BARCLAYS PLC
Form 6-K
September 20, 2006
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER

PURSUANT TO RULE 13A-16 OR 15D-16

UNDER THE SECURITIES EXCHANGE ACT OF 1934

20 September 2006

Barclays PLC and

Barclays Bank PLC

(Names of Registrants)

1 Churchill Place

London E14 5HP

England

(Address of principal executive offices)

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

Form 20-F x Form 40-F ¨

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes ¨ No x

If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b):

THIS REPORT ON FORM 6-K SHALL BE DEEMED TO BE INCORPORATED BY REFERENCE IN THE REGISTRATION STATEMENTS ON FORM F-3 (NOS.333-126811, 333-85646 AND 333-12384) OF BARCLAYS BANK PLC AND TO BE A PART THEREOF FROM THE DATE ON WHICH THIS REPORT IS FURNISHED, TO THE EXTENT NOT SUPERSEDED BY DOCUMENTS OR REPORTS SUBSEQUENTLY FILED OR FURNISHED AND SHALL BE DEEMED TO SUPERCEED THE REPORT ON FORM 6-K DATED AUGUST 3, 2006 WHICH WAS INCORPORATED BY REFERENCE IN THE REGISTRATION STATEMENT.

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

The Report comprises:

The interim unaudited results of Barclays PLC and Barclays Bank PLC as of, and for the six months ended, 30th June 2006 and certain supplemental US GAAP information.

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SIGNATURES

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

	BARCLAYS PLC (Registrant)
Date: September 20, 2006	By: /s/ Marie Smith Name: Marie Smith Title: Assistant Secretary
	BARCLAYS BANK PLC (Registrant)
Date: September 20, 2006	By: /s/ Marie Smith Name: Marie Smith Title: Assistant Secretary

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BARCLAYS PLC AND BARCLAYS BANK PLC

This document includes portions from the previously published results announcement of Barclays PLC for the six months ended June 30, 2006, 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, and also includes the reconciliation to US generally accepted accounting principles (US GAAP) or certain financial information prepared in accordance with international financial reporting standards (IFRS). In addition, this document includes data (including a reconciliation to US GAAP) relating to Barclays Bank PLC, the wholly owned subsidiary of Barclays PLC. This document 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-IFRS measures are reported. Barclays management believes that these non-IFRS measures provide valuable information to readers of its financial statements because they enable the reader to focus more directly on the underlying day-to-day performance of its businesses and provide more detail concerning the elements of performance which the managers of these businesses are most directly able to influence. They also reflect an important aspect of the way in which operating targets are defined and performance is monitored by Barclays management.

An audit or review opinion has not been rendered on this announcement.

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BARCLAYS PLC AND BARCLAYS BANK PLC

INTERIM ANNOUNCEMENT OF RESULTS FOR 2006

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

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The information in this announcement, which was approved by the Board of Directors on 2nd August 2006, does not comprise statutory accounts within the meaning of Section 240 of the Companies Act 1985 (the Act). Statutory accounts for the year ended 31st December 2005, which included 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) and which contained an unqualified audit report under Section 235 of the Act and which did not make any statements under Section 237 of the Act, have been delivered to the Registrar of Companies in accordance with Section 242 of the Act.

Unless otherwise stated, the information in this announcement reflects the changes in Barclays group structure and reporting, and the revisions to the Group s policy for the internal cost of funding and the segmental disclosure of risk weighted assets, which were announced on 16th June 2006. For a fuller discussion of the changes, please refer to the Group reporting changes in 2006 announcement released on 16th June 2006. Details of these changes are also set out on page 56.

Unless otherwise stated, the information set out in this announcement relates to the six months to 30th June 2006 and is compared to the corresponding six months of 2005.

Forward-looking statements

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

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

Absa Definitions

Absa Group Limited refers to the South African company listed on the Johannesburg Stock Exchange in which Barclays owns a controlling stake.

Absa refers to the total results for Absa Group Limited consolidated into the results of Barclays PLC, translated into Sterling with adjustments for amortisation of intangible assets, certain head office adjustments, transfer pricing and minority interests.

International Retail and Commercial Banking -Absa is the portion of Absa s results that is reported by Barclays within the International Retail and Commercial Banking business.

Absa Capital is the portion of Absa s results that is reported by Barclays within the Barclays Capital business.

Absa Cards is the portion of Absa s results that is reported by Barclays within the International Retail and Commercial Banking business. Absa Card provides card acceptance, electronic payment and financial solutions in selected markets.

Glossary of terms

The Cost:income ratio is defined as operating expenses compared to total income net of insurance claims.

The Cost:net income ratio is defined as operating expenses compared to total income net of insurance claims less impairment charges.

Income refers to total income net of insurance claims, unless otherwise specified.

Profit refers to profit before tax unless otherwise specified.

BARCLAYS PLC INTERIM RESULTS ANNOUNCEMENT

Extracts from the Interim Results Announcement of Barclays PLC, published on 3rd August 2006, are provided on pages 2 to 78.

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BARCLAYS PLC

RESULTS FOR THE SIX MONTHS TO 30TH JUNE 2006 (UNAUDITED)

		Half-year ended	
	30.06.06 £m	30.06.05 £m	% Change
Group Results			
Total income net of insurance claims	**10,969**	7,922	38
Impairment charges	**(1,057)**	(706)	50
Operating expenses	**(6,269)**	(4,542)	38
Profit before tax	**3,673**	2,690	37
Profit attributable to minority interests	**(294)**	(134)	119
Profit attributable to equity holders of the parent	**2,307**	1,841	25
Earnings per share	**36.3p**	29.1p	25
Dividend per share	**10.5p**	9.2p	14
Post-tax return on average shareholders equity	**25.8%**	23.4%	

	£m	£m	% Change
Summary of divisional profit before tax[1]			
UK Banking	**1,265**	1,138	11
UK Retail Banking	**612**	548	12
UK Business Banking	**653**	590	11
Barclaycard	**297**	346	(14)
International Retail and Commercial Banking (IRCB)	**539**	174	210
IRCB - ex Absa	**222**	174	28
IRCB - Absa	**317**		
Barclays Capital	**1,246**	750	66
Barclays Global Investors	**364**	241	51
Wealth Management	**110**	84	31

1 Summary excludes Wealth Management - closed life assurance activities and Head office functions and other operations. Full analysis of business profit before tax is on page 12.

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BARCLAYS PLC

FINANCIAL HIGHLIGHTS (UNAUDITED)

	Half-year ended		
	30.06.06 £m	31.12.05 £m	30.06.05 £m
RESULTS			
Net interest income	**4,404**	4,375	3,700
Net fee and commission income	**3,652**	3,165	2,540
Principal transactions[1]	**2,575**	1,630	1,549
Net premiums from insurance contracts	**510**	501	371
Other income	**61**	98	49
Total income	**11,202**	9,769	8,209
Net claims and benefits paid on insurance contracts	**(233)**	(358)	(287)
Total income net of insurance claims	**10,969**	9,411	7,922
Impairment charges	**(1,057)**	(865)	(706)
Net income	**9,912**	8,546	7,216
Operating expenses	**(6,269)**	(5,985)	(4,542)
Share of post-tax results of associates and joint ventures	**30**	29	16
Profit before tax	**3,673**	2,590	2,690
Profit attributable to equity holders of the parent	**2,307**	1,606	1,841
PER ORDINARY SHARE	**p**	p	p
Earnings	**36.3**	25.4	29.1
Diluted earnings	**35.1**	24.3	28.4
Dividend	**10.5**	17.4	9.2
Net asset value	**276**	269	249
PERFORMANCE RATIOS	**%**	%	%
Post-tax return on average shareholders equity	**25.8**	26.4	23.4
Cost:income ratio	**57**	64	57
Cost:net income ratio	**63**	70	63

	As at		
	30.06.06 £m	31.12.05 £m	30.06.05 £m
BALANCE SHEET			
Shareholders equity excluding minority interests	**17,988**	17,426	16,099
Minority interests	**7,551**	7,004	5,686
Total shareholders equity	**25,539**	24,430	21,785
Subordinated liabilities	**13,629**	12,463	11,309
Total capital resources	**39,168**	36,893	33,094
Total assets	**986,124**	924,357	850,123
Risk weighted assets	**290,924**	269,148	242,406
CAPITAL RATIOS	**%**	%	%

Tier 1 ratio	**7.2**	7.0	7.6
Risk asset ratio	**11.6**	11.3	12.1

[1] Principal transactions comprise net trading income and net investment income.

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BARCLAYS PLC

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BARCLAYS PLC

CONSOLIDATED INCOME STATEMENT (UNAUDITED)

	Half-year ended		
	30.06.06	**31.12.05**	**30.06.05**
	£m	**£m**	**£m**
Continuing operations			
Interest income	**10,544**	9,584	7,648
Interest expense	**(6,140)**	(5,209)	(3,948)
Net interest income	**4,404**	4,375	3,700
Fee and commission income	**4,077**	3,558	2,872
Fee and commission expense	**(425)**	(393)	(332)
Net fee and commission income	**3,652**	3,165	2,540
Net trading income	**2,201**	1,145	1,176
Net investment income	**374**	485	373
Principal transactions	**2,575**	1,630	1,549
Net premiums from insurance contracts	**510**	501	371
Other income	**61**	98	49
Total income	**11,202**	9,769	8,209
Net claims and benefits paid on insurance contracts	**(233)**	(358)	(287)
Total income net of insurance claims	**10,969**	9,411	7,922
Impairment charges	**(1,057)**	(865)	(706)
Net income	**9,912**	8,546	7,216
Operating expenses excluding amortisation of intangible assets	**(6,206)**	(5,923)	(4,525)
Amortisation of intangible assets	**(63)**	(62)	(17)
Operating expenses	**(6,269)**	(5,985)	(4,542)
Share of post-tax results of associates and joint ventures	**30**	29	16
Profit before tax	**3,673**	2,590	2,690
Tax	**(1,072)**	(724)	(715)
Profit for the period	**2,601**	1,866	1,975
Profit attributable to minority interests	**294**	260	134
Profit attributable to equity holders of the parent	**2,307**	1,606	1,841
	2,601	1,866	1,975
	p	p	p
Basic earnings per ordinary share	**36.3**	25.4	29.1
Diluted earnings per ordinary share	**35.1**	24.3	28.4
Dividends per ordinary share:			
Interim dividend	**10.5**		9.2
Final dividend		17.4	
Dividend	**£ 667m**	£ 1,105m	£ 582m

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CONSOLIDATED BALANCE SHEET (UNAUDITED)

		As at	
	30.06.06	**31.12.05**	**30.06.05**
	£m	**£m**	**£m**
Assets			
Cash and balances at central banks	**6,777**	3,906	4,106
Items in the course of collection from other banks	**2,600**	1,901	2,208
Trading portfolio assets	**181,857**	155,723	134,235
Financial assets designated at fair value:			
- held on own account	**18,833**	12,904	9,747
- held in respect of linked liabilities to customers under investment contracts	**79,334**	83,193	69,792
Derivative financial instruments	**136,901**	136,823	133,932
Loans and advances to banks	**35,330**	31,105	35,225
Loans and advances to customers	**282,097**	268,896	237,123
Available for sale financial investments	**53,716**	53,497	61,143
Reverse repurchase agreements and cash collateral on securities borrowed	**171,869**	160,398	149,400
Other assets	**5,866**	4,734	3,598
Investments in associates and joint ventures	**560**	546	438
Goodwill	**5,968**	6,022	4,590
Intangible assets	**1,125**	1,269	120
Property plant and equipment	**2,515**	2,754	2,407
Deferred tax assets	**776**	686	2,059
Total assets	**986,124**	924,357	850,123

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BARCLAYS PLC

CONSOLIDATED BALANCE SHEET (UNAUDITED)

	30.06.06 £m	As at 31.12.05 £m	30.06.05 £m
Liabilities			
Deposits from banks	**86,221**	75,127	84,538
Items in the course of collection due to other banks	**2,700**	2,341	2,809
Customer accounts	**253,200**	238,684	217,715
Trading portfolio liabilities	**74,719**	71,564	65,598
Financial liabilities designated at fair value	**43,594**	33,385	8,231
Liabilities to customers under investment contracts	**81,380**	85,201	71,608
Derivative financial instruments	**138,982**	137,971	132,784
Debt securities in issue	**102,198**	103,328	93,328
Repurchase agreements and cash collateral on securities lent	**146,165**	121,178	122,076
Other liabilities	**10,767**	11,131	9,649
Current tax liabilities	**592**	747	786
Insurance contract liabilities, including unit-linked liabilities	**3,558**	3,767	3,589
Subordinated liabilities	**13,629**	12,463	11,309
Deferred tax liabilities	**430**	700	1,891
Other provisions for liabilities	**474**	517	386
Retirement benefit liabilities	**1,976**	1,823	2,041
Total liabilities	**960,585**	899,927	828,338
Shareholders equity			
Called up share capital	**1,628**	1,623	1,616
Share premium account	**5,720**	5,650	5,554
Other reserves	**587**	1,377	1,593
Retained earnings	**10,279**	8,957	7,575
Less: treasury shares	**(226)**	(181)	(239)
Shareholders equity excluding minority interests	**17,988**	17,426	16,099
Minority interests	**7,551**	7,004	5,686
Total shareholders equity	**25,539**	24,430	21,785
Total liabilities and shareholders equity	**986,124**	924,357	850,123

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BARCLAYS PLC

FINANCIAL REVIEW

Results by business

The following section analyses the Group s performance by business. For management and reporting purposes, Barclays is organised into the following business groupings:

UK Banking, comprising
- UK Retail Banking

- UK Business Banking

Barclaycard

International Retail and Commercial Banking, comprising
- International Retail and Commercial Banking - excluding Absa

- International Retail and Commercial Banking - Absa, included with effect from 27th July 2005

Barclays Capital

Barclays Global Investors

Wealth Management

Wealth Management - closed life assurance activities

Head office functions and other operations.

