited ('Absa'), a leading South African bank, in connection with a possible partial offer for a majority stake in Absa. A due diligence exercise has been completed and Barclays has submitted an application to the South African banking regulators to approve the possible transaction. It is not known how long the approval process will take. The discussions may or may not lead to an offer being made.

On 20th January 2005 Barclays announced that it had made an offer to acquire the wealth business of ING Securities Bank (France), consisting of ING Ferri and ING Private Banking, subject to consultation with employee representative bodies and finalising terms. Subject to consultation, the acquisition is expected to complete by the end of the first half of this year.

On 3rd February 2005, Barclays announced its plans to consolidate its core general insurance business from two suppliers to one and that discussions are well advanced with Norwich Union to provide services across the home, motor and travel insurance portfolio. Barclays also announced that it has agreed in principle to purchase 90% of Gresham Insurance from Legal & General. Barclays currently owns the remaining 10%. At the same time negotiations are underway for the sale of Gresham Insurance to Norwich Union.

On 4th February 2005, Barclays announced it had signed an agreement with ForeningsSparbanken (also known as Swedbank) to form a joint venture to provide credit cards in the Nordic market, subject to confirmatory due diligence and regulatory approvals.

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BARCLAYS PLC

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NOTES

1. Loans and advances to banks

	2004
	GBPm
Banking business	
United Kingdom	21,351
Other European Union	1,189
United States	753
Rest of the World	1,699
	-----
	24,992
Less provisions	(6)
	-----
Trading business	24,986
	50,145
	-----
Total loans and advances to banks	75,131
	-----

Of the total loans and advances to banks, placings with banks were GBP66.7bn at 31st December 2004 (2003: GBP56.5bn). Placings with banks include reverse repos of GBP61.1bn (2003: GBP50.4bn). The majority of the placings have a residual maturity of less than one year.

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BARCLAYS PLC

2. Loans and advances to customers

	2004
	GBPm
Banking business - United Kingdom:	
Financial institutions	11,947
Agriculture, forestry and fishing	1,947
Manufacturing	6,282
Construction	2,476
Property	7,933
Energy and water	936
Wholesale and retail distribution and leisure	9,751
Transport	2,275
Postal and communication	454
Business and other services	14,281
Home loans <sup>1</sup>	64,481
Other personal	23,313
Overseas customers	7,612
Finance lease receivables	5,406
	-----
Total United Kingdom	159,094
	-----

Banking business - Overseas:

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Other European Union	20,393	
United States	7,984	
Rest of the World	5,176	
	33,553	
Total banking loans and advances to customers	192,647	1
Less provisions	(2,760)	
Less interest in suspense	(40)	
	189,847	1
Trading business	65,099	
	254,946	2

1 Excludes commercial property mortgages

Of the total loans and advances to customers, reverse repos were GBP58.3bn (2003: GBP50.0bn).

The geographic presentation above is based on the office recording the transaction.

The UK industry classifications have been prepared at the level of the borrowing entity. This means that a loan to the 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.

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### BARCLAYS PLC

#### 3. Provision balances for bad and doubtful debts

Movements in provisions for bad and doubtful debts	2004	
	GBPm	
Provisions at beginning of year	3,028	
Acquisitions and disposals	21	
Exchange and other adjustments	(34)	
Amounts written off (see below)	(1,595)	
Recoveries (see below)	255	
Provisions charged against profit (see below)	1,091	
	2,766	
Amounts written off		
United Kingdom	(1,411)	
Other European Union	(58)	

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United States	(71)
Rest of the World	(55)
	-----
Total amounts written off	(1,595)
	-----
Recoveries	
United Kingdom	220
Other European Union	8
United States	15
Rest of the World	12
	-----
Total recoveries	255
	-----
Provisions charged against profit	
New and increased specific provisions	
United Kingdom	1,571
Other European Union	82
United States	67
Rest of the World	47
	-----
	1,767
	-----
Releases of specific provisions	
United Kingdom	(153)
Other European Union	(17)
United States	(19)
Rest of the World	(22)
	-----
	(211)
	-----
Recoveries	(255)
	-----
Net specific provisions charge	1,301
General provision (release) / charge	(210)
	-----
Net charge to profit	1,091
	-----

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BARCLAYS PLC

3. Provision balances for bad and doubtful debts (continued)

Total provisions for bad and doubtful debts at end of year comprise:

	2004
Specific provisions	GBPm
United Kingdom	1,860
Other European Union	104

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United States	128
Rest of the World	110
	-----
Total specific provisions	2,202
General provisions	564
	-----
	2,766
	-----

The geographic analysis of provisions shown above is based on the location of the office recording the transaction.

