BARCLAYS PLC
Form 6-K
August 02, 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

August 2, 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

Half Yearly Report dated 2nd August 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: August 2, 2011

By: /s/ Patrick Gonsalves

Patrick Gonsalves
Deputy Secretary

BARCLAYS BANK PLC
(Registrant)

Date: August 2, 2011

By: /s/ Patrick Gonsalves

Patrick Gonsalves
Joint Secretary

Barclays Bank PLC
Interim Results Announcement

30 June 2011

Table of Contents

BARCLAYS BANK PLC, 1 CHURCHILL PLACE, LONDON, E14 5HP, UNITED KINGDOM. TELEPHONE: +44 (0) 20 7116 1000. COMPANY NO. 1026167

The term ‘Barclays PLC Group’ means Barclays PLC together with its subsidiaries and the term ‘Barclays Bank PLC Group’ or 'Group' means Barclays Bank PLC together with its subsidiaries. ‘Barclays’ is used to refer to either of the preceding groups when the subject matter is identical. The term ‘Parent Company’ or ‘Parent’ refers to Barclays PLC and the term ‘Bank’ or 'Company' refers to Barclays Bank PLC. In this report, the abbreviations ‘£m’ and ‘£bn’ represent millions and thousands of millions of pounds sterling respectively; the abbreviations ‘US$m’ and ‘US$bn’ represent millions and thousands of millions of US Dollars respectively and ‘€m’ and ‘€bn’ represent millions and thousands of millions of euros respectively. Information relates to the Group unless otherwise stated.

Unless otherwise stated, the income statement analyses compare the six months to 30 June 2011 to the corresponding six months of 2010 and balance sheet comparisons relate to the corresponding position at 31 December 2010.

Adjusted profit before tax and adjusted performance metrics have been presented to provide a more consistent basis for comparing business performance between periods. These measures exclude: the impact of own credit; the provision for PPI redress; and gains and losses on acquisitions and disposals of subsidiaries, associates, joint ventures and strategic investments.

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 109 to 116.

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 information in this announcement, which was approved by the Board of Directors on 1 August 2011, does not comprise statutory accounts within the meaning of Section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 December 2010, 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.

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", "estimate", "intend", "plan", "goal", "believe" or other words of similar meaning. Examples of forward-looking stateme 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 requirements regarding capital and Group structures, 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.

Basis of Preparation

This document together with the addendum that represents the Barclays PLC consolidated interim financial statements represent the Barclays Bank PLC (the "Group") consolidated financial statements.

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

- Barclays PLC shares held by the Group in employee share schemes totalling £482m (31 December 2010: £330m) and those held for trading purposes totalling £60m (31 December 2010: £63m) are deducted from reserves in Barclays PLC but recognised as available for sale and trading portfolio assets within Barclays Bank PLC;
-

Preference shares issued by Barclays Bank PLC of £5,868m (31 December 2010: £5,868m) are included within share capital and share premium in the Barclays Bank PLC Group but represent non-controlling interests in the Barclays PLC Group; and

- Certain issuances of reserve capital instruments and capital notes by Barclays Bank PLC totalling £1,195m (31 December 2010: £2,069m) are included within other shareholders' equity in the Barclays Bank PLC Group, but represent non-controlling interests in Barclays PLC.

More extensive disclosures are contained in the Barclays PLC Annual Report for the year ended 31st December 2010, including risk exposures and business performance, which are materially the same as those in Barclays Bank PLC.

These consolidated interim financial statements do not comprise the Group's statutory accounts. The Group's statutory accounts, for the year ended 31 December 2010, on which the auditors issued an unmodified audit opinion, have been filed with the Registrar of Companies.

The Group's consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting, using the same accounting policies and methods of computation as those used in the 2010 Barclays Bank PLC Annual Report.

There have been no accounting developments since those disclosed in the 2010 Annual Report that we would expect to have a material impact on the Group's 2011 results.

Going Concern

The Group's business activities and financial position, the factors likely to affect its future development and performance, and its objectives and policies in managing the financial risks to which it is exposed and its capital are discussed in the Results by Business, Risk Management and Capital and Performance Management sections of the Barclays PLC Interim Results Announcement.

The Directors have assessed, in the light of current and anticipated economic conditions, the Group's ability to continue as a going concern.

The Directors confirm they are satisfied that the Group has adequate resources to continue in business for the foreseeable future. For this reason, they continue to adopt the 'going concern' basis for preparing accounts.

Statement of Directors' Responsibilities

The Directors confirm to the best of their knowledge that the condensed consolidated interim financial statements set out on pages 4 to 8 have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union, and that the interim management report herein includes a fair review of the information required by Disclosure and Transparency Rules 4.2.7 and 4.2.8 namely:

— an indication of important events that have occurred during the six months ended 30th June 2011 and their impact on the condensed consolidated interim financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and

— material related party transactions in the six months ended 30th June 2011 and any material changes in the related party transactions described in the last Annual Report.

On behalf of the Board

Bob Diamond	Chris Lucas
Chief Executive	Group Finance Director

Independent Auditor's Review

Independent Auditors' Review Report to Barclays Bank PLC

Introduction

We have been engaged by Barclays Bank PLC to review the condensed consolidated interim financial statements in the interim results announcement for the six months ended 30th June 2011, which comprises the basis of preparation on page 1, the condensed consolidated income statement on page 4, condensed consolidated statement of comprehensive income on page 5, condensed consolidated balance sheet on page 6, condensed consolidated statement of changes in equity on page 7, condensed consolidated cash flow statement on page 8 and related notes on page 9. We have read the other information contained in the interim results announcement and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed consolidated interim financial statements.

Directors' Responsibilities

The interim results announcement is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the interim results announcement in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in the 'Accounting Policies' section, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The condensed consolidated interim financial statements included in this interim results announcement have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

Our Responsibility

Our responsibility is to express to the company a conclusion on the condensed consolidated interim financial statements in the interim results announcement based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of the Disclosure and Transparency Rules of the Financial Services Authority and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial statements in the interim results announcement for the six months ended 30th June 2011 are not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

PricewaterhouseCoopers LLP
Chartered Accountants London,
United Kingdom
1 August 2011

1 The maintenance and integrity of the Barclays website is the responsibility of the Directors; the work carried out by the auditors does not involve
consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial
statements since they were initially presented on the website.

2 Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Condensed Consolidated Financial Statements (Unaudited)

Condensed Consolidated Income Statement (Unaudited)

Continuing Operations	Notes1	Half Year Ended 30.06.11 £m	Half Year Ended 31.12.10 £m	Half Year Ended 30.06.10 £m
Net interest income		6,186	6,551	5,967
Net fee and commission income		4,419	4,677	4,194
Net trading income		3,897	2,448	5,632
Net investment income		602	961	529
Net premiums from insurance contracts		569	555	582
Other income		60	29	89
Total income		15,733	15,221	16,993
Net claims and benefits incurred on insurance contracts		(397)	(349)	(415)
Total income net of insurance claims		15,336	14,872	16,578
Impairment charges and other credit provisions		(1,828)	(2,592)	(3,080)
Net operating income		13,508	12,280	13,498
Staff costs		(6,110)	(6,104)	(5,812)
Administration and general expenses		(3,121)	(3,308)	(3,273)
Depreciation of property, plant and equipment		(351)	(382)	(408)
Amortisation of intangible assets		(197)	(213)	(224)
Goodwill impairment		(47)	(243)	-
Operating expenses excluding provision for PPI redress		(9,826)	(10,250)	(9,717)
Provision for PPI redress2		(1,000)	-	-
Operating expenses		(10,826)	(10,250)	(9,717)
Share of post-tax results of associates and joint ventures		36	25	33
(Loss)/Profit on disposal of subsidiaries, associates and joint ventures		(65)	77	4
Gains on acquisitions		-	-	129
Profit before tax		2,653	2,132	3,947
Tax		(661)	(490)	(1,026)
Profit after tax		1,992	1,642	2,921
Attributable to:				
Equity holders of the parent		1,773	1,440	2,732
Non-controlling interest	1	219	202	189
Profit after tax		1,992	1,642	2,921

1 For notes specific to Barclays Bank PLC see page 9 and pages 87 to 106 for those that also relate to Barclays PLC.
2 Provision for the settlement of PPI claims pending as at, and those after, 9 May 2011, following the conclusion of the Judicial Review proceedings.