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, Local Business (formerly Small Business), UK Premier and Home Finance (formerly Mortgages). This cluster of businesses aims to build broader and deeper relationships with both existing and new customers. Personal Customers and Home Finance provide a wide range of products and services to retail customers, including current accounts, savings and investment products, mortgages and general insurance. Local Business provides banking services to small businesses with an annual turnover up to £1m. UK Premier provides banking, investment products and advice to affluent customers.

UK Business Banking

UK Business Banking provides relationship banking to Barclays 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. UK Business Banking provides asset financing and leasing solutions through a specialist business.

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FINANCIAL REVIEW

Barclaycard

Barclaycard is a multi-brand credit card and consumer lending business. It is one of Europe s leading credit card businesses and has an increasing international presence.

In the UK, Barclaycard includes Barclaycard branded credit cards, Barclays branded loans, FirstPlus secured lending, Monument cards, SkyCard and the retail finance business Clydesdale Financial Services. Barclaycard also manages card operations on behalf of Solution Personal Finance.

Outside the UK, Barclaycard provides credit cards in the United States, Germany, Spain, Italy, Portugal and a number of other countries. In the Nordic region, Barclaycard operates through Entercard, a joint venture with FöreningsSparbanken (Swedbank). Barclaycard has successfully launched the Manchester United affinity credit card in 11 countries across Asia Pacific, Africa, Europe and in the United States.

Barclaycard Business processes card payments for retailers and merchants and issues credit and charge cards to corporate customers and the UK government.

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

Barclaycard profit before tax of £297m is currently determined in accordance with IAS 14 (Segmental Reporting) which requires business segments to be determined based on groups of related products that are subject to risks and returns that are different from those of other business segments.

SFAS 131 (Disclosures about segments of an enterprise and related information), defines reportable segments based on groupings of products that are reported to the chief operating decision makers.

Barclaycard management consider the results of Absa Card within internally reported segment information. On this basis, Absa Card would be reported within Barclaycard under SFAS 131 and its profit before tax would increase by £32m (2005: nil) on an IFRS basis with IRCB Absa profit before tax decreasing by the same amount.

International Retail and Commercial Banking

International Retail and Commercial Banking provides Barclays international personal and corporate customers with banking services. The products and services offered to customers are tailored to meet the regulatory and commercial environments within each country. For reporting purposes from 2005, the operations have been grouped into two components: International Retail and Commercial Banking - excluding Absa and International Retail and Commercial Banking - Absa.

As announced on 29th June 2006, Barclays has now entered into a definitive agreement with Canadian Imperial Bank of Commerce for the sale of its 43.7% shareholding in FirstCaribbean International Bank Limited, which is expected to complete by the end of 2006.

International Retail and Commercial Banking works closely with all other parts of the Group to leverage synergies from product and service propositions.

International Retail and Commercial Banking - excluding Absa

International Retail and Commercial Banking - excluding Absa provides a range of banking services, including current accounts, savings, investments, mortgages and loans to personal and corporate customers across Spain, Portugal, France, Italy, the Caribbean, Africa and the Middle East.

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FINANCIAL REVIEW

International Retail and Commercial Banking - Absa

International Retail and Commercial Banking - Absa represents Barclays consolidation of Absa, excluding Absa Capital which is included as part of Barclays Capital. Absa Group Limited is one of South Africa s largest financial services organisations serving personal, commercial and corporate customers predominantly in South Africa. International Retail and Commercial Banking - Absa serves retail customers through a variety of distribution channels and offers a full range of banking services, including basic bank accounts, mortgages, instalment finance, credit cards, bancassurance products and wealth management services; it also offers customised business solutions for commercial and large corporate customers.

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.

Barclays Capital services a wide variety of client needs, from capital raising and managing foreign exchange, interest rate, equity and commodity risks, through to providing technical advice and expertise. Activities are organised into three principal areas: Rates, which includes fixed income, foreign exchange, commodities, emerging markets, money markets, sales, trading and research, prime services and equity products; Credit, which includes primary and secondary activities for loans and bonds for investment grade, high yield and emerging market credit, as well as hybrid capital products, asset based finance, commercial mortgage backed securities, credit derivatives, structured capital markets and large asset leasing; and Private Equity. Barclays Capital includes Absa Capital, the investment banking business of Absa.

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 leader in assets and products in the exchange traded funds business, with over 150 funds for institutions and individuals trading in thirteen markets globally. BGI s investment philosophy focuses on the three dimensions of performance; return, risk and cost, offering clients total performance management.

Wealth Management

Wealth Management serves affluent, high net worth and intermediary clients worldwide, providing private banking, asset management, stockbroking, offshore banking, wealth structuring and financial planning services.

Wealth Management works closely with all other parts of the Group to leverage synergies from client relationships and product capabilities.

Wealth Management - closed life assurance activities

Wealth Management - closed life assurance activities comprise the closed life assurance businesses of Barclays and Woolwich in the UK.

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FINANCIAL REVIEW

Head office functions and other operations

Head office functions and other operations comprise:

- Head office and central support functions
- Businesses in transition
- Consolidation adjustments.

Head office and central support functions comprise the following areas: Executive Management, Finance, Treasury, Corporate Affairs, Human Resources, Strategy and Planning, Internal Audit, Legal, Corporate Secretariat, Property, Tax, Compliance and Risk. Costs incurred wholly on behalf of the businesses are recharged to them.

Businesses in transition principally relate to certain lending portfolios that are centrally managed with the objective of maximising recovery from the assets.

Consolidation adjustments largely reflect the elimination of inter-segment transactions.

Group reporting changes in 2006 (see page 56)

Barclays announced on 16th June 2006 the impact of certain changes in Group structure and reporting on the 2005 and 2004 results.

Barclays has realigned a number of reportable business segments based on the reorganisation of certain portfolios to better reflect the type of client served, the nature of the products offered and the associated risks and rewards. The Group s policy for the internal cost of funding and the segmental disclosure of risk weighted assets were also revised with effect from 1st January 2006. The resulting restatements had no impact on the Group Income Statement or Balance Sheet.

The figures in this document for the six months ended 30th June 2006 and the comparatives for the prior periods reflect the new structure.

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BARCLAYS PLC

SUMMARY OF RESULTS (UNAUDITED)

Analysis of profit attributable to equity holders of the parent

		Half-year ended	
	30.06.06	31.12.05	30.06.05
	£m	£m	£m
UK Banking	**1,265**	1,062	1,138
UK Retail Banking	**612**	492	548
UK Business Banking	**653**	570	590
Barclaycard	**297**	294	346
International Retail and Commercial Banking	**539**	459	174
International Retail and Commercial Banking - ex Absa	**222**	161	174
International Retail and Commercial Banking - Absa	**317**	298	
Barclays Capital	**1,246**	681	750
Barclays Global Investors	**364**	299	241
Wealth Management	**110**	82	84
Wealth Management - closed life assurance activities	**9**	(4)	(3)
Head office functions and other operations	**(157)**	(283)	(40)
Profit before tax	**3,673**	2,590	2,690
Tax	**(1,072)**	(724)	(715)
Profit for the period	**2,601**	1,866	1,975
Profit attributable to minority interests	**(294)**	(260)	(134)
Profit attributable to equity holders of the parent	**2,307**	1,606	1,841

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TOTAL ASSETS AND RISK WEIGHTED ASSETS

Total assets

	30.06.06 £m	As at 31.12.05 £m	30.06.05 £m
UK Banking	**134,391**	130,304	129,093
UK Retail Banking	**70,906**	70,389	71,476
UK Business Banking	**63,485**	59,915	57,617
Barclaycard	**26,604**	25,771	24,166
International Retail and Commercial Banking	**65,132**	63,556	29,985
International Retail and Commercial Banking - ex Absa	**35,832**	34,195	29,985
International Retail and Commercial Banking - Absa	**29,300**	29,361	
Barclays Capital	**659,328**	601,193	573,131
Barclays Global Investors	**77,298**	80,900	68,877
Wealth Management	**6,841**	6,094	5,843
Wealth Management - closed life assurance activities	**7,243**	7,276	6,653
Head office functions and other operations	**9,287**	9,263	12,375
	986,124	924,357	850,123

Risk weighted assets

	30.06.06 £m	As at 31.12.05 £m	30.06.05 £m
UK Banking	**84,625**	79,929	83,554
UK Retail Banking	**33,841**	32,803	37,129
UK Business Banking	**50,784**	47,126	46,425
Barclaycard	**23,968**	21,752	21,335
International Retail and Commercial Banking	**42,081**	41,228	18,900
International Retail and Commercial Banking - ex Absa	**21,408**	20,394	18,900
International Retail and Commercial Banking - Absa	**20,673**	20,834	
Barclays Capital	**130,533**	116,677	107,201
Barclays Global Investors	**1,378**	1,456	1,408
Wealth Management	**4,915**	4,061	4,457
Wealth Management - closed life assurance activities			
Head office functions and other operations	**3,424**	4,045	5,551
	290,924	269,148	242,406

Further analysis of total assets and risk weighted assets, can be found on page 53.

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BARCLAYS PLC

UK Banking

		Half-year ended	
	30.06.06	**31.12.05**	**30.06.05**
	£m	**£m**	**£m**
Net interest income	**1,959**	1,960	1,784
Net fee and commission income	**919**	879	841
Net trading income	**2**	2	(2)
Net investment income	**17**	9	17
Principal transactions	**19**	11	15
Net premiums from insurance contracts	**135**	139	141
Other income	**2**	13	20
Total income	**3,034**	3,002	2,801
Net claims and benefits on insurance contracts	**(26)**	(25)	(33)
Total income net of insurance claims	**3,008**	2,977	2,768
Impairment charges	**(198)**	(188)	(139)
Net income	**2,810**	2,789	2,629
Operating expenses excluding amortisation of intangible assets	**(1,546)**	(1,728)	(1,484)
Amortisation of intangible assets	**(1)**	(2)	(1)
Operating expenses	**(1,547)**	(1,730)	(1,485)
Share of post-tax results of associates and joint ventures	**2**	3	(6)
Profit before tax	**1,265**	1,062	1,138
Cost:income ratio	**51%**	58%	54%
Cost:net income ratio	**55%**	62%	57%
Risk Tendency	**£ 470m**	£ 430m	£ 400m

		As at	
	30.06.06	**31.12.05**	**30.06.05**
Loans and advances to customers	**£ 120.6bn**	£ 118.2bn	£ 117.1bn
Customer accounts	**£ 136.0bn**	£ 129.7bn	£ 126.8bn
Total assets	**£ 134.4bn**	£ 130.3bn	£ 129.1bn
Risk weighted assets	**£ 84.6bn**	£ 79.9bn	£ 83.6bn

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BARCLAYS PLC

UK Banking profit before tax increased 11% (£127m) to £1,265m (2005: £1,138m) driven by good income growth, partly offset by higher impairment charges and costs. Gains from the sale and leaseback of properties of £145m included in operating expenses were largely offset by £114m of incremental investment expenditure undertaken to accelerate the development of UK Retail Banking.

UK Banking has targeted a cost:income ratio reduction of two percentage points per annum in each of 2005, 2006 and 2007. This was exceeded in 2005 as the cost:income ratio improved by three percentage points to 56% for the year. Good progress has been made in delivering the 2006 cost:income ratio reduction and in the first half of 2006 a year-on-year improvement of three percentage points was achieved.

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BARCLAYS PLC

UK Retail Banking

	Half-year ended 30.06.06 £m	31.12.05 £m	30.06.05 £m
Net interest income	**1,137**	1,158	1,050
Net fee and commission income	**608**	572	559
Net trading income			
Net investment income			9
Principal transactions			9
Net premiums from insurance contracts	**135**	139	141
Other income		4	12
Total income	**1,880**	1,873	1,771
Net claims and benefits on insurance contracts	**(26)**	(25)	(33)
Total income net of insurance claims	**1,854**	1,848	1,738
Impairment charges	**(98)**	(75)	(75)
Net income	**1,756**	1,773	1,663
Operating expenses	**(1,144)**	(1,282)	(1,108)
Share of post-tax results of associates and joint ventures		1	(7)
Profit before tax	**612**	492	548
Cost:income ratio	**62%**	69%	64%
Cost:net income ratio	**65%**	72%	67%
Risk Tendency	**£ 195m**	£ 180m	£ 170m

	As at 30.06.06	31.12.05	30.06.05
Loans and advances to customers	**£ 65.0bn**	£ 64.8bn	£ 66.0bn
Customer accounts	**£ 81.7bn**	£ 78.8bn	£ 75.4bn
Total assets	**£ 70.9bn**	£ 70.4bn	£ 71.5bn
Risk weighted assets	**£ 33.8bn**	£ 32.8bn	£ 37.1bn

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BARCLAYS PLC

UK Retail Banking profit before tax increased 12% (£64m) to £612m (2005: £548m).

Total income net of insurance claims increased 7% (£116m) to £1,854m (2005: £1,738m), demonstrating continued momentum. The improvement was broadly based across business segments and income categories. There was strong growth in Local Business, UK Premier and Personal Customers retail savings.