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BARCLAYS PLC

4. Potential credit risk loans

The following table presents an analysis of potential credit risk loans (non-performing and potential problem loans). The geographical presentation is based on the location of the office recording the transaction, and the amounts are stated before deduction of the value of security held, specific provisions carried or interest suspended.

Potential credit risk loans	2004
Summary	GBPm
Non-accrual loans	2,115
Accruing loans where interest is being suspended with or without provisions	492
Other accruing loans against which provisions have been made	842
	-----
	3,449
Accruing loans 90 days overdue, against which no provisions have been made	521
Reduced rate loans	15
	-----
Total non-performing loans	3,985
Potential problem loans	756
	-----
Total potential credit risk loans	4,741
	-----
Geographical split	2004
Non-accrual loans:	GBPm
United Kingdom	1,583
Other European Union	194
United States	249
Rest of the World	89
	-----
Total	2,115
	-----

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Accruing loans where interest is being suspended with or without provisions:

United Kingdom	431
Other European Union	31
United States	-
Rest of the World	30
	-----
Total	492
	-----

Other accruing loans against which provisions have been made:

United Kingdom	764
Other European Union	27
United States	26
Rest of the World	25
	-----
Total	842
	-----

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### BARCLAYS PLC

#### 4. Potential credit risk loans (continued)

	2004
Accruing loans 90 days overdue, against which no provisions have been made:	GBPm

United Kingdom	484
Other European Union	34
United States	1
Rest of the World	2
	-----
Total	521
	-----

Reduced rate loans:

United Kingdom	2
Other European Union	-
United States	13
Rest of the World	-
	-----
Total	15
	-----

Total non-performing loans:

United Kingdom	3,264
Other European Union	286
United States	289
Rest of the World	146
	-----
Total	3,985
	-----

Potential problem loans:

United Kingdom	648
----------------	-----

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Other European Union	-
United States	27
Rest of the World	81
	-----
Total	756
	-----
Total potential credit risk loans:	
United Kingdom	3,912
Other European Union	286
United States	316
Rest of the World	227
	-----
Total	4,741
	-----
Provision coverage of non-performing loans <sup>1</sup> :	
	%
United Kingdom	72.4
Other European Union	55.6
United States	49.5
Rest of the World	95.9
	-----
Total	70.4
	-----
Provision coverage of total potential credit risk loans <sup>1</sup> :	
	%
United Kingdom	60.4
Other European Union	55.6
United States	45.3
Rest of the World	61.7
	-----
Total	59.2
	-----

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<sup>1</sup> The geographical coverage ratios include an allocation of general provisions.

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BARCLAYS PLC

5. Other assets

	2004
	GBPm
Balances arising from off-balance sheet financial instruments (see note 9)	18,174
Shareholders' interest in long term assurance fund	610
London Metal Exchange warrants and other metals trading positions	952
Sundry debtors	2,418
Prepayments and accrued income	5,078
	-----

27,232

## 6. Other liabilities

	2004 GBPm
Obligations under finance leases payable	353
Balances arising from off-balance sheet financial instruments (See note 9)	18,009
Short positions in securities	53,714
Current tax	584
Sundry creditors	3,905
Accruals and deferred income	6,582
Provisions for liabilities and charges	1,205
Dividend	1,011
	85,363

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## BARCLAYS PLC

## 7. Legal proceedings

Proceedings have been brought in the United States against a number of defendants including Barclays following the collapse of Enron. In each case the claims are against groups of defendants. Barclays considers that the claims against it are without merit and is defending them vigorously. A court ordered mediation commenced in September 2003 but no material progress has been made towards a resolution of the litigation. In addition, in respect of investigations relating to Enron, Barclays is continuing to provide information in response to enquiries by regulatory and governmental authorities in the U.S. and elsewhere including subpoenas from the U.S. Securities and Exchange Commission. It is not possible to estimate Barclays possible loss in relation to these matters, nor the effect that it might have upon operating results in any particular financial period.