Condensed Consolidated Financial Statements (Unaudited)

Condensed Consolidated Statement of Comprehensive Income (Unaudited)

	Half Year Ended 30.06.11 £m	Half Year Ended 31.12.10 £m	Half Year Ended 30.06.10 £m
Profit after tax	1,992	1,642	2,921
Other Comprehensive Income			
Continuing operations			
Currency translation differences	(790)	129	1,048
Available for sale financial assets	315	815	(2,070)
Cash flow hedges	(88)	(577)	533
Other	23	32	27
Other comprehensive income for the year, net of tax, from continuing operations	(540)	399	(462)
Total comprehensive income for the year	1,452	2,041	2,459
Attributable to:			
Equity holders of the parent	1,463	1,482	2,127
Non-controlling interests	(11)	559	332
Total comprehensive income for the year	1,452	2,041	2,459

Condensed Consolidated Financial Statements (Unaudited)

Condensed Consolidated Balance Sheet (Unaudited)

Assets	Notes1	As at 30.06.11 £m	As at 31.12.10 £m	As at 30.06.10 £m
Cash and balances at central banks		86,916	97,630	103,928
Items in the course of collection from other banks		1,317	1,384	961
Trading portfolio assets		181,859	168,930	167,087
Financial assets designated at fair value		39,122	41,485	42,764
Derivative financial instruments		379,854	420,319	505,210
Loans and advances to banks		58,751	37,799	45,924
Loans and advances to customers		441,983	427,942	448,266
Reverse repurchase agreements and other similar secured lending		196,867	205,772	197,050
Available for sale financial investments	3	82,319	65,440	53,276
Current and deferred tax assets		3,007	2,713	2,187
Prepayments, accrued income and other assets		6,156	5,269	6,185
Investments in associates and joint ventures		576	518	406
Goodwill and intangible assets		8,541	8,697	8,824
Property, plant and equipment		6,196	6,140	5,738
Total assets		1,493,464	1,490,038	1,587,806
Liabilities				
Deposits from banks		84,188	77,975	94,304
Items in the course of collection due to other banks		1,324	1,321	1,500
Customer accounts		373,384	345,802	360,993
Repurchase agreements and other similar secured borrowing		247,635	225,534	227,706
Trading portfolio liabilities		77,208	72,693	71,752
Financial liabilities designated at fair value		92,473	97,729	89,015
Derivative financial instruments		366,536	405,516	486,261
Debt securities in issue		144,871	156,623	151,728
Accruals, deferred income and other liabilities		12,952	13,233	13,812
Current and deferred tax liabilities		1,100	1,160	1,491
Subordinated liabilities		26,786	28,499	25,929
Provisions		2,074	947	807
Retirement benefit liabilities		412	365	788
Liabilities of disposal group		-	-	-
Total liabilities		1,430,943	1,427,397	1,526,086
Shareholders' Equity				
Shareholders' equity excluding non-controlling interests		59,167	59,174	58,704
Non-controlling interests	1	3,354	3,467	3,016
Total shareholders' equity		62,521	62,641	61,720

Total liabilities and shareholders' equity	1,493,464	1,490,038	1,587,806

1 For notes specific to Barclays Bank PLC see page 9 and pages 87 to 106 for those that also relate to Barclays PLC.

Condensed Consolidated Financial Statements (Unaudited)

Condensed Consolidated Statement of Changes in Equity (Unaudited)

	Called up Share Capital and Share Premium1	Other Reserves	Retained Earnings	Total	Non-controlling Interests	Total Equity
Half Year Ended 30.06.11	£m	£m	£m	£m	£m	£m
Balance at 1 January 2011	14,494	3,230	41,450	59,174	3,467	62,641
Profit after tax	-	-	1,773	1,773	219	1,992
Other comprehensive income net of tax:						
Currency translation movements	-	(608)	-	(608)	(182)	(790)
Available for sale investments	-	323	-	323	(8)	315
Cash flow hedges	-	(48)	-	(48)	(40)	(88)
Other	-	14	9	23	-	23
Total comprehensive income for the year	-	(319)	1,782	1,463	(11)	1,452
Equity settled share schemes	-	-	361	361	-	361
Vesting of Barclays PLC shares under share-based schemes	-	-	(423)	(423)	-	(423)
Dividends paid	-	-	(669)	(669)	(95)	(764)
Redemption of Reserve Capital Instruments	-	(887)	-	(887)	-	(887)
Other reserve movements	-	(1)	149	148	(7)	141
Balance at 30 June 2011	14,494	2,023	42,650	59,167	3,354	62,521
Half Year Ended 31.12.10						
Balance at 1 July 2010	14,494	3,747	40,463	58,704	3,016	61,720
Profit after tax	-	-	1,440	1,440	202	1,642
Other comprehensive income net of tax:						

Currency translation movements	-	(193)	-	(193)	322	129
Available for sale investments	-	809	-	809	6	815
Cash flow hedges	-	(606)	-	(606)	29	(577)
Other	-	22	10	32	-	32
Total comprehensive income for the year	-	32	1,450	1,482	559	2,041
Equity settled share schemes	-	-	425	425	-	425
Vesting of Barclays PLC shares under share-based schemes	-	-	(384)	(384)	-	(384)
Dividends paid	-	-	(466)	(466)	(76)	(542)
Capital injection from Barclays PLC	-	-	144	144	-	144
Redemption of Reserve Capital Instruments	-	(487)	-	(487)	-	(487)
Other reserve movements	-	(62)	(182)	(244)	(32)	(276)
Balance at 31 December 2010	14,494	3,230	41,450	59,174	3,467	62,641
Half Year Ended 30.06.10						
Balance at 1 January 2010	14,494	4,342	37,089	55,925	2,774	58,699
Profit after tax	-	-	2,732	2,732	189	2,921
Other comprehensive income net of tax:						
Currency translation movements	-	935	-	935	113	1,048
Available for sale investments	-	(2,073)	-	(2,073)	3	(2,070)
Cash flow hedges	-	506	-	506	27	533
Other	-	23	4	27	-	27
Total comprehensive income for the year	-	(609)	2,736	2,127	332	2,459
Equity settled share schemes	-	-	405	405	-	405
Vesting of Barclays PLC shares under share-based schemes	-	-	(334)	(334)	-	(334)
Dividends paid	-	-	(414)	(414)	(82)	(496)
Capital injection from Barclays PLC	-	-	1,070	1,070	-	1,070
Other reserve movements	-	14	(89)	(75)	(8)	(83)
Balance at 30 June 2010	14,494	3,747	40,463	58,704	3,016	61,720

1 Details of share capital are shown on page 9.

Condensed Consolidated Financial Statements (Unaudited)

Condensed Consolidated Cash Flow Statement (Unaudited)