Net interest income increased 8% (£87m) to £1,137m (2005: £1,050m). Growth was driven by higher contributions from Local Business, UK Premier and Personal Customers retail savings.

UK residential mortgage balances ended the period at £59.3bn (31st December 2005: £59.6bn). Gross advances were 43% higher at £7.3bn (31st December 2005: £5.1bn), which represented a market share of 5% (2005: 4%) but this was offset by redemptions. Mortgage applications, by value, were 67% higher than last year and reflected the launch of new competitive products in a stronger market, supported by greater promotion, as well as improved capacity and servicing. Mortgage servicing was brought back in-house with the termination of an outsourcing arrangement taking effect in February 2006. Significant progress has been made since then in improving processing efficiency. The average loan to value ratio within the mortgage book on a current valuation basis was 34% (2005: 34%).

In non-mortgage loans, Local Business average loans and advances balances increased 15%, and UK Premier average loans and advances balances increased 34%.

Total average customer deposit balances increased 8% to £77.6bn (2005: £72.1bn). Good growth was achieved in Local Business and in UK Premier where average balances increased 8% and 9% respectively. Within Personal Customers, retail savings average balance growth was 8% and current account average balances increased 5%.

Net fee and commission income increased 9% (£49m) to £608m (2005: £559m). There was strong growth in current account and debit card fees. Local Business delivered strong growth, driven by increased income from current accounts. There was also strong growth from UK Premier, reflecting higher income from investment advice and banking services.

Net premiums from insurance underwriting activities decreased to £135m (2005: £141m), reflecting lower consumer loan volumes and reduced take-up of insurance on these loans.

Impairment charges increased 31% (£23m) to £98m (2005: £75m). The increase was driven by strong volume growth and some deterioration in delinquency rates in the Local Business loan portfolio. Losses from the mortgage portfolio remained negligible, with arrears at low levels and broadly stable compared with the year-end 2005 position.

Operating expenses increased 3% (£36m) to £1,144m (2005: £1,108m). Gains from the sale and leaseback of property of £116m were largely offset by incremental investment expenditure to bring forward planned improvements in operating efficiency and customer service. This included the costs associated with enhancing the Woolwich brand, improving the branch network and streamlining and re-engineering back office processes, as recently announced, as well as additional investment in technology deployed in branches and restructuring costs. The cost:income ratio improved two percentage points to 62% (2005: 64%).

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BARCLAYS PLC

UK Business Banking

	Half-year ended 30.06.06 £m	31.12.05 £m	30.06.05 £m
Net interest income	**822**	802	734
Net fee and commission income	**311**	307	282
Net trading income	**2**	2	(2)
Net investment income	**17**	9	8
Principal transactions	**19**	11	6
Other income	**2**	9	8
Total income	**1,154**	1,129	1,030
Impairment charges	**(100)**	(113)	(64)
Net income	**1,054**	1,016	966
Operating expenses excluding amortisation of intangible assets	**(402)**	(446)	(376)
Amortisation of intangible assets	**(1)**	(2)	(1)
Operating expenses	**(403)**	(448)	(377)
Share of post-tax results of associates and joint ventures	**2**	2	1
Profit before tax	**653**	570	590
Cost:income ratio	**35%**	40%	37%
Cost:net income ratio	**38%**	44%	39%
Risk Tendency	**£ 275m**	£ 250m	£ 230m

	As at 30.06.06	31.12.05	30.06.05
Loans and advances to customers	**£ 55.6bn**	£ 53.4bn	£ 51.1bn
Customer accounts	**£ 54.3bn**	£ 50.9bn	£ 51.4bn
Total assets	**£ 63.5bn**	£ 59.9bn	£ 57.6bn
Risk weighted assets	**£ 50.8bn**	£ 47.1bn	£ 46.5bn

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BARCLAYS PLC

UK Business Banking profit before tax increased 11% (£63m) to £653m (2005: £590m), driven by strong income growth. Performance was particularly strong in Larger Business. The first half of 2006 included an £11m contribution for a full six months from Iveco Finance, in which a 51% stake was acquired on 1st June 2005. Iveco Finance is performing in line with the acquisition business plan.

Total income increased 12% (£124m) to £1,154m (2005: £1,030m), with the increase being broadly based and driven by strong balance sheet growth.

Net interest income increased 12% (£88m) to £822m (2005: £734m) largely driven by growth in the loan portfolio.

Average lending balances increased 21% to £51.1bn (2005: £42.1bn), with good contributions from all business areas. Iveco Finance contributed £1.6bn of the growth in average lending balances. Average deposit balances increased 11% to £43.7bn (2005: £39.2bn) with good growth from both Larger Business and Medium Business.

Net fee and commission income increased 10% (£29m) to £311m (2005: £282m), principally from foreign exchange and derivative business transacted through Barclays Capital on behalf of a number of business customers.

Income from principal transactions was £19m (2005: £6m), relating principally to profit realised on the sale of three equity investments.

Impairment charges increased 56% (£36m) to £100m (2005: £64m). The increase in impairment reflected the growth in lending balances and the inclusion of Iveco Finance.

Operating expenses increased 7% (£26m) to £403m (2005: £377m) reflecting volume growth, increased expenditure on front line staff, higher revenue related costs and the inclusion of Iveco Finance. Operating expenses include a credit of £29m on the sale and leaseback of property. The cost:income ratio improved two percentage points to 35% (2005: 37%).

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BARCLAYS PLC

Barclaycard

	Half-year ended 30.06.06 £m	31.12.05 £m	30.06.05 £m
Net interest income	**914**	896	830
Net fee and commission income	**533**	518	454
Net investment income	**15**		
Net premiums from insurance contracts	**15**	14	10
Total income	**1,477**	1,428	1,294
Net claims and benefits on insurance contracts	**(6)**	(5)	(2)
Total income net of insurance claims	**1,471**	1,423	1,292
Impairment charges	**(696)**	(590)	(508)
Net income	**775**	833	784
Operating expenses excluding amortisation of intangible assets	**(471)**	(531)	(430)
Amortisation of intangible assets	**(8)**	(8)	(9)
Operating expenses	**(479)**	(539)	(439)
Share of post-tax results of associates and joint ventures	**1**		1
Profit before tax	**297**	294	346
Cost:income ratio	**33%**	38%	34%
Cost:net income ratio	**62%**	65%	56%
Risk Tendency	**£ 1,340m**	£ 1,100m	£ 980m

	As at 30.06.06	31.12.05	30.06.05
Loans and advances to customers	**£ 24.8bn**	£ 24.0bn	£ 23.1bn
Total assets	**£ 26.6bn**	£ 25.8bn	£ 24.2bn
Risk weighted assets	**£ 24.0bn**	£ 21.8bn	£ 21.3bn

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BARCLAYS PLC

Barclaycard profit before tax decreased 14% (£49m) to £297m (2005: £346m) as strong income growth was more than offset by higher impairment charges and increased costs from the continued development of the International businesses.

Total income net of insurance claims increased 14% (£179m) to £1,471m (2005: £1,292m) driven by good performances across the diversified UK cards and consumer loans businesses and Barclaycard Business, and by very strong momentum in international cards.

Net interest income increased 10% (£84m) to £914m (2005: £830m). UK average extended credit card balances fell 7% to £8.2bn (2005: £8.8bn), reflecting lower promotional rate balances and tighter lending criteria. UK average consumer lending balances increased 17% to £11.6bn (2005: £9.9bn). International average extended credit card balances rose 35% to £2.3bn (2005: £1.7bn).

Net fee and commission income increased 17% (£79m) to £533m (2005: £454m) as a result of increased contributions from SkyCard, FirstPlus, Barclaycard Business and Barclaycard International.

Investment income of £15m represents the proceeds arising from the sale of part of the stake in MasterCard Inc, as part of its flotation.

Impairment charges increased 37% (£188m) to £696m (2005: £508m). Relative to the second half of 2005, impairment charges increased 18%. The increase was driven by a rise in delinquent balances, increased numbers of bankruptcies and lower rates of recovery from customers in the UK cards and loans businesses. The rise in delinquent balances is reflected in a significant increase in non-performing loans.

Operating expenses increased 9% (£40m) to £479m (2005: £439m), which included a gain from the sale and leaseback property of £38m. Excluding this gain, underlying operating expenses increased 18% (£78m) to £517m largely as a result of the continued investment in Barclaycard US and the development of the UK Partnerships business.

Barclaycard International continued its growth strategy, with the continental European businesses delivering excellent results and the Swedbank joint venture performing in line with its business plan. Barclaycard International loss before tax increased to £4m (2005: loss £3m). The loss before tax for Barclaycard US was £21m (2005: loss £13m). The performance and integration of Barclaycard US proceeded in line with expectations, with continued strong growth in balances and customer numbers and the creation of a number of new partnerships.

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BARCLAYS PLC

International Retail and Commercial Banking

	Half-year ended		
	30.06.06	**31.12.05**	**30.06.05**
	£m	**£m**	**£m**
Net interest income	**847**	776	274
Net fee and commission income	**669**	534	171
Net trading income	**3**	(3)	6
Net investment income	**47**	76	67
Principal transactions	**50**	73	73
Net premiums from insurance contracts	**174**	167	60
Other income	**34**	46	14
Total income	**1,774**	1,596	592
Net claims and benefits on insurance contracts	**(119)**	(120)	(85)
Total income net of insurance claims	**1,655**	1,476	507
Impairment charges	**(68)**	(24)	(8)
Net income	**1,587**	1,452	499
Operating expenses excluding amortisation of intangible assets	**(1,030)**	(974)	(343)
Amortisation of intangible assets	**(45)**	(45)	(2)
Operating expenses	**(1,075)**	(1,019)	(345)
Share of post-tax results of associates and joint ventures	**27**	26	20
Profit before tax	**539**	459	174
Cost:income ratio	**65%**	69%	68%
Cost:net income ratio	**68%**	70%	69%
Risk Tendency	**£ 195m**	£ 175m	£ 75m

	As at		
	30.06.06	**31.12.05**	**30.06.05**
Loans and advances to customers	**£ 50.4bn**	£ 49.3bn	£ 21.7bn
Customer accounts	**£ 23.0bn**	£ 22.6bn	£ 9.6bn
Total assets	**£ 65.1bn**	£ 63.6bn	£ 30.0bn
Risk weighted assets	**£ 42.1bn**	£ 41.2bn	£ 18.9bn

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BARCLAYS PLC

International Retail and Commercial Banking profit before tax increased £365m to £539m (2005: £174m). The increase reflected the inclusion of International Retail and Commercial Banking - Absa profit before tax of £317m for 2006 and strong underlying organic growth in Europe.

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BARCLAYS PLC

International Retail and Commercial Banking - excluding Absa

	Half-year ended		
	30.06.06	**31.12.05**	**30.06.05**
	£m	**£m**	**£m**
Net interest income	**296**	288	274
Net fee and commission income	**226**	206	171
Net trading income	**12**	25	6
Net investment income	**29**	21	67
Principal transactions	**41**	46	73
Net premiums from insurance contracts	**50**	69	60
Other income	**14**	9	14
Total income	**627**	618	592
Net claims and benefits on insurance contracts	**(65)**	(76)	(85)
Total income net of insurance claims	**562**	542	507
Impairment charges	**(16)**	(5)	(8)
Net income	**546**	537	499
Operating expenses excluding amortisation of intangible assets	**(341)**	(391)	(343)
Amortisation of intangible assets	**(4)**	(4)	(2)
Operating expenses	**(345)**	(395)	(345)
Share of post-tax results of associates and joint ventures	**21**	19	20
Profit before tax	**222**	161	174
Cost:income ratio	**61%**	73%	68%
Cost:net income ratio	**63%**	74%	69%
Risk Tendency	**£ 70m**	£ 75m	£ 75m

	As at		
	30.06.06	**31.12.05**	**30.06.05**
Loans and advances to customers	**£ 27.0bn**	£ 25.4bn	£ 21.7bn
Customer accounts	**£ 10.9bn**	£ 10.4bn	£ 9.6bn
Total assets	**£ 35.8bn**	£ 34.2bn	£ 30.0bn
Risk weighted assets	**£ 21.4bn**	£ 20.4bn	£ 18.9bn

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BARCLAYS PLC

International Retail and Commercial Banking - excluding Absa performed well, with profit before tax increasing 28% (£48m) to £222m (2005: £174m). The performance was broad based, with stronger underlying profits in all geographies. Underlying profit before tax, excluding gains from asset sales of £55m (2005: £31m), increased 17% (£24m) to £167m (2005: £143m).

Total income net of insurance claims increased 11% (£55m) to £562m (2005: £507m). Underlying income increased 18% (£86m) to £562m (2005: £476m excluding gains from asset sales of £31m).

Net interest income increased 8% (£22m) to £296m (2005: £274m), reflecting strong balance sheet growth in continental Europe, Africa and the Middle East, and the development of the corporate business in Spain.

Total average customer loans increased 25% to £26.2bn (2005: £20.9bn). Mortgage balance growth in continental Europe was particularly strong, with average Euro balances up 25%. Growth in European mortgages as a proportion of total balances and competitive pressures in key European markets contributed to lower lending margins. Average customer deposits increased 12% to £10.2bn (2005: £9.1bn), with deposit margins rising modestly.

Net fee and commission income increased 32% (£55m) to £226m (2005: £171m). This reflected a strong performance from the Spanish funds business, where average assets under management increased 14%, together with good growth in France, including the contribution of the ING Ferri business which was acquired on 1st July 2005. Net fee and commission income showed solid growth in Africa and the Middle East.