Barclays is engaged in various other litigation proceedings both in the United Kingdom and a number of overseas jurisdictions, including the United States, involving claims by and against it, which arise in the ordinary course of business. Barclays does not expect the ultimate resolution of any of the proceedings to which Barclays is party to have a significant adverse effect on the financial position of the Group.

## 8. Contingent liabilities and commitments

Contingent liabilities	2004 GBPm
Acceptances and endorsements	303
Guarantees and assets pledged as collateral security	30,011
Other contingent liabilities	8,245
	-----

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	38,559
	-----
Commitments	
Standby facilities, credit lines and other commitments	134,051
	-----

Current year credit cards commitments have been calculated on a contractual basis rather than a modelled basis. Had this method been applied in 2003, reported commitments would have been increased by GBP5,899m to GBP120,746m.

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BARCLAYS PLC

9. Derivatives

The tables set out below analyse the contract or underlying principal amounts of derivative financial instruments held for trading purposes and for the purposes of managing the Group's structural exposures.

Foreign exchange derivatives	2004
Contract or underlying principal amount	GBPm
Forward foreign exchange	380,855
Currency swaps	274,568
Other exchange rate related contracts	169,471
	-----
	824,894
	-----
Interest rate derivatives	
Contract or underlying principal amount	
Interest rate swaps	5,412,935
Forward rate agreements	893,978
OTC options bought and sold	1,726,745
Other interest rate related contracts	3,267,233
	-----
	11,300,891
	-----
Credit derivatives	191,408
	-----
Equity, stock index and commodity derivatives	
Contract or underlying principal amount	321,035
	-----

Other exchange rate related contracts are primarily over the counter (OTC) options. Other interest rate related contracts are primarily exchange traded options, futures and swaps.

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## BARCLAYS PLC

### 9. Derivatives (continued)

Derivatives entered into as trading transactions, together with any associated hedging thereof, are measured at fair value and the resultant profits and losses are included in dealing profits. The tables below summarise the positive and negative fair values of such derivatives, including an adjustment for netting where the Group has the ability to insist on net settlement which is assured beyond doubt, based on a legal right that would survive the insolvency of the counterparty. The fair values as set out below provide a more relevant economic assessment of the financial exposure than the nominal amounts.

	2004
	GBPm
Positive fair values	
Foreign exchange derivatives	20,066
Interest rate derivatives	63,177
Credit derivatives	1,446
Equity, stock index and commodity derivatives	9,385
Effect of netting	(69,919)
Cash collateral meeting offset criteria	(5,981)
	18,174
Negative fair values	
Foreign exchange derivatives	21,476
Interest rate derivatives	60,600
Credit derivatives	1,217
Equity, stock index and commodity derivatives	10,030
Effect of netting	(69,919)
Cash collateral meeting offset criteria	(5,395)
	18,009

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## BARCLAYS PLC

### 10. Market risk

The Group's policy is that the market risks associated with the Group's business activities are clearly identified, assessed and controlled within agreed limits and that the market risks arising from trading activities are concentrated in Barclays Capital.

The Group uses a 'value at risk' measure as the primary mechanism for controlling market risk. Daily Value at Risk (DVaR) is an estimate of the potential loss which might arise from unfavourable market movements, if the current positions were to be held unchanged for one business day,

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measured to a confidence level of 98%. Daily losses exceeding the DVaR figure are likely to occur, on average, twice in every one hundred business days.

### Analysis of Barclays Capital's market risk exposures

Barclays Capital's market risk exposure, as measured by average total Daily Value at Risk (DVaR), increased in 2004. This was due mainly to interest rate opportunities taken in the first half of 2004 and an increase in credit spread positions. The latter increase was primarily the result of growing client flows in corporate bonds and credit derivatives. The increase in total DVaR is consistent with Barclays Capital's business expansion.