	Half Year Ended	Half Year Ended	Half Year Ended
Continuing Operations	30.06.11	31.12.10	30.06.10
	£m	£m	£m
Profit before tax	2,653	2,132	3,947
Adjustment for non-cash items	2,547	1,271	(1,282)
Changes in operating assets and liabilities	27,054	(8,992)	22,076
Corporate income tax paid	(890)	(730)	(700)

Net cash from operating activities	31,364	(6,319)	24,041
Net cash from investing activities	(15,465)	(8,850)	3,223
Net cash from financing activities	(2,300)	1,629	(506)
Effect of exchange rates on cash and cash equivalents	(1,583)	1,095	2,747
Net increase in cash and cash equivalents	12,016	(12,445)	29,505
Cash and cash equivalents at beginning of the period	131,400	143,845	114,340
Cash and cash equivalents at end of the period	143,416	131,400	143,845

Notes

1. Non-controlling Interests

	Profit Attributable to Non-controlling Interest			Equity Attributable to Non-controlling Interest		
	Half Year Ended 30.06.11 £m	Half Year Ended 31.12.10 £m	Half Year Ended 30.06.10 £m	Half Year Ended 30.06.11 £m	Half Year Ended 31.12.10 £m	Half Year Ended 30.06.10 £m
Absa Group Limited	197	184	178	3,110	3,208	2,779
Other non-controlling interests	22	18	11	244	259	237
Total	219	202	189	3,354	3,467	3,016

The £98m decrease in Absa Group Limited equity non-controlling interest to £3,110m (31 December 2010: £3,208m) is principally due to £176m downward foreign exchange and £40m cash flow hedging reserve movements, offset by the retained profit attributable to non-controlling interest of £124m.

2. Dividends

	Half Year Ended 30.06.11	Half Year Ended 31.12.10	Half Year Ended 30.06.10
Dividends Paid During the Period	£m	£m	£m
Ordinary shares	401	111	124
Preference shares	216	250	235
Other equity instruments	52	105	55
Total	669	466	414

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

3. Available for Sale Financial Investments

Available for sale assets includes £482m (31 December 2010: £330m) Barclays PLC shares held by employee share option schemes, which in the financial statements of Barclays PLC are accounted for as treasury shares and deducted from equity.

4. Share Capital

Ordinary Shares

At 30 June 2011 the issued ordinary share capital of Barclays Bank PLC, comprised 2,342 million ordinary shares of £1 each (2010: 2,342 million).

Preference Shares

At 30 June 2011 the issued preference share capital of Barclays Bank PLC, comprised 1,000 Sterling Preference Shares of £1 each (2010: 1,000); 240,000 Euro Preference Shares of €100 each (2010: 240,000); 75,000 Sterling Preference Shares of £100 each (2010: 75,000); 100,000 US Dollar Preference Shares of US$ 100 each (2010: 100,000); and 237 million US Dollar Preference Shares of US$0.25 each (2010: 237 million).

Barclays PLC Interim Results Announcement

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

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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”, “estimate”, “intend”, “plan”, “goal”, “believe” or other words of similar meaning. Examples of forward-looking stateme 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 requirements regarding capital and Group structures, 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.

Performance Highlights

Group Unaudited Results	30.06.11	30.06.10	
	£m	£m	% Change
Total income net of insurance claims excluding own credit	15,241	15,730	(3)
Own credit gain	89	851	nm
Total income net of insurance claims	15,330	16,581	(8)
Impairment charges and other credit provisions	(1,828)	(3,080)	(41)
Net operating income	13,502	13,501	0
Operating expenses excluding provision for payment protection insurance (PPI) redress	(9,829)	(9,720)	1
Provision for PPI redress1	(1,000)	-	nm
Profit before tax	2,644	3,947	(33)
Own credit gain	(89)	(851)	nm
Provision for PPI redress1	1,000	-	nm
Losses/(gains) on acquisitions and disposals 2	123	(133)	nm
Adjusted profit before tax	3,678	2,963	24
Profit after tax	1,983	2,921	(32)
Profit attributable to equity holders of the parent	1,498	2,431	(38)
Basic earnings per share	12.5p	20.9p	(40)
Dividend per share	2.0p	2.0p	0

Capital and Balance Sheet	30.06.11	31.12.10	
Core Tier 1 ratio	11.0%	10.8%	nm
Risk weighted assets	£395bn	£398bn	(1)
Adjusted gross leverage	20x	20x	nm
Group liquidity pool	£145bn	£154bn	(6)
Net asset value per share	423p	417p	1
Net tangible asset value per share	353p	346p	2
Group loan: deposit ratio	118%	124%	nm

	Adjusted3		Statutory	
Performance Measures	30.06.11	30.06.10	30.06.11	30.06.10
Return on average shareholders' equity	9.1%	6.9%	5.9%	9.8%
Return on average tangible shareholders' equity	10.9%	8.4%	7.1%	12.0%
Return on average risk weighted assets	1.4%	1.1%	1.0%	1.5%
Cost: income ratio	64%	62%	71%	59%
Cost: net operating income ratio	73%	77%	80%	72%

Profit Before Tax by Business	Adjusted3		Statutory	
Retail and Business Banking	1,446	1,086	446	1,219
Corporate and Investment Banking	2,327	2,172	2,352	3,023
Wealth and Investment Management	139	126	81	126
Head Office Functions and Other Operations	(234)	(421)	(235)	(421)
Profit before tax	3,678	2,963	2,644	3,947

		30.06.11		30.06.10
Income by Geographic Segment4	£m	%	£m	%
UK	6,279	41	6,491	39
Europe	2,226	15	2,818	17
Americas	3,687	24	4,104	25
Africa and the Middle East	2,501	16	2,392	14
Asia	637	4	776	5

1 Provision for the settlement of PPI claims following the conclusion of the Judicial Review proceedings. Refer to note 17 for further details.
2 2011 includes a £58m loss on disposal of a portion of the Group's strategic investment in BlackRock, Inc. recycled through investment income, and a £64m provision relating to the sale of Barclays Bank Russia.
3 Adjusted performance metrics reflect the adjusting items to profit before tax disclosed above.
4 Total income net of insurance claims based on counterparty location.

Performance Highlights

"I am pleased with the progress made across Barclays in the first half. We have performed well on our journey to a targeted 13% return on equity by 2013 and have made specific progress against our execution priorities of capital strength, returns on equity, income growth and citizenship.

We have delivered underlying profit before tax up 24% to £3,678m1, and our underlying return on average shareholders' equity improved to 9.1%, despite a lacklustre economic environment in many of our major markets which impacted income generation. Our operating expenses have been tightly controlled while we have continued to invest in selected growth initiatives in a number of our businesses.

Our capital, liquidity and funding position is rock solid. We look forward to the finalisation of new banking regulations over the coming months. This will help us balance requirements to hold more capital and liquidity on the one hand, with the desire of shareholders for us to distribute higher dividends and with business demand for us to help support economic growth, on the other. In the meantime we are meeting our Project Merlin commitments and have extended £20bn of new lending to businesses in the UK in the first half. We are on track to lend at least £40bn for the year."

