BARCLAYS PLC
Form 6-K
February 15, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13A-16 OR 15D-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934

February 15, 2011

Barclays PLC and
Barclays Bank PLC
(Names of Registrants)

1 Churchill Place
London E14 5HP
England

(Address of Principal Executive Offices)

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

Form 20-F x Form 40-F

Indicate by check mark whether the registrant 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 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.

This Report comprises:

Information given to The London Stock Exchange and furnished pursuant to General Instruction B to the General Instructions to Form 6-K.

EXHIBIT INDEX

Final Results - February 15, 2011

SIGNATURES

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

BARCLAYS PLC
(Registrant)

Date: February 15, 2011

By: /s/ Patrick Gonsalves

Patrick Gonsalves
Deputy Secretary

BARCLAYS BANK PLC
(Registrant)

Date: February 15, 2011

By: /s/ Patrick Gonsalves

Patrick Gonsalves
Joint Secretary

Barclays PLC
Preliminary Results Announcement

31st December 2010

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

Unless otherwise stated, the income statement analyses compare the twelve months to 31st December 2010 to the corresponding twelve months of 2009 and balance sheet comparisons relate to the corresponding position at 31st December 2009. Unless otherwise stated, all disclosed figures relate to continuing operations.

Relevant terms that are used in this document but are not defined under applicable regulatory guidance or International Financial Reporting Standards (IFRS) are explained in the glossary on pages 98 to 104.

In accordance with Barclays policy to provide meaningful disclosures that help investors and other stakeholders understand the financial position, performance and changes in the financial position of the Group for the year, and having regard to the BBA Disclosure Code, the information provided in this report goes beyond minimum requirements. Barclays continues to develop its financial reporting considering best practice and welcomes feedback from investors, regulators and other stakeholders on the disclosures that investors would find most useful.

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

The information in this announcement, which was approved by the Board of Directors on 14th February 2011, does not comprise statutory accounts within the meaning of Section 434 of the Companies Act 2006. Statutory accounts for the year ended 31st December 2009, 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 495 of the Companies Act 2006 and which did not make any statements under Section 498 of the Companies Act 2006, have been delivered to the Registrar of Companies in accordance with Section 441 of the Companies Act 2006. The 2010 Annual Review and Summary Financial Statements will be posted to shareholders together with the Group's full Annual Report and Accounts for 2010 for those shareholders who request it.

These results will be furnished as a form 6-K to the SEC as soon as practicable following their publication. Statutory accounts for the year ended 31st December 2010, which also include certain information required for the Joint Annual Report on Form 20-F of Barclays PLC and Barclays Bank PLC to the SEC, can be obtained from Corporate Communications, Barclays Bank PLC, 745 Seventh Avenue, New York, NY 10019, United States of America or from the Director, Investor Relations at Barclays registered office address, shown above, once they have been published in March. Once filed with the SEC, copies of the Form 20-F will also be available from the Barclays Investor Relations website www.barclays.com/investorrelations and from the SEC's website (www.sec.gov).

Forward-looking Statements

This document contains certain forward-looking statements within the meaning of Section 21E of the US Securities Exchange Act of 1934, as amended, and Section 27A of the US Securities Act of 1933, as amended, with respect to certain of the Group's plans and its current goals and expectations relating to its future financial condition and performance. Barclays cautions readers that no forward-looking statement is a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking statements. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements sometimes use words such as "may", "will", "seek", "continue", "aim", "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe" or other words of similar meaning. Examples of forward-looking statements include, among others, statements regarding the Group's future financial position, income growth, assets, impairment charges, business strategy, capital ratios, leverage, payment of dividends, projected levels of growth in the banking and financial markets, projected costs, estimates of capital expenditures, and plans and objectives for future operations and other statements that are not historical fact. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances, including, but not limited to, UK domestic and global economic and business conditions, the effects of continued volatility in credit markets, market related risks such as changes in interest rates and exchange rates, effects of changes in valuation of credit market exposures, changes in valuation of issued notes, the policies and actions of governmental and regulatory authorities, including capital requirements, changes in legislation, the further development of standards and interpretations under IFRS applicable to past, current and future periods, evolving practices with regard to the interpretation and application of standards under IFRS, the outcome of pending and future litigation, the success of future acquisitions and other strategic transactions and the impact of competition - a number of such factors being beyond the Group's control. As a result, the Group's actual future results may differ materially from the plans, goals, and expectations set forth in the Group's forward-looking statements.