#### DVaR

	Twelve months to 31st December 2004		
	Average GBPm	High <sup>1</sup> GBPm	Low <sup>1</sup> GBPm
Interest rate risk	25.0	53.6	15.1
Credit spread risk	22.6	32.9	16.0
Foreign exchange risk	2.4	7.4	0.9
Equities risk	4.2	7.9	2.2
Commodities risk	6.0	14.4	2.2
Diversification effect	(25.9)	n/a	n/a
Total DVaR <sup>2</sup>	34.3	46.8	24.0

	Twelve months to 31st December 2003		
	Average GBPm	High <sup>1</sup> GBPm	Low <sup>1</sup> GBPm
Interest rate risk	21.0	34.1	13.6
Credit spread risk	16.2	29.2	8.9
Foreign exchange risk	2.3	5.0	1.0
Equities risk	2.6	4.9	1.5
Commodities risk	4.4	7.0	2.2
Diversification effect	(20.6)	n/a	n/a
Total DVaR <sup>2</sup>	25.9	38.6	17.6

1 The high (and low) DVaR figures reported for each category did not necessarily occur on the same day as the high (and low) DVaR reported as a whole. Consequently a diversification effect number for the high (and low) DVaR figures would not be meaningful and it is therefore omitted from the above table.

2 The year-end Total DVaR for 2004 was GBP31.9m (2003: GBP37.2m).

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## BARCLAYS PLC

### CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' FUNDS

	2004 GBPm
At beginning of year	16,374
Proceeds of shares issued (net of expenses)	114
Exchange rate translation differences	(58)
Repurchase of ordinary shares	(699)
Shares issued to the 2003 QUEST in relation to share option schemes for staff	(1)
Gain/(loss) arising from transactions with third parties	13
ESOP trust shares allocated to staff	(3)
Increase in Treasury shares and ESOP Shares	(53)
Profit retained	1,730
	-----
At end of year	17,417
	-----

Included in shareholders' funds is share capital comprising 6,454m (2003: 6,563m) ordinary shares of 25p each and 1m (2003:1m) staff shares of GBP1 each.

### STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	2004 GBPm
Profit attributable to the members of Barclays PLC	3,268
Exchange rate translation differences	(33)
Gain/(loss) arising from transactions with third parties	13
Joint ventures and associated undertakings	(30)
Other items	5
	-----
Total gains and losses recognised in the period	3,223
	-----

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## BARCLAYS PLC

### SUMMARY CONSOLIDATED CASH FLOW STATEMENT

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	2004
	GBPm
Net cash inflow/(outflow) from operating activities	6,089
Dividends received from joint ventures and associated undertakings	15
Net cash outflow from returns on investment and servicing of finance	(671)
Tax paid	(690)
Net cash (outflow)/inflow from capital expenditure and financial investment	(6,764)
Net cash outflow from acquisitions and disposals	(185)
Equity dividend paid	(1,406)
	-----
Net cash outflow before financing	(3,612)
Net cash inflow from financing	4,420
	-----
Increase/(decrease) in cash	808
	-----

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BARCLAYS PLC

OTHER INFORMATION

Financial Summary	2004	2003	2002
	GBPm	GBPm	GBPm
Profit before tax	4,603	3,845	3,205
Profit after tax	3,314	2,769	2,250
Total capital resources	30,595	28,996	26,839
	p	p	p
Earnings per ordinary share	51.2	42.3	33.7
Fully diluted earnings per share issue	51.0	42.1	33.4
Dividends per ordinary share	24.0	20.5	18.35
Net asset value per ordinary share	270	250	230
Dividend payout ratio (%)	46.9	48.5	54.5
Capital ratios:	%	%	%
Tier 1 ratio	7.6	7.9	8.2
Risk asset ratio	11.5	12.8	12.8
Performance ratios			
Return on average shareholders' funds:	%	%	%
Pre-tax	26.7	23.6	21.0
Post-tax	19.2	17.0	14.7
Return on average total assets:			
Pre-tax	0.7	0.8	0.7
Post-tax	0.5	0.6	0.5

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Return on average weighted risk assets:

Pre-tax	2.2	2.1	1.9
Post-tax	1.6	1.5	1.4
Non interest income/total income:	50.9	46.8	45.2
Operating expenses/total income:	59.9	58.4	58.5