Bob Diamond, Chief Executive

— Adjusted Group profit before tax of £3,678m up 24% (2010: £2,963m). Profit before tax of £2,644m down 33% (2010: £3,947m), reflecting the £1,000m PPI provision, loss on acquisitions and disposals, and reduced gain on own credit

— Impairment charge of £1,828m down 41% (2010: £3,080m) with a year-to-date annualised loan loss rate of 74bps (2010: 118bps)

— Net operating income up 6% to £13,413m (2010: £12,650m) excluding own credit

— Operating expenses excluding PPI provision of £9,829m up 1% (2010: £9,720m)

— Adjusted return on average shareholders' equity improved to 9.1% (2010: 6.9%) and adjusted return on average tangible shareholders' equity improved to 10.9% (2010: 8.4%)

— Core Tier 1 ratio strengthened to 11.0% (31 December 2010: 10.8%), adjusted gross leverage was 20x (31 December 2010: 20x) and liquidity was strong with a liquidity pool of £145bn (31 December 2010: £154bn)

— Increased gross new UK lending to businesses of £20bn, including £7bn to SMEs, exceeding Project Merlin targets

— Second interim dividend of 1.0p per share, making 2.0p for the half year

1 Underlying or adjusted results reverse out the financial impact of the provision for PPI redress, movements in own credit and acquisitions and disposals over the period because we view these items as one-off and want to demonstrate the trends in our operating performance. We have not adjusted for restructuring costs.

Chief Executive's Review

H1 2011 Performance Summary

Barclays delivered an encouraging performance in the first half of 2011. Our universal banking model provides diversification by business line, product, geography and funding source, and has again been a source of strength in volatile financial markets. Adjusted Group profit before tax increased 24% to £3,678m (2010: £2,963m). Net operating income, excluding own credit, increased 6% to £13,413m (2010: £12,650m) as the continued improvement in impairment more than offset a 3% fall in total income, excluding own credit, to £15,241m.

We set out at our recent Investor Seminar our plans to deliver 13% return on equity by 2013. The results we are reporting today demonstrate the steady progress we are making on delivering against that goal, despite economic and regulatory uncertainties, by focusing on our core execution priorities of Capital, Returns, Income Growth and Citizenship.

Capital

We continue to strengthen our capital position and our net asset value. Our Core Tier 1 ratio stood at 11.0% at the end of June, up from 10.8% at the year end. Net asset value per share also increased 6p to 423p since the year end and has increased by 9p over the second quarter.

Our Core Tier 1 ratio has now doubled from 5.6% since the end of 2008 and a significant proportion of this increase has been as a result of the sustained profitability of Barclays over this period. We will continue to generate internally any additional capital that we will be required to hold to meet regulatory change over the coming years.

We have also maintained strong liquidity, with a surplus liquidity pool, of £145bn, which protects us from funding stress, a Basel III Liquidity Coverage Ratio up to 86% from 80% at the year end and a Basel III Net Stable Funding Ratio of 96%, up from 94% at the year end. We have pre-financed all our wholesale term funding which matures in 2011. Our adjusted gross leverage is consistent at 20x.

In July we passed the European Banking Authority’s (EBA) Stress Test. Our EBA-defined CT1 ratio was 7.3%, significantly above the 5% minimum level set by the EBA. We achieved this result without the benefit of our shareholding in BlackRock, which is a further source of capital strength at a time of stress. We have provided further information in this Interim Results Announcement on our Eurozone exposures, the majority of which relate to our retail and corporate banking businesses in Spain, Italy and Portugal, in order to increase market understanding of our positions which we believe are appropriately marked and many of which are secured.

Our financial strength presents a rock solid foundation for our business in times of economic uncertainty.

Returns

Our commitment is to deliver a 13% return on equity by 2013. We reaffirmed this at our recent Investor Seminar and provided further detail then on a business by business basis of how we propose to achieve this. So what progress have we made over the first half? In aggregate our adjusted return on average shareholders’ equity improved to 9.1% (2010:

6.9%) and our adjusted return on average tangible shareholders' equity improved to 10.9% (2010: 8.4%).

Retail and Business Banking - We are focused on creating happy customers and positive operating jaws, in other words income growing faster than costs, in order to deliver returns on equity of 13-15% by 2013. We have set aside £1bn as a provision to enable us to resolve outstanding Payment Protection Insurance (PPI) complaints and are moving quickly to clear this issue in a transparent and efficient manner. In UK Retail and Business Banking, we are executing end-to-end customer process simplification with the goal of reducing complaints by between 20% and 50% per process by 2013. Our customer satisfaction shows encouraging trends. We closed our branch-based financial planning business as we could not see a path to adequate returns for this business in the UK. In Spain, we substantially strengthened our management team and reached agreement with labour unions and the Government to restructure our network and cost base which will see a 20% reduction in the branch network and a 16% reduction in headcount. In Europe RBB, we broke even in June before restructuring. Our European business has a way to go before reaching our target return thresholds but we are taking the tough decisions that will put this on track. In Barclaycard we acquired the Egg consumer card assets and MBNA corporate card portfolio in the UK. And in Africa RBB we are integrating the operational management of Absa and Barclays activities in the rest of the African continent to position ourselves better to take advantage of the economic growth opportunities which we expect in Africa in the years to come.

Chief Executive's Review

Corporate and Investment Banking - The development of Barclays Capital into a full service and truly global investment bank is almost complete and in the first half we were able to reduce operating expenses. We are targeting 15% return on average equity in 2013 on Basel 3 basis. Euromoney magazine named Barclays Capital its Global Investment Bank of the Year for 2011 for the first time as clients and commentators recognise the success of this transformation. While the overall business environment for investment banking services is not as strong as we would like, Barclays Capital is on track to compete as a global top 3 player in each of the major categories in which it operates and is adapting well to regulatory change. The reduction of legacy assets by £6.0bn over the half, with assets sold at or above marks in most cases, is encouraging. At Barclays Corporate, where we are targeting an 11% return on average equity in aggregate and 14% in the UK by 2013, we have turned the corner in our international businesses. The sale of Barclays Bank Russia is well advanced and we have taken a charge in the first half in anticipation of this completing shortly. Impairment in Spain is reducing as a result of the decisive and early action we took in 2010 to address the weakness of the economy and we continue to manage our risks in Spain and Portugal very carefully given current economic weakness. Our UK business has been resilient even in the face of lack of business confidence. We are on track to break even in Barclays Corporate for the full year, with substantial improvements expected thereafter.

Wealth and Investment Management - We set out in detail our ongoing plans for Barclays Wealth at our recent Investor Seminar. Over the half we continued to invest in the Gamma plan as we build out our banking staff and technology platforms. We continue to grow client assets and are on track to deliver our target returns on equity of 17-18% by 2013. We remain happy with our investment in BlackRock.

Income Growth

Our ability to generate income growth is dependent on the strength of our franchises. There are three businesses within the Barclays portfolio that are world class and operate in the top tier of their respective industries, namely UK Retail and Business Banking, Barclaycard and Barclays Capital. Each of these businesses has proven scale, leading technology and deep relationships with their customers and clients. These businesses are generating good returns in a tough economic environment that clearly demonstrates the value of these franchises.

We also have two businesses that stand on the threshold of the top tier. Barclays Wealth and Barclays Africa have great opportunities to build on their current positions. In Africa we are integrating the operational management of Absa and Barclays Africa to take full advantage of the people, technology and product expertise that exist in these businesses and our African franchises as a whole delivered income growth of 8% in the first half of 2011. In Barclays Wealth we continue to invest to build a leading reputation for performance and client service, and increase our scale. Income growth in the first half was 12% here following growth of 18% for 2010. Over the next two to three years we think these businesses will assume global top tier positions.

We have more work to do in Barclays Corporate outside the UK and in our Europe Retail and Business Bank. We believe that in both cases we have the foundations of good businesses with strong client and customer franchises. We have taken decisive action in order to improve performance which I have already referred to. These results demonstrate that our efforts are starting to pay off, but we acknowledge there is still more hard work required.

Before turning to our Citizenship performance, I want to address the overall economic and regulatory environment which will influence our revenue and impairment performance going forward.