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

	Year Ended	Year Ended
2010 Performance Highlights		
Group Unaudited Results	31.12.10	31.12.09

	£m	£m	% Change
Total income net of insurance claims	31,440	29,123	8
Impairment charges and other credit provisions	(5,672)	(8,071)	(30)
Net income	25,768	21,052	22
Operating expenses	(19,971)	(16,715)	19
Profit before tax	6,065	4,585	32
Own credit (gain)/charge	(391)	1,820	nm
Gains on acquisitions and disposals	(210)	(214)	(2)
Gains on debt buy-backs and extinguishments	-	(1,249)	nm
Adjusted profit before tax	5,464	4,942	11
Profit after tax	4,549	3,511	30
Profit attributable to equity holders of the parent	3,564	2,628	36
Basic earnings per share	30.4p	24.1p	26
Dividend per share	5.5p	2.5p	120
Performance Measures			
Return on average shareholders' equity	7.2%	6.7%	nm
Return on average tangible shareholders' equity	8.7%	9.0%	nm
Return on average risk weighted assets	1.1%	0.9%	nm
Cost: income ratio	64%	57%	nm
Cost: net income ratio	78%	79%	nm
Cost: income ratio (excluding own credit)	64%	54%	nm
Cost: net income ratio (excluding own credit)	79%	73%	nm
Capital and Balance Sheet			
Core Tier 1 ratio	10.8%	10.0%	nm
Risk weighted assets	£398bn	£383bn	4
Adjusted gross leverage1	20x	20x	nm
Group liquidity pool	£154bn	£127bn	21
Net asset value per share	417p	414p	1
Net tangible asset value per share	346p	337p	3
Group loan: deposit ratio	124%	130%	nm

Business Segment Analysis - Profit Before Tax	£m	£m	% Change
UK Retail Banking	989	710	39
Barclaycard	791	727	9
Western Europe Retail Banking	(139)	280	nm
Barclays Africa	188	104	81
Absa	616	528	17
Barclays Capital	4,780	2,464	94
Barclays Corporate	(631)	157	nm
Barclays Wealth	163	143	14

Investment Management	67	22	205
Head Office Functions and Other Operations	(759)	(550)	38

Geographic Segment Analysis - Income2	£m	%	£m	%	
UK and Ireland	12,807	40	12,946	45	nm
Europe region	4,735	15	4,359	15	nm
Americas	7,742	25	6,531	22	nm
Africa	4,697	15	4,016	14	nm
Asia	1,459	5	1,271	4	nm

1 31st December 2010 uses a revised definition. Applying this to 31st December 2009 would give 19x. See page 72 for further details.
2 Geographic segment analysis is based on customer location. See glossary for definitions of geographic segments.

"I am proud of what we achieved in 2010, especially our profit growth and enhanced capital and liquidity positions.

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

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

Bob Diamond, Chief Executive

- Group profit before tax of £6,065m, up 32% (2009: £4,585m)

- Income of £31,440m, up 8% and net income of £25,768m, up 22%

- Impairment charges of £5,672m, down 30%, giving a loan loss rate of 118bps (2009: 156bps) with a sharp decrease in impairment at Barclays Capital partially offset by a significant increase in Barclays Corporate impairment in Spain

- Operating expenses of £19,971m, up 19%, reflecting continued investment in the build-out of Barclays Capital and Barclays Wealth, restructuring charges, goodwill impairment andincreased charges relating to prior year compensation deferrals

- Total Group 2010 performance awards of £3.4bn, down 7% on 2009

- Positive net income: cost "jaws" of 3%, driven by the decrease in impairment charges

- Returns on average shareholders' equity of 7.2% (2009: 6.7%), on average tangible shareholders' equity of 8.7% (2009: 9.0%) and on average risk weighted assets of 1.1% (2009: 0.9%)

- Key measures of Group's financial strength:

- Core Tier 1 ratio of 10.8% (2009: 10.0%) and Tier 1 capital ratio of 13.5% (2009: 13.0%)

- Group liquidity pool of £154bn (2009: £127bn) and adjusted gross leverage of 20x (2009: 20x)

- Gross new UK lending of £36bn (2009: £35bn) plus £7.5bn arising from acquisition of Standard Life Bank

- Global tax paid of £6.1bn. UK tax paid of £2.8bn, including £1.3bn on behalf of staff

- Barclays Capital profit before tax of £4,780m (2009: £2,464m) - excluding the effect of own credit, profit before tax of £4,389m, up 2% (2009: £4,284m)

- Total income up 17% to £13,600m (2009: £11,625m) and net income up 45% to £13,057m (2009: £9,034m)