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BARCLAYS PLC

OTHER INFORMATION

CONSOLIDATED PROFIT AND LOSS ACCOUNT

	31.12.04	30.06.04	Half-year
	GBPm	GBPm	31
Interest receivable	7,202	6,463	
Interest payable	(3,701)	(3,122)	
Net interest income	3,501	3,341	
Net fees and commissions receivable	2,588	2,378	
Dealing profits	687	806	
Other operating income	317	327	
Total non-interest income	3,592	3,511	
Operating income	7,093	6,852	
Administration expenses - staff costs	(2,601)	(2,397)	
Administration expenses - other	(1,532)	(1,226)	
Depreciation	(155)	(140)	
Goodwill amortisation	(151)	(148)	
Operating expenses	(4,439)	(3,911)	
Operating profit before provisions	2,654	2,941	
Provisions for bad and doubtful debts	(502)	(589)	
Provisions for contingent liabilities and commitments	(2)	-	
Operating profit	2,150	2,352	
Profit from joint ventures and associated undertakings	42	14	
Exceptional items	-	45	
Profit on ordinary activities before tax	2,192	2,411	
Tax on profit on ordinary activities	(614)	(675)	
Profit on ordinary activities after tax	1,578	1,736	

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Minority interests (including non-equity interests)	(26)	(20)
<hr style="border-top: 1px dashed black;"/>		
Profit for the period attributable to the members of Barclays PLC	1,552	1,716
Dividends	(1,010)	(528)
<hr style="border-top: 1px dashed black;"/>		
Profit retained for the financial period	542	1,188
<hr style="border-top: 1px dashed black;"/>		
Earnings per ordinary share	24.5p	26.7p
Dividends per ordinary share:		
Interim	-	8.25p
Final	15.75p	-

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### BARCLAYS BANK PLC

BARCLAYS BANK PLC IS A WHOLLY OWNED SUBSIDIARY OF BARCLAYS PLC

#### CONSOLIDATED PROFIT AND LOSS ACCOUNT

The Directors report the following results of the Barclays Bank PLC Group for the year ended 31st December 2004:

	2004	GBPm
Interest receivable:		
Interest receivable and similar income arising from debt securities	2,414	
Other interest receivable and similar income	11,251	
	<hr style="border-top: 1px dashed black;"/>	13,665
Interest payable	(6,823)	
	<hr style="border-top: 1px dashed black;"/>	6,842
Net interest income	6,842	
Fees and commissions receivable	5,672	
Less: fees and commissions payable	(706)	
Dealing profits	1,493	
Other operating income	653	
	<hr style="border-top: 1px dashed black;"/>	13,954
Operating income	13,954	
	<hr style="border-top: 1px dashed black;"/>	(4,998)
Administrative expenses - staff costs	(4,998)	
Administrative expenses - other	(2,758)	
Depreciation	(295)	
Goodwill amortisation	(299)	
	<hr style="border-top: 1px dashed black;"/>	(8,350)
Operating expenses	(8,350)	
	<hr style="border-top: 1px dashed black;"/>	5,604
Operating profit before provisions	5,604	

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Provisions for bad and doubtful debts	(1,091)
Provisions for contingent liabilities and commitments	(2)
	-----
Provisions	(1,093)
	-----
Operating profit	4,511
(Loss)/profit from joint ventures	(3)
Profit from associated undertakings	59
Profit on disposal/termination of businesses	45
	-----
Profit on ordinary activities before tax	4,612
Tax on profit on ordinary activities	(1,289)
	-----
Profit on ordinary activities after tax	3,323
Minority interests - equity	(44)
	-----
Profit attributable to shareholders	3,279
Profit attributable to non - equity shareholders	(2)
Dividends payable to Barclays PLC	(2,247)
	-----
Profit retained for the financial year	1,030
	-----