Principal transactions reduced to £41m (2005: £73m), which in 2005 included £23m from the redemption of preference shares in FirstCaribbean International Bank.

Impairment charges increased to £16m (2005: £8m), principally as a result of the absence in 2006 of one-off recoveries which arose in 2005 in Africa and the Middle East.

Operating expenses were flat at £345m, including gains from the sale and leaseback of property in Spain of £55m. Excluding these gains, underlying operating expenses increased 16% to £400m (2005: £345m). The increase was below the growth in underlying income, and reflected the continued expansion of the business in Africa and the Middle East, investments in the European distribution network, particularly in Portugal and Italy, and the acquisition of the ING Ferri business in France.

Barclays Spain continued to perform strongly. Profit before tax increased 155% (£76m) to £125m (2005: £49m). Excluding asset sales of £55m (2005: £8m) and integration costs of £16m (2005: £28m), profit before tax increased 25% (£17m) to £86m (2005: £69m). This was driven by the continued realisation of benefits from the integration of Banco Zaragozano, together with good growth in mortgages and assets under management. Profit before tax also increased strongly in Portugal reflecting good flows of new customers and increased business volumes. France performed well as a result of good organic growth and the acquisition of ING Ferri.

Africa and the Middle East profit before tax was in line with prior year at £62m (2005: £62m). This reflected balance sheet growth across the businesses offset by continued investment and higher impairment charges as a result of the absence of one off recoveries that arose in 2005.

The share of post tax profits from associates increased £1m to £21m (2005: £20m) reflecting an increased contribution from FirstCaribbean.

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BARCLAYS PLC

International Retail and Commercial Banking - Absa

	Half-year ended 30.06.06 £m	Period from 27.07.05 until 31.12.05[1] £m
Net interest income	**551**	488
Net fee and commission income	**443**	328
Net trading income	**(9)**	(28)
Net investment income	**18**	55
Principal transactions	**9**	27
Net premiums from insurance contracts	**124**	98
Other income	**20**	37
Total income	**1,147**	978
Net claims and benefits on insurance contracts	**(54)**	(44)
Total income net of insurance claims	**1,093**	934
Impairment charges	**(52)**	(19)
Net income	**1,041**	915
Operating expenses excluding amortisation of intangible assets	**(689)**	(583)
Amortisation of intangible assets	**(41)**	(41)
Operating expenses	**(730)**	(624)
Share of post-tax results of associates and joint ventures	**6**	7
Profit before tax	**317**	298
Cost:income ratio	**67%**	67%
Cost:net income ratio	**70%**	68%
Risk Tendency	**£ 125m**	£ 100m

	As at 30.06.06	As at 31.12.05
Loans and advances to customers	**£ 23.4bn**	£ 23.9bn
Customer accounts	**£ 12.1bn**	£ 12.2bn
Total assets	**£ 29.3bn**	£ 29.4bn
Risk weighted assets	**£ 20.7bn**	£ 20.8bn

1 Barclays acquired a controlling stake in Absa Group Limited on 27th July 2005.

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BARCLAYS PLC

Barclays Capital

	Half-year ended 30.06.06 £m	31.12.05 £m	30.06.05 £m
Net interest income	**495**	540	525
Net fee and commission income	**516**	403	373
Net trading income	**2,139**	1,116	1,115
Net investment income	**277**	253	160
Principal transactions	**2,416**	1,369	1,275
Other income	**10**	12	8
Total income	**3,437**	2,324	2,181
Impairment charges	**(70)**	(59)	(52)
Net income	**3,367**	2,265	2,129
Operating expenses excluding amortisation of intangible assets	**(2,120)**	(1,583)	(1,378)
Amortisation of intangible assets	**(1)**	(1)	(1)
Operating expenses	**(2,121)**	(1,584)	(1,379)
Profit before tax	**1,246**	681	750
Cost:income ratio	**62%**	68%	63%
Cost:net income ratio	**63%**	70%	65%
Risk Tendency	**£ 125m**	£ 110m	£ 80m
Average net income generated per member of staff (000)	**£ 330**	£ 242	£ 259

	As at 30.06.06	31.12.05	30.06.05
Total assets	**£ 659.3bn**	£ 601.2bn	£ 573.1bn
Risk weighted assets	**£ 130.5bn**	£ 116.7bn	£ 107.2bn

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BARCLAYS PLC

Barclays Capital delivered record profit before tax and net income. Profit before tax increased 66% (£496m) to £1,246m (2005: £750m). This was the result of the very strong income performance which was driven by higher business volumes and client activity levels. Net income increased 58% (£1,238m) to £3,367m (2005: £2,129m). Profit before tax for Absa Capital was £45m. Excluding Absa Capital, profit before tax increased by 60%.

Total income increased 58% (£1,256m) to £3,437m (2005: £2,181m) as a result of very strong growth across the Rates and Credit businesses. Income grew across all asset classes, in particular interest rate products, equity products, currency products, emerging markets, credit products and commodities. Income by geography was well spread with significant contributions from the US, Europe and Asia. The top line performance reflects returns from past investments and the strength of the client franchise. Average DVaR grew to £36m (2005: £30m) well below the rate of income growth.

Secondary income, comprising principal transactions (net trading income and net investment income) and net interest income, is mainly generated from providing client financing and risk management solutions. Secondary income increased 62% (£1,111m) to £2,911m (2005: £1,800m).

Net trading income increased 92% (£1,024m) to £2,139m (2005: £1,115m) with very strong contributions across the Rates and Credit businesses, in particular equities, commodities, fixed income and credit derivatives. These results were driven by higher volumes of client led activity and favourable market conditions. Net investment income increased 73% (£117m) to £277m (2005: £160m) driven by investment realisations, primarily in Private Equity and structured capital markets. Net interest income decreased 6% (£30m) to £495m (2005: £525m) driven by lower contributions from money markets.

Primary income, which comprises net fee and commission income from advisory and origination activities, grew 38% (£143m) to £516m (2005: £373m). This reflected higher volumes and continued market share gains in a number of key markets, with strong contributions from bonds, European leveraged loans and convertibles issuances.

Impairment charges of £70m relate primarily to impairment charges on available for sale assets of £83m, partially offset by recoveries in the loan portfolio. The impairment charge on available for sale assets arose where an intention to sell caused losses in the available for sale portfolio to be treated as other than temporary in nature. The impairment charge arose from interest rate movements rather than credit deterioration. There is a corresponding gain recognised in net trading income.

Operating expenses increased 54% (£742m) to £2,121m (2005: £1,379m), reflecting higher performance related costs due to strong results. The cost:net income ratio improved to 63% (2005: 65%). Staff costs to net income ratio improved to 51% (2005: 52%). Compared with the first half of 2005, performance related pay, discretionary investment spend and short-term contractor resource represented a higher proportion of operating expenses of 54% (2005: 46%).

Total headcount increased by 600 during the first half of 2006 to 10,500 (31st December 2005: 9,900). Growth was broadly based across all regions and reflected further investments in the front office, systems development and control functions to support greater business volumes.

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BARCLAYS PLC

Barclays Global Investors

	Half-year ended		
	30.06.06	**31.12.05**	**30.06.05**
	£m	**£m**	**£m**
Net interest income	**7**	9	6
Net fee and commission income	**837**	727	570
Net trading income	**1**		2
Net investment income			4
Principal transactions	**1**		6
Total income	**845**	736	582
Operating expenses excluding amortisation of intangible assets	**(479)**	(435)	(340)
Amortisation of intangible assets	**(2)**	(2)	(2)
Operating expenses	**(481)**	(437)	(342)
Share of post-tax results of associates and joint ventures			1
Profit before tax	**364**	299	241
Cost:income ratio	**57%**	59%	59%
Average net income generated per member of staff (000)	**£ 360**	£ 330	£ 298

	As at		
	30.06.06	**31.12.05**	**30.06.05**
Total assets	**£ 77.3bn**	£ 80.9bn	£ 68.9bn
Risk weighted assets	**£ 1.4bn**	£ 1.5bn	£ 1.4bn

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BARCLAYS PLC

Barclays Global Investors (BGI) delivered excellent growth in profit before tax, increasing 51% (£123m) to £364m (2005: £241m), reflecting exceptionally strong income growth. The performance was broad-based by products, distribution channels and geographies.

Net fee and commission income increased 47% (£267m) to £837m (2005: £570m). The very strong income performance was attributable to increased management and incentive fees, particularly in the iShares and active businesses. Incentive fees increased 41% (£31m) to £107m (2005: £76m). Higher asset values, driven by good net new inflows and higher market levels, and a strong investment performance, contributed to the growth in income.

Operating expenses increased 41% (£139m) to £481m (2005: £342m) as a result of higher performance based expenses, significant investment in key growth initiatives and ongoing investment in product development and infrastructure. The cost:income ratio improved to 57% (2005: 59%).

Total headcount rose by 100 to 2,400 (31st December 2005: 2,300). Headcount increased in all regions, across product groups and the support functions, reflecting continued investment to support strategic initiatives.

Total assets under management of £877bn remained in line with 2005 year-end levels (31st December 2005: £881bn). Net new inflows of £17bn and positive market move impact of £27bn were more than offset by the adverse impact of exchange rate movements of £48bn. In US$ terms assets under management increased by US$110bn to US$1,623bn (31st December 2005: US$1,513bn), comprising US$30bn of net new assets, US$43bn of favourable market movements and US$37bn of exchange rate movements.

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Wealth Management

	30.06.06	Half-year ended 31.12.05	30.06.05
	£m	£m	£m
Net interest income	**178**	169	160
Net fee and commission income	**336**	306	283
Net trading income			
Net investment income			5
Principal transactions			5
Other income	**(1)**		(1)
Total income	**513**	475	447
Impairment charges	**(1)**	(1)	(1)
Net income	**512**	474	446
Operating expenses excluding amortisation of intangible assets	**(400)**	(391)	(361)
Amortisation of intangible assets	**(2)**	(1)	(1)
Operating expenses	**(402)**	(392)	(362)
Profit before tax	**110**	82	84
Cost:income ratio	**78%**	83%	81%
Cost:net income ratio	**79%**	83%	81%
Risk Tendency	**£ 10m**	£ 5m	£ 5m
Average net income generated per member of staff (000)	**£ 70**	£ 66	£ 62

	30.06.06	As at 31.12.05	30.06.05
Loans and advances to customers	**£ 5.1bn**	£ 4.7bn	£ 4.4bn
Customer accounts	**£ 25.0bn**	£ 23.1bn	£ 22.5bn
Total assets	**£ 6.8bn**	£ 6.1bn	£ 5.8bn
Risk weighted assets	**£ 4.9bn**	£ 4.1bn	£ 4.5bn

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Wealth Management profit before tax rose 31% (£26m) to £110m (2005: £84m), driven by broad based income growth and favourable market conditions, partially offset by increased volume related costs and increased investment in people and infrastructure to support future growth.

Total income increased 15% (£66m) to £513m (2005: £447m).

Net interest income increased 11% (£18m) to £178m (2005: £160m) reflecting growth in both customer deposits and customer lending. Average loans to customers grew 16% to £4.9bn, driven mainly by increased lending to offshore and private banking clients. Average customer deposits grew 10% (£2.3bn) to £24.5bn (2005: £22.2bn).

Net fee and commission income increased 19% (£53m) to £336m (2005: £283m). The increase reflected growth in client assets and higher transactional income, including increased sales of investment products to private banking and financial planning clients, and higher stockbroking volumes.

Operating expenses increased 11% (£40m) to £402m (2005: £362m) with greater volume related and investment costs. Investment costs include increased hiring and improvements to infrastructure with the upgrade of technology and operations platforms. The cost:net income ratio improved two percentage points to 79% (2005: 81%).

Total client assets, comprising customer deposits and client investments, increased to £84.7bn (31st December 2005: £78.3bn) reflecting good net new asset inflows and favourable market conditions.

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Wealth Management - closed life assurance activities

	Half-year ended 30.06.06 £m	31.12.05 £m	30.06.05 £m
Net interest income	**(4)**	2	(16)
Net fee and commission income	**25**	26	18
Net trading income	**1**		
Net investment income	**24**	144	115
Principal transactions	**25**	144	115
Net premiums from insurance contracts	**93**	95	100
Other income	**6**	10	1
Total income	**145**	277	218
Net claims and benefits on insurance contracts	**(82)**	(208)	(167)
Total income net of insurance claims	**63**	69	51
Operating expenses	**(54)**	(73)	(54)
Profit/(loss) before tax	**9**	(4)	(3)
Cost:income ratio	**86%**	106%	106%

	As at 30.06.06	31.12.05	30.06.05
Total assets	**£ 7.2bn**	£ 7.3bn	£ 6.7bn

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Wealth Management - closed life assurance activities profit before tax was £9m (2005: loss £3m) predominantly due to lower funding costs and reduced customer redress costs in 2006.

Profit before tax excluding customer redress costs of £34m was £43m (2005: £37m).

Total income increased to £63m (2005: £51m) due to reduced funding costs.

Operating expenses remained steady at £54m. Costs relating to redress for customers decreased to £34m (2005: £40m) whilst other operating expenses increased to £20m (2005: £14m).