- Fourth quarter top-line income of £3,380m, up 20% on the third quarter

- Cost: net income ratio excluding own credit of 65% (2009: 61%)

- Significant reduction in credit market losses through income to £124m (2009: £4,417m) and total impairment charges and other credit provisions to £543m (2009: £2,591m), including an impairment charge of £532m against the loan to Protium

- Global Retail Banking (GRB) profit before tax of £1,829m (2009: £1,821m)

- Total income of £10,507m (2009: £10,374m) and net income of £7,604m (2009: £7,086m)

- Return on average risk weighted assets up to 1.7% (2009: 1.5%)

- Absa profit before tax of £616m, up 17%, (2009: £528m)

- Barclays Corporate loss before tax of £631m (2009: profit of £157m)

- Profit before tax in UK & Ireland of £851m (2009: £732m)

- Continental Europe loss before tax of £870m (2009: £142m), reflecting a significant increase in corporate impairment in Spain to £898m (2009: £268m). New Markets loss before tax of £612m (2009: £433m)

- Non-UK & Ireland income £18,633m representing 60% of total income (2009: 55%)

- Final dividend of 2.5p per share making 5.5p for the year (2009: 2.5p)

Chief Executive's Review

Summary

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

We have much more to do to ensure that we can continue to deliver on our goal to produce top quartile total shareholder returns (TSR) over time. Over 2010, we ranked in the top quartile of our global peer group1 against which we measure our relative TSR performance with a performance of minus 4% reflecting difficult market conditions for bank stocks globally. I focus the latter half of this review on the commitments against which I believe we must deliver to continue to achieve our TSR goal.

2010 Performance

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

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

Lending is a fundamental part of what we do to support economic growth and our customers and clients. In the UK, there remains significant political and media attention on the banks' lending delivery. In 2010, we provided £36bn of gross new lending to UK households and businesses and we added an additional £7.5bn of UK loans to our balance sheet when we acquired Standard Life Bank at the beginning of the year. We are open for business.

Managing Our Risks: I believe the outcomes on key risk-related metrics demonstrate clearly our success over the past year.

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

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

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

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

Compensation

The decisions that we have made on compensation for 2010 are sensitive to the external environment. We have sought to balance this social responsibility with the requirement to attract and retain the level of qualified people we need to deliver for all our stakeholders. Our decisions are also fully compliant with the significantly altered regulations that now govern discretionary pay awards, especially the re-written FSA Remuneration Code, and with our commitments made under Project Merlin. As a result, the amount of discretionary compensation awards that are deferred has increased further; the proportion of equity in the deferral structures has increased; and we have developed an innovative structure for a deferred compensation scheme for our most senior employees that links future pay-outs under the scheme to the Group's core capital position at the time. In total, and against a backdrop of a 32% increase in Group profit before tax for 2010, our performance awards (which exclude charges relating to prior year deferrals but include current year awards vesting in future years) were down 7% on 2009.

1 Peer group: Bank of America, BBVA, BNP Paribas, Credit Suisse, Deutsche Bank, HSBC, JP Morgan, Morgan Stanley, Santander, Société Générale and Unicredit.

2011 Execution Priorities

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

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

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

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

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

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

4. Citizenship - In general we as banks need to do more to help foster economic growth and job creation as well as helping the public understand better the significant role we already play in this regard. I take pride in the culture at Barclays, where many of my colleagues work selflessly to help those in need in their local communities and we apply our expertise to real world issues. We must do a better job of helping those outside the organisation see the

scale of what we do and the impact it has as we seek to intensify our efforts here. You can expect to hear much more from us in this space later this year.

Conclusion

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

Bob Diamond, Chief Executive

Group Finance Director's Review

Group Performance

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

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

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

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

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

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

Business Performance

Global Retail Banking (GRB) performance exhibited encouraging signs of growing momentum against a challenging backdrop. Overall profit before tax was £1,829m (2009: £1,821m) with strong profit growth in UK Retail Banking and Barclays Africa, good growth in Barclaycard and a loss in Western Europe Retail Banking. Total GRB income increased 1% to £10,507m (2009: £10,374m) reflecting business growth, increased net interest margins in Barclaycard and Barclays Africa, a stable margin in UK Retail Banking and a lower margin in Western Europe Retail Banking. Risk appetite remained consistent with improved collections and better economic conditions leading to lower impairment which drove an improved risk adjusted net interest margin. Operating expenses increased 10% to £6,020m (2009: £5,490m) primarily due to higher pension costs, the impact of acquisitions and higher regulatory-related costs. Overall GRB return on average risk weighted assets improved to 1.7% (2009: 1.5%) and GRB's loan to deposit ratio improved to 140% (2009: 144%). The performance of the businesses within GRB is summarised below:

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

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

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

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

Absa Group Limited reported profit before tax of R11,851m (2009: R9,842m), an increase of 20%. In Barclays segmental reporting, the results of the Absa credit card business are included in Barclaycard, the investment banking operations in Barclays Capital and wealth operations in Barclays Wealth. The other operations of Absa Group Limited are reported in the Absa segment.