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BARCLAYS BANK PLC

CONSOLIDATED BALANCE SHEET

	2004	
	GBPm	
Assets:		
Cash and balances at central banks	1,753	
Items in course of collection from other banks	1,772	
Treasury bills and other eligible bills	6,658	
	-----	
Loans and advances to banks - banking	24,986	
- trading	50,145	
	-----	
	75,131	
	-----	
Loans and advances to customers - banking	189,847	1
- trading	65,099	
	-----	
	254,946	2
Debt securities	127,428	
Equity shares	12,177	
	-----	
Interests in joint ventures - share of gross assets	147	
- share of gross liabilities	(119)	
	-----	
	28	
Interests in associated undertakings	381	
Intangible fixed assets	4,295	
Tangible fixed assets	1,921	

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Other assets	22,307	
Prepayments and accrued income	5,078	
	513,875	4
Retail life-fund assets attributable to policyholders	8,378	
Total assets	522,253	4

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BARCLAYS BANK PLC  
CONSOLIDATED BALANCE SHEET

	2004	
	GBPm	
Liabilities:		
Deposits by banks - banking	74,211	
- trading	36,813	
	111,024	
Customer accounts - banking	171,963	
- trading	45,755	
	217,718	
Debt securities in issue	67,806	
Items in course of collection due to other banks	1,205	
Other liabilities	76,550	
Balances due to Barclays PLC	49	
Accruals and deferred income	6,582	
Provisions for liabilities and charges - deferred tax	738	
Provisions for liabilities and charges - other	467	
Dividend payable to Barclays PLC	977	
Subordinated liabilities:		
Undated loan capital - non-convertible	6,149	
Dated loan capital - convertible to preference shares	15	
Dated loan capital - non-convertible	6,113	
	495,393	
Shareholders' funds and minority interests		
Called up share capital	2,316	
Share premium account	6,531	
Revaluation reserve	24	
Profit and loss account	9,400	
	18,271	
Shareholders' funds - equity	17,581	
- non-equity	690	

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Minority interests - equity	211
	18,482
	513,875
Retail life-fund liabilities to policyholders	8,378
	522,253
Memorandum items	
Contingent liabilities:	
Acceptances and endorsements	303
Guarantees and assets pledged as collateral security	30,011
Other contingent liabilities	8,245
	38,559
	134,051
Commitments - standby facilities, credit lines and other	134,051

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### BARCLAYS BANK PLC

#### NOTES

1. Authorised share capital

Ordinary shares

The authorised ordinary share capital of Barclays Bank PLC, at 31st December 2004, was 3,000million (2003: 3,000million) ordinary shares of GBP1 each.

Preference shares

The authorised preference share capital of Barclays Bank PLC, at 31st December 2004, was 1,000 (2003: nil) preference shares of GBP1 each, 150million (2003: 150million) preference shares of US\$0.01 each and 400,000 (2003: nil) preference shares of EUR100 each.

2. Issued share capital

Ordinary shares

The issued ordinary share capital of Barclays Bank PLC, at 31st December 2004 comprised 2,309million (2003: 2,302million) ordinary shares of GBP1 each.

The whole of the issued ordinary share capital of Barclays Bank PLC is beneficially owned by Barclays PLC.

Preference shares

The issued preference share capital of Barclays Bank PLC, at 31 December 2004 comprised 1,000 (2003: nil) preference shares of GBP1 each and 100,000 (2003: nil) preference shares of EUR100 each. The sterling preference shares were issued on 31st December 2004 at nil premium. The euro preference shares were issued on 8th December 2004 for a consideration of EUR993.6million or (GBP688.4million), of which the nominal value was EUR10million and the balance was share premium.

3. Staff numbers

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On a full time equivalent basis the total permanent and contract staff was 78,400 (2003: 74,800). Additionally, temporary and agency staff totalled 4,300 (2003: 4,100).

4. Conversion to International Financial Reporting Standards in 2005  
By Regulation, the European Union (EU) has agreed that virtually all listed companies must use International Financial Reporting Standards (IFRS) adopted for use in the EU in the preparation of their 2005 consolidated accounts. Barclays Bank PLC will comply with this Regulation, as part of a Groupwide implementation programme, details of which are discussed in the Results Announcement for Barclays PLC. The Group believes it is on track to meet all requirements for financial reporting in 2005.
5. Commitments  
Current year credit card commitments have been calculated on a contractual basis rather than a modelled basis. Had this method been applied in 2003, reported commitments would have been increased by GBP5,899million to GBP120,746million.