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Head office functions and other operations

	Half-year ended 30.06.06 £m	31.12.05 £m	30.06.05 £m
Net interest income	**8**	23	137
Net fee and commission income	**(183)**	(228)	(170)
Net trading income	**55**	30	55
Net investment income	**(6)**	3	5
Principal transactions	**49**	33	60
Net premiums from insurance contracts	**93**	86	60
Other income	**10**	17	7
Total income	**(23)**	(69)	94
Impairment (charges)/releases	**(24)**	(3)	2
Net (loss)/income	**(47)**	(72)	96
Operating expenses excluding amortisation of intangible assets	**(106)**	(208)	(135)
Amortisation of intangible assets	**(4)**	(3)	(1)
Operating expenses	**(110)**	(211)	(136)
Loss before tax	**(157)**	(283)	(40)
Risk Tendency	**£ 25m**	£ 25m	£ 35m

	As at 30.06.06	31.12.05	30.06.05
Total assets	**£ 9.3bn**	£ 9.3bn	£ 12.4bn
Risk weighted assets	**£ 3.4bn**	£ 4.0bn	£ 5.6bn

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Head office functions and other operations loss before tax increased £117m to £157m (2005: loss £40m). This reflects the reduced interest income on capital retained within Treasury, following the acquisition of Absa Group Limited, partially offset by lower net impact of asymmetric consolidation adjustments, and lower operating expenses following the head office relocation to Canary Wharf in 2005.

Group segmental reporting is performed in accordance with Group accounting policies. This means that inter-segment transactions are recorded in each segment as if undertaken on an arm s length basis. Consolidation adjustments necessary to eliminate the inter-segment transactions, including adjustments to eliminate the timing differences on the recognition of inter-segment income and expenses, are included in Head Office functions and other operations.

The impact of such asymmetric consolidation adjustments reduced by £51m to £81m (2005: £132m). These adjustments related to the timing of the recognition of insurance commissions included in Barclaycard and UK Banking amounting to £35m (2005: £49m); internal fees for structured capital markets activities of £41m (2005: £63m); and fees paid to Barclays Capital for capital raising and risk management advice of £5m (2005: £32m).

Net interest income reduced £129m to £8m (2005: £137m) mainly due to a reduction in net interest income retained in Treasury as 2005 included interest earned on excess capital held in anticipation of the acquisition of Absa Group Limited. Treasury s net interest income also included the hedge ineffectiveness for the period, which together with other related Treasury adjustments, amounted to a loss of £3m (2005: £35m gain) and the cost of hedging the foreign exchange risk on the Group s investment in Absa, which amounted to £39m (2005: £nil).

Net trading income of £55m (2005: £55m) includes £59m (2005: £nil) in respect of a hedge of the translation exposure arising from Absa s Rand earnings, of which £10m was realised at 30th June 2006.

Impairment charges increased £26m to £24m (2005: recovery £2m). The increase was driven by impairment in the transition businesses.

Operating expenses decreased £26m to £110m (2005: £136m), primarily due to the elimination in 2006 of expenses incurred in 2005 relating to the head office relocation to Canary Wharf (2005: £52m).

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Results by nature of income and expense

Net interest income

	Half-year ended		
	30.06.06	31.12.05	30.06.05
	£m	£m	£m
Cash and balances at central banks	**7**	6	3
Financial instruments	**1,406**	1,305	967
Loans and advances to banks	**523**	251	439
Loans and advances to customers	**7,883**	7,275	5,669
Other	**725**	747	570
Interest income	**10,544**	9,584	7,648
Deposits from banks	**(1,263)**	(1,102)	(954)
Customer accounts	**(1,844)**	(1,530)	(1,185)
Debt securities in issue	**(2,388)**	(1,913)	(1,355)
Subordinated liabilities	**(340)**	(312)	(293)
Other	**(305)**	(352)	(161)
Interest expense	**(6,140)**	(5,209)	(3,948)
Net interest income	**4,404**	4,375	3,700

Group net interest income increased 19% (£704m) to £4,404m (2005: £3,700m). The inclusion of Absa added net interest income of £600m in the first half of 2006. Group net interest income excluding Absa grew 3%.

A component of the benefit of free funds included in Group net interest income is the structural hedge which functions to reduce the impact of the volatility of short-term interest rate movements. The contribution of the structural hedge decreased to £47m (2005: £58m), largely due to the impact of relatively higher short-term interest rates and lower medium-term rates.

Interest income includes £48m (2005: £30m) accrued on impaired loans.

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Net fee and commission income

	Half-year ended		
	30.06.06	31.12.05	30.06.05
	£m	£m	£m
Fee and commission income	**4,077**	3,558	2,872
Fee and commission expense	**(425)**	(393)	(332)
Net fee and commission income	**3,652**	3,165	2,540

Fee and commission income rose 42% (£1,205m) to £4,077m (2005: £2,872m). The inclusion of Absa increased fee and commission income by £479m in the first half of 2006. Excluding Absa, fee and commission income grew 25%, driven by a broad based performance across the Group, particularly within Barclays Global Investors reflecting increases in both management and incentive fees, higher asset values, higher market levels and a strong investment performance.

Fee and commission expense increased 28% (£93m) to £425m (2005: £332m), largely reflecting the inclusion of Absa, which added £43m, and increases in Barclaycard.

Net fee and commission income increased 44% (£1,112m) to £3,652m (2005: £2,540m). The inclusion of Absa increased net fee and commission income by £436m in the first-half of 2006. Group net fee and commission income excluding Absa grew 27%, reflecting growth across all businesses.

Total foreign exchange income was £457m (2005: £298m) and consisted of revenues earned from both retail and wholesale activities. Foreign exchange income earned on customer transactions by UK Retail Banking, UK Business Banking, International Retail and Commercial Banking, Barclaycard, Barclays Global Investors and Wealth Management, both externally and with Barclays Capital, is reported in those respective business units within fee and commission income. The foreign exchange income earned in Barclays Capital and in Treasury is reported within trading income.

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Principal transactions

	Half-year ended		
	30.06.06	**31.12.05**	**30.06.05**
	£m	**£m**	**£m**
Rates related business	**1,636**	873	859
Credit related business	**565**	272	317
Net trading income	**2,201**	1,145	1,176
Cumulative gain from disposal of available for sale assets/investment securities	**120**	33	87
Dividend income	**18**	9	13
Net income from financial instruments designated at fair value	**86**	214	175
Other investment income	**150**	229	98
Net investment income	**374**	485	373
Principal transactions	**2,575**	1,630	1,549

Most of the Group s trading income is generated in Barclays Capital.

Net trading income increased 87% (£1,025m) to £2,201m (2005: £1,176m) due to strong performances across Barclays Capital Rates and Credit businesses, in particular in fixed income, equities, commodities and credit derivative products. This was driven by higher volumes of client-led activity across a broad range of products and geographical regions and by the continued return on prior year investments. The inclusion of Absa increased net trading income by £31m in the first-half of 2006. Group net trading income excluding Absa grew 85%.

Net investment income remained flat at £374m (2005: £373m). The inclusion of Absa increased net investment income by £32m in the first-half of 2006.

The cumulative gain from disposal of available for sale assets and investment securities increased 38% (£33m) to £120m (2005: £87m) driven by investment realisations primarily in Private Equity.

Fair value movements on certain assets and liabilities have been reported within net trading income or within net investment income depending on the nature of the transaction. Fair value movements on insurance assets included within net investment income contributed £46m (2005: £149m).

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Net premiums from insurance contracts

	Half-year ended		
	30.06.06	31.12.05	30.06.05
	£m	£m	£m
Gross premiums from insurance contracts	**536**	524	385
Premiums ceded to reinsurers	**(26)**	(23)	(14)
Net premiums from insurance contracts	**510**	501	371

Net premiums from insurance contracts increased 37% (£139m) to £510m (2005: £371m). The inclusion of Absa increased net premiums from insurance contracts by £124m in the first half of 2006. Group net premiums from insurance contracts excluding Absa increased 4% reflecting growth in UK consumer lending.

Other income

	Half-year ended		
	30.06.06	31.12.05	30.06.05
	£m	£m	£m
(Decrease)/increase in fair value of assets held in respect of linked liabilities to customers under investment contracts	**(2,960)**	2,349	6,885
Decrease/(increase) in liabilities held in respect of linked liabilities to customers under investment contracts	**2,960**	(2,349)	(6,885)
Property rentals	**28**	29	25
Other	**33**	69	24
Other income	**61**	98	49

Certain asset management products offered to institutional clients by Barclays Global Investors are recognised as investment contracts. Accordingly the invested assets and the related liabilities to investors are held at fair value and changes in those fair values are reported within Other income.

Net claims and benefits paid on insurance contracts

	Half-year ended		
	30.06.06	31.12.05	30.06.05
	£m	£m	£m
Gross claims and benefits paid on insurance contracts	**235**	398	296
Reinsurers share of claims paid	**(2)**	(40)	(9)
Net claims and benefits paid on insurance contracts	**233**	358	287

Net claims and benefits paid on insurance contracts decreased 19% (£54m) to £233m (2005: £287m). The inclusion of Absa increased net claims and benefits by £54m. Net claims and benefits paid on insurance contracts excluding Absa decreased 38%, principally reflecting lower claims and benefits in Wealth Management - closed life assurance activities due to market conditions in the period.

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Impairment charges

	Half-year ended		
	30.06.06 £m	31.12.05 £m	30.06.05 £m
Impairment charges on loans and advances			
- New and increased impairment allowances	**1,257**	1,184	945
- Releases	**(151)**	(199)	(134)
- Recoveries	**(125)**	(124)	(98)
Impairment charges on loans and advances (see note 5)	**981**	861	713
Credit provisions			
Charges for the period in respect of provision for undrawn contractually committed facilities and guarantees provided	**(7)**		(7)
Impairment charges on loans and advances and credit provisions	**974**	861	706
Impairment on available for sale assets	**83**	4	
Total impairment charges	**1,057**	865	706

Total impairment charges increased 50% (£351m) to £1,057m (2005: £706m).

Impairment charges on loans and advances and credit provisions

Impairment charges on loans and advances and credit provisions increased 38% (£268m) to £974m (2005: £706m). Excluding Absa (£53m), the increase was 30% and reflected the continued challenging credit environment in UK unsecured retail lending. Steady conditions in the wholesale sector persisted, with a low level of corporate defaults.

In the UK, consumers faced continued pressure on household cash flows. High debt levels and changing social attitudes to bankruptcy and debt default contributed to increased impairment charges. In UK credit cards, the quality of new business continued to improve, reflecting a continued tightening of underwriting standards. Despite these improvements, the value of debt in arrears rose because of an increase in the average value of debt per customer whilst the number of customers in delinquency decreased. In unsecured loans, delinquency rates were steady in the first half of 2006 and customers in delinquency decreased but the higher rate of bankruptcy has increased the level of charge-offs. Impairment on unsecured loans grew but at a slower rate than seen in UK Cards.

In UK Home Finance, delinquencies were flat and amounts charged-off remained low. Smaller business continued to see some deterioration in delinquency rates from a historically low base.

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Impairment charges on loans and advances and credit provisions (continued)

Group impairment charges on loans and advances on an annualised basis amounted to 0.61% (2005: 0.52%), as a percentage of period-end total loans and advances of £320,831m (30th June 2005: £275,188m).

Retail impairment charges increased to £839m (2005: £582m), including £39m in respect of Absa. Retail impairment charges on loans and advances on an annualised basis amounted to 1.25% (2005: 1.06%) of period end loans and advances of £134,534m (30th June 2005: £109,566m).

In the wholesale and corporate businesses, impairment charges on loans and advances increased to £142m (2005: £131m), including £13m in respect of Absa. The increase occurred primarily in UK Business Banking and reflected the growth in lending balances and the inclusion of Iveco Finance. The wholesale and corporate impairment charge on an annualised basis amounted to 0.15% (2005: 0.16%) as a percentage of period end total loans and advances of £186,297m (30th June 2005: £165,622m).

Impairment on available for sale assets

Impairment charges of £83m related to losses on assets in the available for sale portfolio where an intention to sell caused the losses to be treated as other than temporary in nature. This impairment charge arose from interest rate movements rather than credit deterioration. There was a corresponding gain which was recognised in net trading income.

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Operating expenses

	Half-year ended		
	30.06.06	**31.12.05**	**30.06.05**
	£m	**£m**	**£m**
Staff costs (refer to page 44)	**4,147**	3,464	2,854
Administrative expenses	**1,916**	2,061	1,382
Depreciation	**207**	210	152
Impairment loss - property and equipment	**6**		
- intangible assets		9	
Operating lease rentals	**168**	179	137
Gains on sale and leaseback of property	**(238)**		
Amortisation of intangible assets	**63**	62	17
Operating expenses	**6,269**	5,985	4,542

Operating expenses increased 38% (£1,727m) to £6,269m (2005: £4,542m). The inclusion of Absa added operating expenses of £781m. Group operating expenses excluding Absa grew 21%, reflecting a higher level of business activity and an increase in performance related pay.

Operating expenses were reduced by gains from the sale and leaseback of property of £238m (2005: £nil) as the Group took advantage of historically low yields on property to realise gains on some of its freehold portfolio. The gains within UK Banking of £145m were largely offset by incremental investment.

Administrative expenses increased 39% (£534m) to £1,916m (2005: £1,382m). The inclusion of Absa added administrative expenses of £314m in the first half of 2006. Group administrative expenses excluding Absa grew 16% principally as a result of higher business activity in Barclays Global Investors, Barclays Capital and Barclaycard International.

Operating lease rentals increased 23% (£31m) to £168m (2005: £137m). The inclusion of Absa added operating lease rentals of £43m in the first half of 2006 which more than offset the absence of double occupancy costs incurred in 2005, associated with the head office relocation to Canary Wharf.