Absa profit before tax increased 17% to £616m (2009: £528m), driven by the appreciation in the average value of the Rand against Sterling. The impact of exchange rate movements also impacted income, which increased 14%, operating expenses, which increased 25%, and impairment charges, which decreased 15%. Impairment charges in Rand termsimproved 26% reflecting an improvement in economic conditions.

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

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

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

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

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

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

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

Balance Sheet and Capital Management

Shareholders' Equity

Shareholders' equity, including non-controlling interests, increased 6% to £62.3bn in 2010 driven by profit after tax of £4.6bn and £1.5bn generated on exercise of warrants. Net asset value per share was 417p (2009: 414p). Net tangible asset value per share was 346p (2009: 337p).

Balance Sheet

Total assets increased £111bn to £1,490bn in 2010. The biggest increases were in cash and balances at central banks, trading portfolio assets and reverse repurchase lending. Loans and advances increased by £4bn and derivative assets and liability balances increased marginally. Adjusted gross leverage, being the multiple of adjusted total tangible assets over total qualifying Tier 1 capital, was 20x as at 31st December 2010 (2009: 20x) and moved within a month end range 20x to 24x during 2010, reflecting fluctuations in normal trading activities.

Capital Management

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

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

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

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

Liquidity and Funding

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

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

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

Dividends

It is the Group's policy to declare and pay dividends on a quarterly basis. The Group will pay a final cash dividend for 2010 of 2.5p per share on 18th March 2011 giving an aggregate declared dividend for 2010 of 5.5p per share.

Outlook

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

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

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

Chris Lucas, Group Finance Director

Condensed Consolidated Financial Statements

Condensed Consolidated Income Statement

		Year Ended	Year Ended
Continuing Operations		31.12.10	31.12.09
	Notes1	£m	£m
Net interest income	1	12,523	11,918
Net fee and commission income	2	8,871	8,418
Net trading income	3	8,078	7,001
Net investment income	4	1,477	56
Net premiums from insurance contracts		1,137	1,172
Gains on debt buy-backs and extinguishments		-	1,249

Other income		118	140
Total income		32,204	29,954
Net claims and benefits incurred on insurance contracts		(764)	(831)
Total income net of insurance claims		31,440	29,123
Impairment charges and other credit provisions2		(5,672)	(8,071)
Net income		25,768	21,052
Staff costs	5	(11,916)	(9,948)
Administration and general expenses	5	(6,585)	(5,560)
Depreciation of property, plant and equipment		(790)	(759)
Amortisation of intangible assets		(437)	(447)
Goodwill impairment	5	(243)	(1)
Operating expenses		(19,971)	(16,715)
Share of post-tax results of associates and joint ventures		58	34
Profit on disposal of subsidiaries, associates and joint ventures	6	81	188
Gains on acquisitions	7	129	26
Profit before tax from continuing operations		6,065	4,585
Tax on continuing operations	8	(1,516)	(1,074)
Profit after tax from continuing operations		4,549	3,511
Profit after tax from discontinued operations including gain on disposal		-	6,777
Profit after tax		4,549	10,288
Profit Attributable to Equity Holders of the Parent from:			
Continuing operations		3,564	2,628
Discontinued operations including gain on disposal		-	6,765
Total		3,564	9,393
Profit attributable to non-controlling interest	9	985	895
Earnings per Share from Continuing Operations			
Basic earnings per ordinary share	10	30.4p	24.1p
Diluted earnings per ordinary share	10	28.5p	22.7p

1 For notes see pages 78 to 95.
2 For further analysis see page 45.

Condensed Consolidated Statement of Comprehensive Income

	Notes1	Year Ended 31.12.10 £m	Year Ended 31.12.09 £m
Profit after tax		4,549	10,288
Other Comprehensive Income			

Continuing operations			
Currency translation differences	18	1,184	(863)
Available for sale financial assets	18	(1,236)	1,059
Cash flow hedges	18	(44)	100
Other		59	218
Other comprehensive income for the year, net of tax, from continuing operations		(37)	514
Other comprehensive income for the year, net of tax, from discontinued operations		-	(58)
Total comprehensive income for the year		4,512	10,744
Attributable to:			
Equity holders of the parent		2,975	9,556
Non-controlling interests		1,537	1,188
Total comprehensive income for the year		4,512	10,744