Macroeconomic Environment

Market uncertainty about the outlook for sovereign debt in some Eurozone countries and in the US will only be allayed by decisive leadership. We have said consistently that we support efforts to deleverage the public sector in the UK and elsewhere and believe that the private sector must take up the mantle of supporting growth.

To play their full role as a catalyst for growth, banks need a clear regulatory framework within which to operate.

Together, resolution of the developed world sovereign debt crisis and a speedy conclusion of the bank regulatory reform agenda will give businesses the confidence that many currently lack to invest and grow. We note the actions of our clients: for example, the current account balances of our UK small business customers have grown 41% since the start of the year as many retain cash rather than invest.

We support efforts to reduce public sector deficits and to produce a stronger regulatory framework for banks. We continue to work with our clients, governments and regulators to support economic growth and job creation, and to deliver a safer financial system, despite the current uncertainty. The strength of corporate balance sheets and the cash that companies currently hold bodes well for economic activity and jobs once certainty is achieved, and confidence is restored. I believe that economic growth can be delivered in developed markets even as governments cut spending.

Chief Executive’s Review

Regulation

Obtaining regulatory certainty is critically important in order for us to make long term investment and risk decisions in each of our businesses. During the first half of the year the Independent Commission on Banking (ICB) issued its Interim Report, including preliminary recommendations for the ring fencing of UK retail banking activities. We continue to engage proactively and constructively with the ICB, regulators and UK Government to ensure a rational and carefully evaluated set of reforms emerge that help to improve the safety of the banking system so that taxpayers are never again called upon to rescue banks, without imposing unnecessary costs or leaving the UK financial sector disadvantaged competitively relative to banks based elsewhere.

Since the end of the first half, the Financial Stability Board (FSB) has produced guidelines for globally systemically important financial institutions (GSIFIs) and recommendations for bail-in regimes and the EU has published draft regulations and directives that will introduce the Basel III framework into EU law. We continue to engage constructively with international regulators as policy proposals are developed ahead of the scheduled G20 meeting in November.

We are also engaged in the Dodd-Frank Act rule writing process in the US and expect to see continued progress over the second half of the year.

A final regulatory outcome will provide a clearer backdrop against which we can judge how much we continue to invest in our business and in the broader promotion of economic growth, versus how much we retain in higher levels of capital, or distribute to shareholders by way of a dividend. Our current dividend policy in the meantime must remain conservative though we are mindful of the importance of progressive, and affordable, increases.

Citizenship

As the Chief Executive of Barclays I have, on a number of occasions, explained the importance of citizenship and why I believe it is at the very heart of how we make decisions and manage the organisation in the interests of all stakeholders.

During the first half we supported almost 52,000 business start ups in the UK. Consistent with the objectives of Project Merlin, we remain open for business. In extending £20bn of new lending to UK businesses in the first six months of 2011 we have met the commitments we made to the UK Government regarding the extension of credit to the UK economy. We remain determined to continue to do so going forward.

You saw us take definitive action on behalf of customers relating to PPI redress in the UK. We have now drawn a line under this issue. Above all, we will continue to put customers first in all our businesses.

Barclays employs over 145,000 people globally including more than 55,000 in the UK. During the first half of this year we helped 1,300 young people experience the working world for the first time through paid internships and industrial placements.

Over 45,000 Barclays colleagues participated in Community Investment Programmes in the first half of the year, up by more than a third for the same period last year. Their combined efforts resulted in over 150,000 hours of volunteering and £9m in fundraising.

Conclusion

We are working hard to deliver against our 2013 return targets and our execution priorities. We have made good progress in the first half in delivering against these in a difficult operating environment and we remain completely focused on maintaining this momentum. I would like to pay tribute to my colleagues around the world and thank them for their unrelenting focus in helping us to deliver against our goals.

Bob Diamond, Chief Executive

Group Finance Director's Review

Group Performance

Barclays delivered adjusted profit before tax of £3,678m in the first half of 2011, an increase of 24% on 2010, after excluding movements on own credit, loss on acquisitions and disposals, and provision for Payment Protection Insurance (PPI) redress. Including these items, profit before tax was £2,644m (2010: £3,947m).

We have published our results on a statutory and adjusted basis because we viewed a number of items as one-off and want to demonstrate the trends in our operating performance.

Income excluding own credit, decreased 3% to £15,241m (2010: £15,730m). Retail and Business Banking (RBB) income increased by 3% to £6,697m, despite slow economic growth in RBB's major markets. Barclays Capital reported an 11% decrease in total income excluding own credit to £6,263m (2010: £7,061m). This decrease reflected lower contributions from the Fixed Income and Commodities businesses, partially offset by improved performance in Currencies, Equities and Prime Services, and Investment Banking.

Impairment charges across the Group against loans and advances, available for sale assets and reverse repurchase agreements improved 41% to £1,828m (2010: £3,080m). Impairment charges as a proportion of Group loans and advances as at 30 June 2011 improved to 74bps, compared to 118bps for the full year 2010.

Net operating income was flat at £13,502m (2010: £13,501m) with particularly strong increases for RBB (up 14% to £5,390m), Barclays Corporate (up 90% to £857m) and Barclays Wealth (up 14% to £829m) offset by Barclays Capital (down 15% to £6,463m).

Operating expenses, excluding the £1,000m provision for PPI redress, increased 1% to £9,829m (2010: £9,720m) reflecting an increase in restructuring costs to £216m (2010: £93m). Operating expenses in Barclays Capital decreased

3% to £4,073m. Operating expenses in RBB, excluding provision for PPI redress, increased 9% to £3,973m, principally reflecting restructuring, goodwill impairment and non-recurrence of a 2010 pension credit. Operating expenses in Barclays Corporate were broadly flat at £839m, while the 17% increase in Barclays Wealth to £740m reflected investment spend, including Project Gamma.

As a result, the Group's adjusted cost: net operating income ratio decreased to 73% (2010: 77%). At Barclays Capital the cost: net operating income (excluding own credit) ratio was 64% (2010: 62%), within our 60-65% planning range, and the compensation: income (excluding own credit) ratio was 45% (2010: 42%).

Adjusted return on average shareholders' equity improved to 9.1% (2010: 6.9%) and adjusted return on average tangible shareholders' equity improved to 10.9% (2010: 8.4%). Statutory return on average shareholders' equity was 5.9% (2010: 9.8%) and statutory return on average tangible shareholders' equity was 7.1% (2010: 12.0%).

Business Performance - Retail and Business Banking

Adjusted profit before tax for RBB rose 33% to £1,446m (2010: £1,086m) and rose 26% relative to the second half of 2010 £1,149m. Statutory profit before tax decreased 63% to £446m (2010: £1,219m).

The performance of the businesses within RBB is summarised below:

Retail and Business Banking	Half Year Ended 30.06.11	Half Year Ended 30.06.10	
	£m	£m	% Change
UK RBB1	704	404	74
Europe RBB	(161)	(19)	nm
Africa RBB	379	384	(1)
Barclaycard2	524	317	65
Adjusted profit before tax	1,446	1,086	33
Provision for PPI redress	(1,000)	-	nm
Gains on acquisitions and disposals	-	133	nm
Profit before tax	446	1,219	(63)

Income increased 3% to £6,697m (2010: £6,513m) driven by solid business growth in UK, Africa and Barclaycard in the UK, offset by continued customer repayments in Barclaycard US and broadly flat income in Europe. The net interest income margin across RBB remained broadly stable.

1 UK RBB statutory profit before tax declined to £304m (2010: £504m), including the £400m provision for PPI redress,

2 Barclaycard statutory profit before tax declined to a loss of £76m (2010: £317m), including the £600m provision for PPI redress.