The increase in the amortisation of intangible assets primarily arises following the acquisition of Absa Group Limited on 27th July 2005.

The Group cost:income ratio remained flat at 57% (2005: 57%). This reflected improved productivity across all businesses, which was offset by the inclusion of Absa. The Group cost:net income ratio was 63% (2005: 63%).

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Staff costs

	Half-year ended		
	30.06.06	**31.12.05**	**30.06.05**
	£m	**£m**	**£m**
Salaries and accrued incentive payments	**3,364**	2,780	2,256
Social security costs	**292**	215	197
Pension costs			
- defined contribution plans	**55**	36	40
- defined benefit plans	**142**	115	156
Other post retirement benefits	**15**	14	13
Other	**279**	304	192
Staff costs	**4,147**	3,464	2,854

Staff costs increased 45% (£1,293m) to £4,147m (2005: £2,854m). The inclusion of Absa added staff costs of £347m. Excluding the impact of Absa, staff costs increased 33%.

Salaries and accrued incentive payments rose 49% (£1,108m) to £3,364m (2005: £2,256m). The inclusion of Absa added £316m. Excluding Absa, salaries and accrued incentive payments rose 35%, principally due to performance related payments in Barclays Capital and Barclays Global Investors.

Pension costs comprise all UK and international pension schemes. Included in pension costs is a charge of £147m (2005: £155m) in respect of the Group s main UK pension schemes.

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Staff numbers

	30.06.06	As at 31.12.05	30.06.05
Staff numbers:			
UK Banking	**41,500**	39,800	40,600
UK Retail Banking	**33,600**	32,000	33,000
UK Business Banking	**7,900**	7,800	7,600
Barclaycard	**8,400**	7,800	7,200
International Retail and Commercial Banking	**47,000**	45,400	12,400
International Retail and Commercial Banking-ex Absa	**13,300**	12,700	12,400
International Retail and Commercial Banking-Absa	**33,700**	32,700	
Barclays Capital	**10,500**	9,900	8,400
Barclays Global Investors	**2,400**	2,300	2,100
Wealth Management	**7,500**	7,200	7,200
Head office functions and other operations	**1,000**	900	900
Total Group permanent and fixed term contract staff worldwide	**118,300**	113,300	78,800
Agency staff worldwide	**8,700**	7,000	4,300
Total including agency staff	**127,000**	120,300	83,100

Staff numbers are shown on a full-time equivalent basis. Total Group permanent and contract staff comprised 61,900 (31st December 2005: 59,100) in the UK and 56,400 (31st December 2005: 54,200) internationally.

UK Banking staff numbers increased by 1,700 to 41,500 (31st December 2005: 39,800), primarily reflecting the inclusion in UK Retail Banking of mortgage processing staff involved in activities previously outsourced.

Barclaycard staff numbers rose by 600 to 8,400 (31st December 2005: 7,800), reflecting growth of 200 in Barclaycard US, and increases in operations and customer facing staff in the UK.

International Retail and Commercial Banking increased staff numbers by 1,600 to 47,000 (31st December 2005: 45,400). International Retail and Commercial Banking - excluding Absa increased staff numbers by 600 to 13,300 (31st December 2005: 12,700), mainly due to growth in continental Europe. International Retail and Commercial Banking - Absa increased staff numbers by 1,000 to 33,700 (31st December 2005: 32,700), reflecting continued growth in the business.

Barclays Capital staff numbers rose by 600 to 10,500 (31st December 2005: 9,900). Growth was broadly based across all regions and reflected investments in the front office, systems development and control functions to support greater business volumes. The growth year on year includes the impact of Absa Capital staff, which were included from July 2005.

Barclays Global Investors increased staff numbers by 100 to 2,400 (31st December 2005: 2,300) reflecting investment to support strategic initiatives.

Wealth Management staff numbers rose by 300 to 7,500 (31st December 2005: 7,200) to support the expansion of the business.

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Head office functions and other operations staff numbers grew 100 to 1,000 (31st December 2005: 900).

Agency staff numbers rose by 1,700 to 8,700 (31st December 2005: 7,000), largely due to an increase in Absa.

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Share of post-tax results of associates and joint ventures

	Half-year ended		
	30.06.06	**31.12.05**	**30.06.05**
	£m	**£m**	**£m**
Profit from associates	**29**	38	15
Profit/(loss) from joint ventures	**1**	(9)	1
Share of post-tax results of associates and joint ventures	**30**	29	16

The share of post-tax results of associates and joint ventures increased 88% (£14m) to £30m (2005: £16m). The increase in profit from associates primarily reflects the addition of the Absa associates.

Tax

The charge for the period is based upon a UK corporation tax rate of 30% for the calendar year 2006 (full-year 2005: 30%). The effective rate of tax for the first half of 2006, based on profit before tax, was 29.2% (2005: 26.6%). The effective tax rate differs from 30% as it takes account of the different tax rates which are applied to the profits earned outside the UK, disallowable expenditure, tax-free income and adjustments to prior year tax provisions. The effective tax rate for 2006 is higher than in the prior period principally due to the higher tax rates applicable to international operations. The tax charge for the first half of the year includes £640m (2005: £477m) arising in the UK and £432m (2005: £238m) arising overseas.

Profit attributable to minority interests

	Half-year ended		
	30.06.06	**31.12.05**	**30.06.05**
	£m	**£m**	**£m**
Absa Group Limited minority interests	**122**	116	
Preference shares	**85**	80	33
Reserve capital instruments	**47**	28	65
Upper tier 2 instruments	**7**	4	7
Barclays Global Investors minority interests	**26**	22	19
Other minority interests	**7**	10	10
Profit attributable to minority interests	**294**	260	134

Profit attributable to minority interests increased £160m to £294m (2005: £134m) largely reflecting the acquisition of Absa Group Limited on 27th July 2005 and the associated preference share funding.

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Earnings per share

	Half-year ended		
	30.06.06	**31.12.05**	**30.06.05**
Profit attributable to equity holders of the parent	**£ 2,307m**	£ 1,606m	£ 1,841m
Dilutive impact of convertible options	**£ (17)m**	£ (29)m	
Profit attributable to equity holders of the parent including dilutive impact of convertible options	**£ 2,290m**	£ 1,577m	£ 1,841m
Basic weighted average number of shares in issue	**6,353m**	6,335m	6,337m
Number of potential ordinary shares[1]	**177m**	156m	141m
Diluted weighted average number of shares	**6,530m**	6,491m	6,478m
Basic earnings per ordinary share	**36.3p**	25.4p	29.1p
Diluted earnings per ordinary share	**35.1p**	24.3p	28.4p

The calculation of basic earnings per share is based on the profit attributable to equity holders of the parent and the weighted average number of shares excluding own shares held in employee benefit trusts, currently not vested and shares held for trading.

When calculating the diluted earnings per share, the profit attributable to equity holders of the parent is adjusted for the conversion of outstanding options into shares within certain subsidiary entities. The weighted average number of ordinary shares excluding own shares held in employee benefit trusts currently not vested and shares held for trading, is adjusted for the effects of all dilutive potential ordinary shares, totalling 177 million (2005: 141 million).

1 Potential ordinary shares reflect the dilutive impact of share options outstanding.

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FINANCIAL REVIEW

Dividends on ordinary shares

The Board has decided to pay, on 2nd October 2006, an interim dividend for the year ended 31st December 2006 of 10.5p per ordinary share for shares registered in the books of the Company at the close of business on 18th August 2006. The interim dividend of 9.2p per ordinary share for the year ended 31st December 2005 was paid on 3rd October 2005 and the final dividend for the year ended 31st December 2005 of 17.4p per ordinary share was paid on 28th April 2006. 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 2006-2007 tax year in mid-October 2006.

The amount payable for the 2006 interim dividend is £667m (half-year ended 31st December 2005: £1,105m; half-year ended 30th June 2005: £582m). This amount excludes £16m payable on Barclays shares held by employee benefit trusts (half year ended 31st December 2005: £24m; half year ended 30th June 2005: £12m).

For qualifying US and Canadian resident ADR holders, the interim dividend of 10.5p per ordinary share becomes 42p per ADS (representing four shares). The ADR depositary will mail the dividend on 2nd October 2006 to ADR holders on the record on 18th August 2006.

For qualifying Japanese shareholders, the final dividend of 10.5p per ordinary share will be distributed in mid-October to shareholders on the record on 18th August 2006.

Shareholders may have their dividends reinvested in Barclays PLC shares by participating in the Barclays Dividend Reinvestment Plan. The plan is available to all shareholders, including members of Barclays Sharestore, provided that they do not live in or are subject to the jurisdiction of any country where their participation in the plan would require Barclays or The Plan Administrator to take action to comply with local government or regulatory procedures or any similar formalities. Any shareholder wishing to obtain details and a form to join the plan should contact The Plan Administrator by writing to: The Plan Administrator to Barclays, Share Dividend Team, The Causeway, Worthing, West Sussex, BN99 6DA; or, by telephoning 0870 609 4535.

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Analysis of amounts included in the balance sheet

Capital resources

		As at	
	30.06.06	**31.12.05**	**30.06.05**
	£m	**£m**	**£m**
Shareholders equity excluding minority interests	**17,988**	17,426	16,099
Preference shares	**3,435**	2,977	2,971
Reserve capital instruments	**1,922**	1,868	1,929
Upper tier 2 instruments	**586**	581	586
Absa minority interests	**1,397**	1,351	
Other minority interests	**211**	227	200
Minority interests	**7,551**	7,004	5,686
Total shareholders equity	**25,539**	24,430	21,785
Subordinated liabilities	**13,629**	12,463	11,309
Total capital resources	**39,168**	36,893	33,094

The authorised share capital of Barclays PLC is £2,500m (31st December 2005: £2,500m) comprising 9,996 million (31st December 2005: 9,996 million) ordinary shares of 25p shares and 1 million (31st December 2005: 1 million) staff shares of £1 each. Called up share capital comprises 6,509 million (31st December 2005: 6,490 million) ordinary shares of 25p each and 1 million (31st December 2005: 1 million) staff shares of £1 each.

Total capital resources increased £2,275m to £39,168m since 31st December 2005.

Shareholders equity, excluding minority interests, increased £562m since 31st December 2005. The current period increase reflects profits attributable to equity holders of the parent of £2,307m, increases in share capital and share premium of £75m and other increases in retained reserves of £120m. Offsetting these movements were dividends paid of £1,105m, decreases in the available for sale and cash flow hedging reserves of £216m and £242m respectively, a £332m decrease in the translation reserve and a £45m decrease due to changes in treasury and ESOP shares.

Subordinated liabilities rose £1,166m since 31st December 2005 reflecting capital raisings of £1,926m and accrued interest of £15m; offset by exchange rate movements of £352m, redemptions of £129m, fair value adjustments of £280m and amortisation of issue expenses of £14m.

Minority interests increased £547m since 31st December 2005. The increase primarily reflected the issue, during April 2006, of 30,000,000 preference shares of US$25 each (US$750m; £419m) with a 6.625% dividend.

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BARCLAYS PLC

Capital ratios

Risk weighted assets and capital resources, as defined for supervisory purposes by the Financial Services Authority, comprised:

		As at	
	30.06.06	**31.12.05**	**30.06.05**
	£m	**£m**	**£m**
Risk weighted assets:			
Banking book			
On-balance sheet	**190,979**	180,808	159,927
Off-balance sheet	**33,010**	31,351	30,090
Associated undertakings and joint ventures	**6,351**	3,914	3,299
Total banking book	**230,340**	216,073	193,316
Trading book			
Market risks	**27,477**	23,216	26,432
Counterparty and settlement risks	**33,107**	29,859	22,658
Total trading book	**60,584**	53,075	49,090
Total risk weighted assets	**290,924**	269,148	242,406
Capital resources:			
Tier 1			
Called up share capital	**1,628**	1,623	1,616
Eligible reserves	**18,061**	16,837	15,544
Minority interests[1]	**7,629**	6,634	5,237
Tier one notes[2]	**941**	981	957
Less: intangible assets	**(7,242)**	(7,180)	(4,880)
Total qualifying tier 1 capital	**21,017**	18,895	18,474
Tier 2			
Revaluation reserves	**25**	25	25
Available for sale-equity gains	**188**	223	
Collectively assessed impairment allowances	**2,593**	2,306	2,067
Minority Interests	**479**	515	494
Qualifying subordinated liabilities[3]			
Undated loan capital	3,200	3,212	3,210
Dated loan capital	8,157	7,069	6,560
Total qualifying tier 2 capital	**14,642**	13,350	12,356
Less: Supervisory deductions:			
Investments not consolidated for supervisory purposes	**(946)**	(782)	(696)
Other deductions	**(998)**	(961)	(713)
	(1,944)	(1,743)	(1,409)

Total net capital resources	**33,715**	30,502	29,421
Tier 1 ratio	**7.2%**	7.0%	7.6%
Risk asset ratio	**11.6%**	11.3%	12.1%

[1] Includes reserve capital instruments of £2,158m (31st December 2005: £1,735m; 30th June 2005: £1,679m). Minority interests include an issue of £500m of reserve capital instruments raised during the first half of 2006 which is eligible for inclusion in tier 1 capital. This issue is classified within subordinated liabilities on the balance sheet.

[2] Tier one notes are included in subordinated liabilities in the consolidated balance sheet.

[3] Subordinated liabilities are included in tier 2, subject to limits laid down in the supervisory requirements.