1 For notes, see pages 78 to 95.

Condensed Consolidated Balance Sheet

		As at	As at
Assets		31.12.10	31.12.09
	Notes1	£m	£m
Cash and balances at central banks		97,630	81,483
Items in the course of collection from other banks		1,384	1,593
Trading portfolio assets		168,867	151,344
Financial assets designated at fair value		41,485	42,568
Derivative financial instruments	12	420,319	416,815
Loans and advances to banks2		37,799	41,135
Loans and advances to customers2		427,942	420,224
Reverse repurchase agreements and other similar secured lending		205,772	143,431
Available for sale financial investments		65,110	56,483
Current and deferred tax assets	8	2,713	2,652
Prepayments, accrued income and other assets		5,269	6,358
Investments in associates and joint ventures		518	422
Goodwill and intangible assets		8,697	8,795
Property, plant and equipment		6,140	5,626
Total assets		1,489,645	1,378,929
Liabilities			
Deposits from banks		77,975	76,446
Items in the course of collection due to other banks		1,321	1,466
Customer accounts		345,788	322,429
Repurchase agreements and other similar secured borrowing		225,534	198,781
Trading portfolio liabilities		72,693	51,252
Financial liabilities designated at fair value		97,729	87,881

Derivative financial instruments	12	405,516	403,416
Debt securities in issue		156,623	135,902
Accruals, deferred income and other liabilities		13,233	14,241
Current and deferred tax liabilities	8	1,160	1,462
Subordinated liabilities		28,499	25,816
Provisions	15	947	590
Retirement benefit liabilities	16	365	769
Total liabilities		1,427,383	1,320,451
Shareholders' Equity			
Shareholders' equity excluding non-controlling interests		50,858	47,277
Non-controlling interests	9	11,404	11,201
Total shareholders' equity		62,262	58,478
Total liabilities and shareholders' equity		1,489,645	1,378,929

1 For notes, see pages 78 to 95.
2 For further analysis, see page 42.

Condensed Consolidated Statement of Changes in Equity

Year Ended 31.12.10	Called up Share Capital and Share Premium1 £m	Other Reserves2 £m	Retained Earnings £m	Total £m	Non-controlling Interests £m	Total Equity £m
Balance at 1st January 2010	10,804	2,628	33,845	47,277	11,201	58,478
Profit after tax	-	-	3,564	3,564	985	4,549
Other comprehensive income net of tax:						
Currency translation movements	-	742	-	742	442	1,184
Available for sale investments	-	(1,245)	-	(1,245)	9	(1,236)
Cash flow hedges	-	(100)	-	(100)	56	(44)
Other	-	-	14	14	45	59
Total comprehensive income for the year	-	(603)	3,578	2,975	1,537	4,512
Issue of new ordinary shares	1,500	-	-	1,500	-	1,500
Issue of shares under employee share schemes	35	-	830	865	-	865
Net purchase of treasury shares	-	(989)	-	(989)	-	(989)
Vesting of treasury shares	-	718	(718)	-	-	-
Dividends paid	-	-	(531)	(531)	(803)	(1,334)
Net decrease in non-controlling interests	-	-	-	-	(487)	(487)

arising on redemption of Reserve Capital Instruments						
Other reserve movements	-	-	(239)	(239)	(44)	(283)
Balance at 31st December 2010	12,339	1,754	36,765	50,858	11,404	62,262
Year Ended 31.12.09						
Balance at 1st January 2009	6,138	6,272	24,208	36,618	10,793	47,411
Profit after tax	-	-	9,393	9,393	895	10,288
Other comprehensive income net of tax from continuing operations:						
Currency translation movements	-	(1,140)	-	(1,140)	277	(863)
Available for sale investments	-	1,071	-	1,071	(12)	1,059
Cash flow hedges	-	119	-	119	(19)	100
Other	-	-	171	171	47	218
Other comprehensive income net of tax from discontinued operations	-	(75)	17	(58)	-	(58)
Total comprehensive income for the year	-	(25)	9,581	9,556	1,188	10,744
Issue of new ordinary shares	749	-	-	749	-	749
Issue of shares under employee share schemes	35	-	298	333	-	333
Net purchase of treasury shares	-	(47)	-	(47)	-	(47)
Vesting of treasury shares	-	80	(80)	-	-	-
Dividends paid	-	-	(113)	(113)	(767)	