There was exceptionally strong reduction in impairment in both UK and Barclaycard driven by focused credit risk management and card balance repayments in the US, and also strong reductions in Europe and Africa, leading to an overall reduction in impairment of 27% to £1,307m (2010: £1,800m). This in turn drove a very strong improvement in the risk adjusted net interest income margin.

Operating expenses in RBB increased 36% due to the provision of £1,000m for PPI redress. Excluding this provision, restructuring charges in Europe of £129m, goodwill impairment in Barclaycard of £47m and one-off pension credits of £200m in 2010, operating expenses were slightly down and operating jaws were positive.

RBB made good progress toward its overall 13% return on equity commitment with both UK and Barclaycard adjusted returns on equity (excluding the effects of the PPI provision) already exceeding the hurdle rate of 13%. Returns on equity for Africa and Europe remain on track to achieve the 13% threshold by 2013 and 2015 respectively. The adjusted return on average equity for RBB as a whole was 10% (2010: 9%).

Business Performance - Corporate and Investment Banking

Adjusted profit before tax for Corporate and Investment Banking rose 7% to £2,327m (2010: £2,172m) and rose 47% relative to the second half of 2010 (£1,586m). Statutory profit before tax decreased 22% to £2,352m (2010: £3,023m).

Corporate and Investment Banking	Half Year Ended 30.06.11	Half Year Ended 30.06.10	
	£m	£m	% Change
Barclays Capital	2,310	2,549	(9)
Barclays Corporate	17	(377)	nm
Adjusted profit before tax	2,327	2,172	7
Own credit gain	89	851	(90)
Losses on acquisitions and disposals	(64)	-	nm
Profit before tax	2,352	3,023	(22)

Barclays Capital adjusted profit before tax reduced 9% to £2,310m (2010: £2,549m). Including an own credit gain of £89m (2010: gain of £851m), profit before tax was £2,399m (2010: £3,400m). Total income excluding own credit was £6,263m, down 11% (2010: £7,061m). Fixed Income, Currency and Commodities (FICC) income of £3,916m declined 20%, reflecting lower contributions from the Fixed Income and Commodities businesses, partially offset by improved performance in Currencies. Equities and Prime Services income of £1,108m increased 5%, with growth in derivatives and equity financing. Investment Banking income of £1,132m increased 11%, driven by equity underwriting.

There was a net impairment release of £111m (2010: charge of £309m), including a £223m impairment release relating to Protium, prior to consolidation, offset by charges primarily relating to leveraged finance. Operating expenses decreased 3%. Excluding the impact of own credit, cost to net operating income was 64% and compensation to income was 45%. Adjusted return on average equity was 15% (2010: 14%).

Total income excluding own credit in the second quarter of 2011 was £2,897m, down 14% on the first quarter of 2011, reflecting lower activity levels. FICC income declined 22% and Investment Banking decreased 15% following a very strong first quarter in equity and debt underwriting. Equities and Prime Services income increased 3%.

Barclays Corporate adjusted profit before tax was £17m (2010: loss of £377m), excluding a provision for the expected loss on disposal of Barclays Bank Russia of £64m. Including this provision the loss before tax was £47m. Profits increased in the UK and losses were reduced significantly in both Europe and Rest of the World. Income increased 5%, reflecting improvement in net interest income and a reduction in writedowns of venture capital investments. Impairment charges improved 35% to £614m (2010: £949m), driven by improvements in Spain where the charge decreased to £299m (2010: £553m). In the UK and Rest of the World operations, impairment charges also improved. Operating expenses grew 1% to £839m (2010: £829m). Adjusted return on average equity was 0%, an improvement on the negative return of 11% for the first half of 2010.

Group Finance Director's Review

Business Performance - Wealth and Investment Management

Adjusted profit before tax for Wealth and Investment Management, excluding losses on disposal of shares in BlackRock, Inc., rose 10% to £139m (2010: £126m) and rose 34% relative to the second half of 2010 (£104m). Statutory profit before tax decreased 36% to £81m (2010: £126m).

Wealth and Investment Management	Half Year Ended 30.06.11	Half Year Ended 30.06.10	
	£m	£m	% Change
Barclays Wealth	88	95	(7)
Investment Management	51	31	65
Adjusted profit before tax	139	126	10
Losses on acquisitions and disposals	(58)	-	nm
Profit before tax	81	126	(36)

Barclays Wealth profit before tax decreased 7% to £88m (2010: £95m), reflecting strong income growth offset by increased investment in the growth of the business. Income increased 12% to £848m (2010: £757m) from strong growth in both net interest income, and fee and commission income. Operating expenses increased 17%, reflecting investment spend and related restructuring to support the Wealth investment programme including Project Gamma expenditure of £44m (2010: £33m). Total client assets increased 3% to £169.5bn (31 December 2010: £163.9bn). Return on average equity was 10% (2010: 10%).

Investment Management reported an adjusted profit before tax of £51m (2010: £31m), excluding £58m loss (2010: £nil) on disposal of shares in BlackRock, Inc. to maintain the Group's strategic holding below 20%. This result principally reflected dividend income from the Group's available for sale holding in BlackRock, Inc. which now stands at 19.7%. The loss before tax for the period was £7m (2010: profit of £31m).

The value of the holding as at 30 June 2011 was £0.8bn below the value at acquisition (31 December 2010: £0.9bn). This reduction has been reflected in the available for sale reserve and the Group's Core Tier 1 ratio. Further assessment will be undertaken in the second half to consider whether any continued shortfall compared with the value at acquisition should, subject to any significant mitigating factors, be recognised in the income statement for 2011.

Business Performance - Head Office Functions and Other Operations

Head Office Functions and Other Operations loss before tax was £235m (2010: loss £421m). Operating expenses decreased by £192m to £198m (2010: £390m), reflecting non-recurrence of a provision of £194m in relation to US economic sanctions. Income was flat at £37m loss (2010: loss £36m).

The impact of the UK bank levy, for which legislation was enacted in July 2011, has not been reflected in these results in accordance with generally accepted accounting principles. The total cost for 2011 is expected to be in the range of £350m-£400m.

Balance Sheet and Capital Management

Shareholders' Equity

Shareholders' equity, including non-controlling interests, at 30 June 2011 was £62.0bn (31 December 2010: £62.3bn). Excluding non-controlling interests, shareholders' equity was £51.6bn (2010: £50.9bn). Profit after tax of £2.0bn and positive available for sale movements were broadly balanced by negative currency translation, dividends paid and the redemption of Reserve Capital Instruments. Net asset value per share increased to 423p (31 December 2010: 417p). Net tangible asset value per share increased to 353p (31 December 2010: 346p).

Balance Sheet

Total assets were flat at £1,493bn (31 December 2010: £1,490bn), reflecting fluctuations in normal trading. This included reductions in gross interest rate derivative assets, reverse repurchase agreements and other similar secured lending, and a decrease in cash at central banks offset by increases in loans and advances (primarily in relation to settlement balances), available for sale investments and trading portfolio assets. The consolidation of Protium resulted in a reduction of loans and advances with the underlying assets now classified in trading portfolio assets and financial assets designated at fair value. Assets contributing to adjusted gross leverage increased 1% to £1,061bn (2010: £1,053bn).

Group Finance Director's Review

Capital Management

At 30 June 2011, the Group's Core Tier 1 ratio on a Basel II basis was 11.0% (31 December 2010: 10.8%). Retained profit excluding the impact of PPI redress contributed to a 44bps increase in Core Tier 1 ratio, more than sufficient to absorb the impact of the PPI provision and other movements. Risk weighted assets decreased to £395bn (31 December 2010: £398bn), largely as a result of foreign exchange movements. Excluding the impact of foreign exchange, risk weighted asset reductions from the sell down of legacy assets in Barclays Capital were off-set by increases as a result of the Egg acquisition and regulatory methodology changes implemented through the period.