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Capital ratios (continued)

At 30th June 2006, the Tier 1 capital ratio was 7.2% and the risk asset ratio was 11.6%. From 31st December 2005, net total capital resources rose £3.2bn and risk weighted assets increased £21.8bn.

Tier 1 capital rose £2.1bn, including £1.2bn arising from profits attributable to equity holders net of dividends paid. Minority interests within Tier 1 capital increased £1.0bn primarily due to the issuance of £0.5bn of Reserve Capital Instruments and £0.6bn of preference shares. Tier 2 capital increased £1.3bn mainly as a result of the issuance of £1.4bn of loan capital.

The weakening of the Rand against Sterling had a positive impact on capital ratios for the first half of 2006.

Reconciliation of regulatory capital

Capital is defined differently for accounting and regulatory purposes. A reconciliation of shareholders equity for accounting purposes to called up share capital and eligible reserves for regulatory purposes, is set out below:

		As at	
	30.06.06	**31.12.05**	**30.06.05**
	£m	**£m**	**£m**
Shareholders equity excluding minority interests	**17,988**	17,426	16,099
Available for sale reserve	**(9)**	(225)	(374)
Cash flow hedging reserve	**172**	(70)	(328)
Retained earnings			
Defined benefit pension scheme	**1,302**	1,215	1,401
Additional companies in regulatory consolidation and non-consolidated companies	**(101)**	(145)	5
Foreign exchange on RCIs and upper tier 2 loan stock	**398**	289	390
Other adjustments	**(61)**	(30)	(33)
Called up share capital and eligible reserves for regulatory purposes	**19,689**	18,460	17,160

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Total assets and risk weighted assets

Total assets increased 7% to £986.1bn (31st December 2005: £924.4bn). Risk weighted assets increased 8% to £290.9bn (31st December 2005: £269.1bn).

UK Retail Banking total assets increased 1% to £70.9bn (31st December 2005: £70.4bn). Risk weighted assets increased 3% to £33.8bn (31st December 2005: £32.8bn), due to asset growth, small changes in the asset weighting mix and a reduced benefit from credit mitigation transactions in mortgages.

UK Business Banking total assets increased 6% to £63.5bn (31st December 2005: £59.9bn), reflecting strong growth in loans and advances to customers. Risk weighted assets increased 8% to £50.8bn (31st December 2005: £47.1bn), broadly in line with total asset growth.

Barclaycard total assets increased 3% to £26.6bn (31st December 2005: £25.8bn) driven by growth in lending balances. Risk weighted assets increased by 10% to £24.0bn (31st December 2005: £21.8bn) primarily due to balance sheet growth and a reduction in securitised balances.

International Retail and Commercial Banking - excluding Absa total assets increased 5% to £35.8bn (31st December 2005: £34.2bn) primarily reflected strong volume growth in continental European mortgages. Risk weighted assets increased 5% to £21.4bn (31st December 2005: £20.4bn), reflecting the balance sheet growth.

International Retail and Commercial Banking - Absa total assets were £29.3bn (31st December 2005: £29.4bn) and risk weighted assets £20.7bn (31st December 2005: £20.8bn). In Rand terms assets grew 21% to R386bn (31st December 2005: R319bn) and risk weighted assets grew 20% to R273bn (31st December 2005: R226bn). Growth in Rand terms was more than offset by the depreciation in the Rand exchange rate against Sterling.

Barclays Capital total assets increased 10% to £659.3bn (31st December 2005: £601.2bn). This was mainly attributable to increases in debt and equity securities held in the trading portfolio and in reverse repurchase agreements, as the business continued to grow in Europe, the US and Asia. Settlement balances were also higher compared to December as a result of seasonal fluctuations in trading related activity. Risk weighted assets increased 12% to £130.5bn (31st December 2005: £116.7bn). This increase reflected the growth in the business.

Barclays Global Investors total assets decreased 4% to £77.3bn (31st December 2005: £80.9bn). The substantial majority of total assets related to asset management products where equal and offsetting balances are reflected within liabilities to customers. Risk weighted assets decreased 5% to £1.4bn (31st December 2005: £1.5bn).

Wealth Management total assets increased 12% to £6.8bn (31st December 2005: £6.1bn) principally reflecting good growth in lending balances. Risk weighted assets increased 21% to £4.9bn (31st December 2005: £4.1bn).

Head office functions and other operations total assets remained flat at £9.3bn (31st December 2005: £9.3bn). Risk weighted assets decreased 15% to £3.4bn (31st December 2005: £4.0bn).

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Group performance management

Performance relative to the 2004 to 2007 goal period

Barclays will continue to use goals to drive performance. At the end of 2003, Barclays established a new set of four year performance goals for the period 2004-2007 inclusive. The primary goal is to achieve top quartile Total Shareholder Return (TSR) relative to a peer group[1] of financial services companies and is unchanged from the prior goal period. TSR is defined as the value created for shareholders through share price appreciation, plus re-invested dividend payments. The peer group is regularly reviewed to ensure that it remains aligned to our business mix and the direction and scale of our ambition.

In terms of progress towards Group goals, Barclays delivered Total Shareholder Return (TSR) of 38% and was positioned 7th within its peer group (third quartile) for the goal period commencing 1st January 2004. The TSR of the FTSE 100 Index for this period was 42%.

[1] Peer group for 2006 remained unchanged from 2005: ABN Amro, BBVA, BNP Paribas, Citigroup, Deutsche Bank, HBOS, HSBC, JP Morgan, Lloyds TSB, Royal Bank of Scotland and UBS.

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Risk Tendency

As part of its credit risk management system, the Group uses a model-based methodology to assess the point-in-time expected loss of credit portfolios across different customer categories. The approach is termed Risk Tendency and applies to credit exposures in both wholesale and retail sectors. Risk Tendency provides statistical estimates of losses expected to arise within the next year based on averages in the ranges of possible losses expected from each of the current portfolios. This can be contrasted with impairment allowances required under accounting standards, which are based on objective evidence of impairment as at the balance sheet date.

Since Risk Tendency and impairment allowances are calculated for different purposes and on different bases, Risk Tendency does not predict loan impairment. Risk Tendency is provided to present a view of the evolution of the quality and scale of the credit portfolios.

		As at	
	30.06.06	**31.12.05**	**30.06.05**
	£m	**£m**	**£m**
UK Banking	**470**	430	400
UK Retail Banking	**195**	180	170
UK Business Banking	**275**	250	230
Barclaycard	**1,340**	1,100	980
International Retail and Commercial Banking	**195**	175	75
International Retail and Commercial Banking-ex Absa	**70**	75	75
International Retail and Commercial Banking-Absa	**125**	100	
Barclays Capital	**125**	110	80
Wealth Management	**10**	5	5
Transition Businesses[1]	**25**	25	35
	2,165	1,845	1,575

Risk Tendency increased 17% (£320m) to £2,165m (31st December 2005: £1,845m).

The principal increase in Risk Tendency occurred in Barclaycard, where Risk Tendency rose £240m to £1,340m, reflecting the deterioration of credit conditions in the UK credit card and unsecured loan market and enhancements to the methodology. Risk Tendency growth in the other businesses largely reflected credit conditions and loan growth.

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[1] Included within head office functions and other operations.

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BARCLAYS PLC

ADDITIONAL INFORMATION

Group reporting changes in 2006

Barclays announced on 16th June 2006 the impact of certain changes in Group structure and reporting on 2005 and 2004 results.

Barclays has realigned a number of reportable business segments based on the reorganisation of certain portfolios better to reflect the type of client served, the nature of the products offered and the associated risks and rewards. The Group s policy for the internal cost of funding and the segmental disclosure of risk weighted assets was also revised with effect from 1st January 2006. The restatements have no impact on the Group Income Statement or Balance Sheet.

Group structure changes - effective 1st January 2006

UK Retail Banking comprises Personal Customers, Local Business (formerly Small Business), UK Premier and Home Finance (formerly Mortgages). A number of smaller business clients previously within UK Business Banking are now managed and reported within UK Retail Banking.

UK Business Banking comprises Larger Business and Medium Business including Asset and Sales Finance. A number of financial institution, large corporate and property clients previously within UK Business Banking are now managed by and reported in Barclays Capital. A number of smaller business clients previously within UK Business Banking are now managed and reported within UK Retail Banking. Certain portfolios have been reclassified as businesses in transition and are now managed and reported in Head office functions and other operations.

International Retail and Commercial Banking - Absa. The majority of Absa Corporate and Merchant Banking has been relaunched as Absa Capital and is being managed and reported in Barclays Capital.

Barclays Capital has added a number of financial institutions, large corporates and property companies previously managed within UK Business Banking and International Retail and Commercial Banking - Absa.

Head office functions and other operations. Certain lending portfolios previously managed within UK Business Banking have been reclassified as businesses in transition. These businesses are now centrally managed with the objective of maximising the recovery from these assets.

The structure remains unchanged for: Barclays Global Investors; Wealth Management; Wealth Management - closed life assurance activities; Barclaycard and; International Retail and Commercial Banking excluding - Absa.

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ADDITIONAL INFORMATION

Changes to internal cost of funding - effective 1st January 2006

All transactions between the businesses are conducted on an arm s length basis. Internal charges and transfer pricing adjustments are reflected in the performance of each business. Head office functions and other operations contains a centralised Treasury function which manages the Group s capital base, generating a net interest income. Previously the net interest income was allocated to the businesses based on the level of economic capital held by each business as a proportion of that held by the Group, which ensured a nil net interest income result in Treasury. The allocation is now determined by applying Treasury s effective rate of return on capital to the average economic capital held by each business.

Changes to risk weighted assets by business - effective 1st January 2006

Under the Group s securitisation programme, certain portfolios of loans and advances to customers and other assets subject to securitisation or similar risk transfer are adjusted in calculating the Group s risk weighted assets. With effect from 1st January 2006 the costs associated with each securitisation, which were previously held centrally, will be allocated to the relevant businesses. The regulatory capital adjustments arising from the securitisation programme will be attributed to the business which bears the costs.

Acquisitions and disposals

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

On 29th June 2006, a wholly-owned subsidiary of Barclays Bank PLC acquired a 16% minority equity stake in Greenergy International Limited, a UK based fuels and biofuels company, for a cash consideration of £12m.

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BARCLAYS PLC

ADDITIONAL INFORMATION

Basis of Preparation

There have been no significant changes to the accounting policies described in the 2005 Annual Report. Therefore the information in this announcement has been prepared using the accounting policies and presentation applied in 2005.

Future accounting developments

IFRS 7 (Financial Instruments Disclosures) and an amendment to IAS 1 (Presentation of Financial Statements) on capital disclosures were issued by the IASB in August 2005 for application in accounting periods beginning on or after 1st January 2007 and have been adopted by the European Commission. The new or revised disclosures will be adopted by the Group for reporting in 2007.

Consideration will be given during 2006 to the implications, if any, of the following International Financial Reporting Interpretations Committee (IFRIC) interpretations issued during 2005 and 2006 which first apply to accounting periods beginning on or after 1st January 2007:

Interpretation 7 - Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies

Interpretation 8 - Scope of IFRS 2

Interpretation 9 - Reassessment of Embedded Derivatives

Interpretation 10 - Interim Financial Reporting and Impairment.

Share capital

The Group manages its debt and equity capital actively. The Group s authority to buy back ordinary shares was renewed at the 2006 Annual General Meeting.

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 this 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.

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BARCLAYS PLC

ADDITIONAL INFORMATION

Competition and regulatory matters

The scale of regulatory change remains challenging, arising in part from the implementation of some key European Union (EU) directives. Many changes to financial services legislation and regulation have come into force in recent years and further changes will take place in the near future. Concurrently, there is continuing political and regulatory scrutiny of the operation of the retail banking and consumer credit industries in the UK and elsewhere.

In the EU as a whole, this includes an inquiry into retail banking in all 25 member states by the European Commission s Directorate General for Competition. The inquiry is looking at retail banking in Europe generally and the Group is co-operating with the inquiry. The outcome of the inquiry is unclear, but it may have an impact on retail banking in one or more of the EU countries in which the Group operates and therefore on the Group s business in that sector.

In the UK, in September 2005 the Office of Fair Trading (OFT) received a super-complaint from the Citizens Advice Bureau relating to payment protection insurance (PPI). As a result of its inquiries, the OFT commenced a market study on PPI in April 2006. The impact of the study is not known at present.

In relation to UK consumer credit:

The OFT has carried out investigations into Visa and MasterCard credit card interchange rates. The decision by the OFT in the MasterCard interchange case was set aside by the Competition Appeals Tribunal in June 2006. The OFT s investigation in the Visa interchange case is at an earlier stage and a second MasterCard interchange case is ongoing. The outcome is not known but these investigations may have an impact on the consumer credit industry in general and therefore on the Group s business in this sector.

The OFT also has a continuing investigation into the level of late and over-limit fees on credit cards. The OFT announced its findings on 5th April 2006 requiring a response from credit card companies by 31st May 2006. Barclaycard responded by confirming that it will be reducing its late and over-limit fees on credit cards.

On 7th September 2006, the OFT announced that it had decided to undertake further work on the application to current accounts of its findings on credit card fees. The OFT expect this work to take three to six months, at which stage the OFT will consider whether a further detailed investigation of the fairness of individual bank default charges is needed

The OFT announced in January 2006 that it would be reviewing the undertakings given following the conclusion of the Competition Commission Inquiry in 2002 into the supply of banking services to Small and Medium Sized Enterprises. The OFT commenced the review in April 2006 and anticipates that it will take nine months. The Group is cooperating fully with that review.