The Group's Core Tier 1 ratio at the end of 2011 is expected to be impacted by an estimated £40bn increase of risk weighted assets as a result of the introduction of Basel 2.5 market risk RWA calculations.

Liquidity and Funding

The Group liquidity and funding position remains strong.

Basel III guidelines propose two new liquidity metrics: the Liquidity Coverage Ratio (LCR), which measures short term liquidity stress, and the Net Stable Funding Ratio (NSFR), which measures the stability of long term structural funding. As at 30 June 2011, the LCR was estimated at 86% (31 December 2010: 80%) and the NSFR was estimated at 96% (31 December 2010: 94%).

Barclays raised £19bn wholesale term debt in the first half of the year across a variety of products and geographies. Term funding raised over the past 18 months has re-financed all wholesale term debt maturities for 2010 and 2011, funded strategic balance sheet growth and further extended the duration of our liabilities.

The liquidity pool held by the Group decreased slightly to £145bn at 30 June 2011, of which £132bn was invested in FSA-eligible assets. This reduction was the result of managing down short term deposits, with no effect on liquidity strength as reflected in the higher LCR. The cost of the liquidity pool decreased to approximately £300m for the first six months of 2011 compared to approximately £900m for the twelve months of 2010. Barclays will continue to optimise the liquidity pool within the parameters of the Group's Liquidity Risk Framework and in anticipation of the final Basel III standards.

Dividends

It is our policy to declare and pay dividends on a quarterly basis. We will pay an interim cash dividend for the second quarter of 2011 of 1p per share on 9 September 2011 giving a declared dividend for the first half of 2011 of 2p per share.

Outlook

While the performance of our capital markets business in July has been impacted by current market conditions, our other businesses have performed in aggregate ahead of their run rate for the first 6 months of the year.

We will continue to maintain the Group's strong capital, leverage and liquidity positions in anticipation of the new regulatory requirements for the banking industry.

Chris Lucas, Group Finance Director

Condensed Consolidated Financial Statements (Unaudited)

Condensed Consolidated Income Statement (Unaudited)

		Half Year Ended	Half Year Ended	Half Year Ended
Continuing Operations		30.06.11	31.12.10	30.06.10
	Notes1	£m	£m	£m
Net interest income	1	6,189	6,554	5,969
Net fee and commission income	2	4,419	4,677	4,194
Net trading income	3	3,896	2,445	5,633
Net investment income	4	594	948	529
Net premiums from insurance contracts		569	555	582
Other income		60	29	89
Total income		15,727	15,208	16,996
Net claims and benefits incurred on insurance contracts		(397)	(349)	(415)
Total income net of insurance claims		15,330	14,859	16,581
Impairment charges and other credit provisions		(1,828)	(2,592)	(3,080)
Net operating income		13,502	12,267	13,501
Staff costs	5	(6,110)	(6,104)	(5,812)
Administration and general expenses	5	(3,124)	(3,309)	(3,276)
Depreciation of property, plant and equipment		(351)	(382)	(408)
Amortisation of intangible assets		(197)	(213)	(224)
Goodwill impairment	5	(47)	(243)	-
Operating expenses excluding provision for PPI redress		(9,829)	(10,251)	(9,720)
Provision for PPI redress2	17	(1,000)	-	-
Operating expenses		(10,829)	(10,251)	(9,720)
Share of post-tax results of associates and joint ventures		36	25	33
(Loss)/profit on disposal of subsidiaries, associates and joint ventures	6	(65)	77	4
Gains on acquisitions	7	-	-	129
Profit before tax		2,644	2,118	3,947
Tax	8	(661)	(490)	(1,026)
Profit after tax		1,983	1,628	2,921
Attributable to:				
Equity holders of the parent		1,498	1,133	2,431
Non-controlling interests	9	485	495	490
Profit after tax		1,983	1,628	2,921
Earnings per Share from Continuing Operations				
Basic earnings per ordinary share	10	12.5p	9.5p	20.9p
Diluted earnings per ordinary share	10	11.9p	8.8p	19.7p

1 For notes see pages 87 to 106.
2 Provision for the settlement of PPI claims following the conclusion of the Judicial Review proceedings.

Condensed Consolidated Financial Statements (Unaudited)

Condensed Consolidated Statement of Comprehensive Income (Unaudited)

	Notes1	Half Year Ended 30.06.11 £m	Half Year Ended 31.12.10 £m	Half Year Ended 30.06.10 £m
Profit after tax		1,983	1,628	2,921
Other Comprehensive Income				
Continuing operations				
Currency translation differences	20	(790)	130	1,054
Available for sale financial assets	20	315	757	(1,993)
Cash flow hedges	20	(88)	(577)	533
Other		23	32	27
Other comprehensive income for the year		(540)	342	(379)
Total comprehensive income for the year		1,443	1,970	2,542
Attributable to:				
Equity holders of the parent		1,174	1,095	1,880
Non-controlling interests		269	875	662
Total comprehensive income for the year		1,443	1,970	2,542

1 For notes, see pages 87 to 106.

Condensed Consolidated Financial Statements (Unaudited)

Condensed Consolidated Balance Sheet (Unaudited)

Assets		As at 30.06.11	As at 31.12.10	As at 30.06.10
	Notes1	£m	£m	£m
Cash and balances at central banks		86,916	97,630	103,928
Items in the course of collection from other banks		1,317	1,384	961
Trading portfolio assets		181,799	168,867	167,029
Financial assets designated at fair value		39,122	41,485	42,764
Derivative financial instruments	12	379,854	420,319	505,210
Loans and advances to banks		58,751	37,799	45,924
Loans and advances to customers		441,983	427,942	448,266
Reverse repurchase agreements and other similar secured lending		196,867	205,772	197,050
Available for sale financial investments		81,837	65,110	52,674
Current and deferred tax assets	8	3,007	2,713	2,187
Prepayments, accrued income and other assets		6,156	5,269	6,185
Investments in associates and joint ventures		576	518	406
Goodwill and intangible assets	15	8,541	8,697	8,824
Property, plant and equipment		6,196	6,140	5,738
Total assets		1,492,922	1,489,645	1,587,146
Liabilities				
Deposits from banks		84,188	77,975	94,304
Items in the course of collection due to other banks		1,324	1,321	1,500
Customer accounts		373,374	345,788	360,980
Repurchase agreements and other similar secured borrowing		247,635	225,534	227,706
Trading portfolio liabilities		77,208	72,693	71,752
Financial liabilities designated at fair value		92,473	97,729	89,015
Derivative financial instruments	12	366,536	405,516	486,261
Debt securities in issue		144,871	156,623	151,728
Accruals, deferred income and other liabilities		12,952	13,233	13,812
Current and deferred tax liabilities	8	1,100	1,160	1,491
Subordinated liabilities	16	26,786	28,499	25,929
Provisions	17	2,074	947	807
Retirement benefit liabilities	18	412	365	788
Total liabilities		1,430,933	1,427,383	1,526,073

Shareholders' Equity

Shareholders' equity excluding non-controlling interests		51,572	50,858	49,591
Non-controlling interests	9	10,417	11,404	11,482
Total shareholders' equity		61,989	62,262	61,073
Total liabilities and shareholders' equity		1,492,922	1,489,645	1,587,146

1 For notes, see pages 87 to 106.

Condensed Consolidated Financial Statements (Unaudited)

Condensed Consolidated Statement of Changes in Equity (Unaudited)