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BARCLAYS PLC

ADDITIONAL INFORMATION

Recent developments

Barclays announced on 13th March 2006, that it had signed a non-binding Letter of Intent with Canadian Imperial Bank of Commerce (CIBC) for the sale of Barclays 43.7% stake in FirstCaribbean International Bank (FirstCaribbean) to CIBC. On 29th June 2006 Barclays announced that it had entered into a definitive agreement for the sale of the stake to CIBC for approximately US$1.08 billion. CIBC has the option of paying for the transaction in cash, CIBC common shares, or a combination of cash and shares, the relative proportions of which CIBC will determine before completion. Barclays would not intend to be a long term holder of any CIBC shares it may receive in connection with this transaction. The transaction, which is subject to a number of conditions, including the receipt of applicable regulatory approvals, is anticipated to complete in late 2006.

Barclays announced on 22nd June 2006 that it had entered into an agreement to purchase the US mortgage servicing business of HomEq Servicing Corporation from Wachovia Corporation for a consideration of US$469 million.

Barclays announced on 21st August 2006 that shareholders representing 96% of the share capital of Rank Investments and Credits (India) Limited (Rank) have agreed to the subscription of equity and preference shares of Rank by Barclays Bank PLC for a total consideration of US$7.5m in cash. Following such subscription, Barclays will effectively own approximately 99.28% of the equity share capital of Rank. Completion of the transaction is conditional upon no objection being raised by the Reserve Bank of India or any other Indian governmental authority during the 30 day period following public announcement of the proposed transaction in India.

Barclays and Argos Retail Group announced on 23rd August 2006 that that they had signed a Shareholders Agreement to form a 50/50 joint venture to provide a new Argos credit card and loan product, and a new Homebase loan product. Each party made an initial *de minimis* capital contribution to the joint venture. A Services Agreement will be entered into between Argos Limited, Barclays Bank PLC and the joint venture company (ARG Personal Finance Limited) later in 2006 when the business of the joint venture company will become fully operational. If the Services Agreement is not signed by 31st December 2006, the Shareholders Agreement will terminate without prejudice to Argos Limited or Barclays Bank PLC.

On 31st August 2006, Barclays announced that Matthew W Barrett would retire as Chairman on 31st December 2006 and would be succeeded by Marcus Agius, who was appointed a non-executive Director of Barclays PLC and Barclays Bank PLC with effect from 1st September 2006. Mr Agius is currently a Deputy Chairman of Lazard LLC and Chairman of Lazard London. He has been chairman of BAA plc since 2002. With effect from 1st January 2007, when he becomes Chairman of Barclays, he will relinquish all responsibilities at Lazard.

Barclays and Thomas Cook UK Limited (Thomas Cook) announced on 8th September 2006 that they had signed a Shareholders Agreement to form a 50/50 joint venture to provide a new Thomas Cook credit card and other financial services products.

Barclays Bank PLC and Thomas Cook have each made an initial *de minimis* capital contribution to the joint venture. The Shareholders Agreement is conditional on agreement of the terms of a Services Agreement to be entered into between Thomas Cook, Barclays Bank PLC and the joint venture company and on regulatory approvals. This is expected to happen later this year.

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NOTES

1. Assets held in respect of linked liabilities to customers under investment contracts/liabilities arising from investment contracts

	30.06.06 £m	As at 31.12.05 £m	30.06.05 £m
Non-trading financial instruments fair valued through profit and loss held in respect of linked liabilities	**79,334**	83,193	69,792
Cash and bank balances within the funds	**2,046**	2,008	1,816
Assets held in respect of linked liabilities to customers under investment contracts	**81,380**	85,201	71,608
Liabilities arising from investment contracts	**(81,380)**	(85,201)	(71,608)

2. Derivative financial instruments

The tables set out below analyse the contract or underlying principal and the fair value of derivative financial instruments held for trading purposes and for the purposes of managing the Group s structural exposures. Derivatives are measured at fair value and the resultant profits and losses from derivatives held for trading purposes are included in net trading income. Where derivatives are held for risk management purposes and when transactions meet the criteria specified in IAS 39, the Group applies hedge accounting as appropriate to the risks being hedged.

	As at 30.06.06		
	Contract notional amount £m	Fair value Assets £m	Fair value Liabilities £m
Derivatives designated as held for trading			
Foreign exchange derivatives	**1,407,480**	**20,865**	**(20,885)**
Interest rate derivatives	**17,863,507**	**80,471**	**(80,625)**
Credit derivatives	**897,769**	**5,473**	**(5,075)**
Equity and stock index and commodity derivatives	**587,142**	**29,099**	**(31,721)**
Total derivative assets/(liabilities) held for trading	**20,755,898**	**135,908**	**(138,306)**
Derivatives designated in hedge accounting relationships			
Derivatives designated as cash flow hedges	**31,724**	**135**	**(351)**
Derivatives designated as fair value hedges	**15,982**	**267**	**(313)**
Derivatives designated as hedges of net investments	**12,292**	**591**	**(12)**
Total derivative assets/(liabilities) designated in hedge accounting relationships	**59,998**	**993**	**(676)**
Total recognised derivative assets/(liabilities)	**20,815,896**	**136,901**	**(138,982)**

Total derivative notionals as at 30th June 2006 have grown from 31st December 2005 primarily due to increases in the volume of fixed income derivatives, which reflects the continued growth in our client base and increased use of electronic trading platforms in Europe and the US. Credit derivative values have also increased significantly due to growth in the market for these products.

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2. Derivative financial instruments (continued)

	As at 31.12.05		
	Contract notional amount £m	Fair value Assets £m	Fair value Liabilities £m
Derivatives designated as held for trading			
Foreign exchange derivatives	1,184,074	18,485	(17,268)
Interest rate derivatives	15,374,057	81,028	(79,701)
Credit derivatives	609,381	4,172	(4,806)
Equity and stock index and commodity derivatives	637,452	32,481	(35,128)
Total derivative assets/(liabilities) held for trading	17,804,964	136,166	(136,903)
Derivatives designated in hedge accounting relationships			
Derivatives designated as cash flow hedges	40,080	232	(483)
Derivatives designated as fair value hedges	33,479	423	(331)
Derivatives designated as hedges of net investments	5,919	2	(254)
Total derivative assets/(liabilities) designated in hedge accounting relationships	79,478	657	(1,068)
Total recognised derivative assets/(liabilities)	17,884,442	136,823	(137,971)

	As at 30.06.05		
	Contract notional amount £m	Fair value Assets £m	Fair value Liabilities £m
Derivatives designated as held for trading			
Foreign exchange derivatives	1,031,529	17,912	(17,174)
Interest rate derivatives	13,362,136	93,435	(91,197)
Credit derivatives	398,126	3,110	(2,897)
Equity and stock index and commodity derivatives	376,436	18,492	(20,815)
Total derivative assets/(liabilities) held for trading	15,168,227	132,949	(132,083)
Derivatives designated in hedge accounting relationships			
Derivatives designated as cash flow hedges	22,839	283	(300)
Derivatives designated as fair value hedges	38,857	694	(401)
Derivatives designated as hedges of net investments	313	6	
Total derivative assets/(liabilities) designated in hedge accounting relationships	62,009	983	(701)
Total recognised derivative assets/(liabilities)	15,230,236	133,932	(132,784)

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3. Loans and advances to banks

	30.06.06 £m	As at 31.12.05 £m	30.06.05 £m
By geographical area			
United Kingdom	**7,848**	4,624	6,026
Other European Union	**10,209**	5,423	11,992
United States	**10,888**	13,267	9,180
Africa	**1,375**	880	409
Rest of the World	**5,014**	6,915	7,630
	35,334	31,109	35,237
Less: Allowance for impairment	**(4)**	(4)	(12)
Total loans and advances to banks	**35,330**	31,105	35,225

Of the total loans and advances to banks, placings with banks were £18.1bn (2005: £21.1bn).

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4. Loans and advances to customers

	30.06.06 £m	As at 31.12.05 £m	30.06.05 £m
Retail business	**134,534**	144,039	109,566
Wholesale and corporate business	**150,963**	128,303	130,385
	285,497	272,342	239,951
Less: Allowances for impairment	**(3,400)**	(3,446)	(2,828)
Total loans and advances to customers	**282,097**	268,896	237,123
By geographical area			
United Kingdom	**164,417**	163,759	165,382
Other European Union	**43,528**	38,923	35,479
United States	**26,523**	22,925	22,588
Africa	**29,694**	33,221	3,046
Rest of the World	**21,335**	13,514	13,456
	285,497	272,342	239,951
Less: Allowance for impairment	**(3,400)**	(3,446)	(2,828)
Total loans and advances to customers	**282,097**	268,896	237,123
By industry			
Financial institutions	**56,616**	43,102	44,791
Agriculture, forestry and fishing	**3,449**	3,785	2,426
Manufacturing	**13,951**	13,779	12,717
Construction	**4,430**	5,020	4,478
Property	**16,929**	16,325	7,797
Energy and water	**5,527**	6,891	4,976
Wholesale and retail distribution and leisure	**16,902**	17,760	13,844
Transport	**5,252**	5,960	5,169
Postal and communication	**1,394**	1,313	1,164
Business and other services	**29,453**	24,247	28,721
Home loans[1]	**89,001**	89,529	75,435
Other personal	**31,865**	35,543	30,287
Finance lease receivables	**10,728**	9,088	8,146
	285,497	272,342	239,951
Less: Allowance for impairment	**(3,400)**	(3,446)	(2,828)
Total loans and advances to customers	**282,097**	268,896	237,123

The 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 that subsidiary operates even though the parent s predominant business may be a different industry.

Loans and advances grew 5% (£13,201m) to £282,097m (31st December 2005: £268,896m).

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[1] Excludes commercial property mortgages.

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5. Allowance for impairment on loans and advances

	Half-year ended		
	30.06.06	31.12.05	30.06.05
	£m	£m	£m
At beginning of period	**3,450**	2,840	2,637
Acquisitions and disposals	**(3)**	532	23
Exchange and other adjustments	**(105)**	62	63
Unwind of discount	**(48)**	(46)	(30)
Amounts written off (see below)	**(996)**	(923)	(664)
Recoveries (see below)	**125**	124	98
Amounts charged against profit (see below)	**981**	861	713
At end of period	**3,404**	3,450	2,840
Amounts written off			
United Kingdom	**(751)**	(682)	(620)
Other European Union	**(54)**	(40)	(16)
United States	**(18)**	(119)	(24)
Africa	**(167)**	(77)	(4)
Rest of the World	**(6)**	(5)	
	(996)	(923)	(664)
Recoveries			
United Kingdom	**80**	95	65
Other European Union	**10**	9	4
United States	**13**	9	6
Africa	**17**	15	1
Rest of the World	**5**	(4)	22
	125	124	98
Impairment charged against profit:			
New and increased impairment allowances			
United Kingdom	**1,042**	936	827
Other European Union	**56**	68	45
United States	**44**	68	37
Africa	**102**	92	17
Rest of the World	**13**	20	19
	1,257	1,184	945
Less: Releases of impairment allowance			
United Kingdom	**(84)**	(124)	(97)
Other European Union	**(25)**	(15)	(10)
United States	**(16)**	9	(23)
Africa	**(15)**	(52)	(4)

Rest of the World	**(11)**	(17)	
	(151)	(199)	(134)
Recoveries	**(125)**	(124)	(98)
Total impairment charges on loans and advances[1]	**981**	861	713

1 This excludes other credit provisions and impairment on available for sale assets detailed on page 41.

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5. Allowance for impairment on loans and advances (continued)

	Half-year ended		
	30.06.06	**31.12.05**	**30.06.05**
	£m	**£m**	**£m**
Allowance			
United Kingdom	**2,428**	2,266	2,174
Other European Union	**259**	284	282
United States	**128**	130	149
Africa	**474**	647	76
Rest of the World	**115**	123	159
	3,404	3,450	2,840

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6. Potential credit risk loans

The following tables present an analysis of potential credit risk loans (non-performing and potential problem loans).

	30.06.06 £m	As at 31.12.05 £m	30.06.05 £m
Potential credit risk loans			
Summary			
Impaired loans[1]	**4,630**	4,550	3,735
Accruing loans which are contractually overdue 90 days or more as to principal or interest	**618**	609	613
	5,248	5,159	4,348
Restructured loans	**46**	51	23
Total non-performing loans	**5,294**	5,210	4,371
Potential problem loans	**935**	929	731
Total potential credit risk loans	**6,229**	6,139	5,102
Geographical split Impaired loans[1]:			
United Kingdom	**3,164**	2,965	2,870
Other European Union	**461**	345	305
United States	**172**	230	237
Africa	**657**	831	122
Rest of the World	**176**	179	201
Total	**4,630**	4,550	3,735
Accruing loans which are contractually overdue 90 days or more as to principal or interest			
United Kingdom	**528**	539	576
Other European Union	**67**	53	31
United States	**2**		1
Africa	**21**	17	5
Rest of the World			
Total	**618**	609	613

1 Impaired loans are non-performing loans where, in general, an impairment allowance has been raised. This classification may also include non-performing loans which are fully collateralised or where the indebtedness has already been written down to the expected realisable value.

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6. Potential credit risk loans (continued)

		As at	
	30.06.06	**31.12.05**	**30.06.05**
	£m	**£m**	**£m**
Restructured loans			
United Kingdom	**2**	5	
Other European Union	**10**	7	7
United States	**17**	16	16
Africa	**17**	23	
Rest of the World			