Half Year Ended 30.06.11	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 1 January 2011	12,339	1,754	36,765	50,858	11,404	62,262
Profit after tax	-	-	1,498	1,498	485	1,983
Other comprehensive income net of tax:						
Currency translation movements	-	(608)	-	(608)	(182)	(790)
Available for sale investments	-	323	-	323	(8)	315
Cash flow hedges	-	(48)	-	(48)	(40)	(88)
Other	-	-	9	9	14	23
Total comprehensive income for the year	-	(333)	1,507	1,174	269	1,443
Issue of shares under employee share schemes	22	-	361	383	-	383
Increase in treasury shares	-	(553)	-	(553)	-	(553)
Vesting of treasury shares	-	423	(423)	-	-	-
Dividends paid	-	-	(419)	(419)	(363)	(782)
	-	-	-	-	(887)	(887)

Redemption of Reserve Capital Instruments						
Other reserve movements	-	-	129	129	(6)	123
Balance at 30 June 2011	12,361	1,291	37,920	51,572	10,417	61,989
Half Year Ended 31.12.10						
Balance at 1 July 2010	12,064	1,474	36,053	49,591	11,482	61,073
Profit after tax	-	-	1,133	1,133	495	1,628
Other comprehensive income net of tax:						
Currency translation movements	-	(193)	-	(193)	323	130
Available for sale investments	-	751	-	751	6	757
Cash flow hedges	-	(606)	-	(606)	29	(577)
Other	-	-	10	10	22	32
Total comprehensive income for the year	-	(48)	1,143	1,095	875	1,970
Issue of new ordinary shares	260	-	-	260	-	260
Issue of shares under employee share schemes	15	-	425	440	-	440
Increase in treasury shares	-	(57)	-	(57)	-	(57)
Vesting of treasury shares	-	384	(384)	-	-	-
Dividends paid	-	-	(237)	(237)	(431)	(668)
Redemption of Reserve Capital Instruments	-	-	-	-	(487)	(487)
Other reserve movements	-	1	(235)	(234)	(35)	(269)
Balance at 31 December 2010	12,339	1,754	36,765	50,858	11,404	62,262

1 Details of share capital are shown on page 98.
2 Details of other reserves for the year are shown on page 98.

Condensed Consolidated Financial Statements (Unaudited)

Condensed Consolidated Statement of Changes in Equity (Unaudited)

Half Year Ended 30.06.10	Called up Share Capital and Share Premium1	Other Reserves2	Retained Earnings	Total	Non-controlling Interests	Total Equity
	£m	£m	£m	£m	£m	£m
Balance at 1 January 2010	10,804	2,628	33,845	47,277	11,201	58,478
Profit after tax	-	-	2,431	2,431	490	2,921
Other comprehensive income net of tax:						
Currency translation movements	-	935	-	935	119	1,054
Available for sale investments	-	(1,996)	-	(1,996)	3	(1,993)
Cash flow hedges	-	506	-	506	27	533
Other	-	-	4	4	23	27
Total comprehensive income for the year	-	(555)	2,435	1,880	662	2,542
Issue of new ordinary shares	1,240	-	-	1,240	-	1,240
Issue of shares under employee share schemes	20	-	405	425	-	425
Increase in treasury shares	-	(932)	-	(932)	-	(932)
Vesting of treasury shares	-	334	(334)	-	-	-
Dividends paid	-	-	(294)	(294)	(372)	(666)
Other reserve movements	-	(1)	(4)	(5)	(9)	(14)
Balance at 30 June 2010	12,064	1,474	36,053	49,591	11,482	61,073

Condensed Consolidated Cash Flow Statement (Unaudited)

Continuing Operations	Half Year Ended 30.06.11	Half Year Ended 31.12.10	Half Year Ended 30.06.10
	£m	£m	£m
Profit before tax	2,644	2,118	3,947
Adjustment for non-cash items	3,104	1,931	(960)
Changes in operating assets and liabilities	27,055	(8,988)	22,096
Corporate income tax paid	(890)	(730)	(728)
Net cash from operating activities	31,913	(5,669)	24,355
Net cash from investing activities	(15,465)	(9,448)	3,821
Net cash from financing activities	(2,849)	1,577	(1,418)
Effect of exchange rates on cash and cash equivalents	(1,583)	1,095	2,747
Net increase in cash and cash equivalents	12,016	(12,445)	29,505
Cash and cash equivalents at beginning of the period	131,400	143,845	114,340
Cash and cash equivalents at end of the period	143,416	131,400	143,845

1 Details of share capital are shown on page 98.
2 Details of other reserves comprehensive income for the year are shown on page 98.

Group Results Summary

Group Results	Q211 £m	Q111 £m	Q410 £m	Q310 £m	Q210 £m	Q110 £m
Total income net of insurance claims (excluding own credit)	7,491	7,750	8,081	7,238	7,563	8,167
Own credit gain/(charge)	440	(351)	487	(947)	953	(102)
Total income net of insurance claims	7,931	7,399	8,568	6,291	8,516	8,065
Impairment charges and other credit provisions	(907)	(921)	(1,374)	(1,218)	(1,572)	(1,508)
Net operating income	7,024	6,478	7,194	5,073	6,944	6,557
Operating expenses (excluding provision for PPI redress)	(4,987)	(4,842)	(5,495)	(4,756)	(4,868)	(4,852)
Provision for PPI redress1	(1,000)	-	-	-	-	-
Total operating expenses	(5,987)	(4,842)	(5,495)	(4,756)	(4,868)	(4,852)
Share of post tax results of associates & JVs	19	17	16	9	18	15
(Losses)/gains on acquisitions and disposals	(67)	2	76	1	33	100
Profit before tax	989	1,655	1,791	327	2,127	1,820
Adjusted profit before tax2	1,674	2,004	1,228	1,273	1,141	1,822
Basic earnings per share	4.0p	8.5p	9.1p	0.4p	11.6p	9.3p
Cost: income ratio	75%	65%	64%	76%	57%	60%
Cost: net operating income ratio	85%	75%	76%	94%	70%	74%
Adjusted cost: income ratio2	66%	62%	68%	66%	64%	59%
Adjusted cost: net operating income ratio2	75%	71%	82%	79%	81%	73%
Barclays Capital Results						
Fixed Income, Currency and Commodities	1,715	2,201	2,031	1,773	2,138	2,745
Equities and Prime Services	563	545	625	359	563	493
Investment Banking	520	612	725	501	461	556
Principal Investments	99	8	115	19	4	101
Total income (excluding own credit)	2,897	3,366	3,496	2,652	3,166	3,895
Own credit gain/(charge)	440	(351)	487	(947)	953	(102)

Total income	3,337	3,015	3,983	1,705	4,119	3,793
Impairment charges and other credit provisions	80	31	(222)	(12)	(41)	(268)
Net operating income	3,417	3,046	3,761	1,693	4,078	3,525
Operating expenses	(2,006)	(2,067)	(2,201)	(1,881)	(2,154)	(2,059)
Share of post tax results of associates and JVs	6	3	2	6	7	3
Profit/(loss) before tax	1,417	982	1,562	(182)	1,931	1,469
Adjusted profit before tax2	977	1,333	1,075	765	978	1,571
Cost: income ratio	60%	69%	55%	110%	52%	54%
Cost: net operating income ratio	59%	68%	59%	111%	53%	58%
Adjusted cost: income ratio2	69%	61%	63%	71%	68%	53%
Adjusted cost: net operating income ratio2	67%	61%	67%	71%	69%	57%

1 Provision for the settlement of PPI claims following the conclusion of the Judicial Review proceedings.
2 Adjusted profit before tax and adjusted performance metrics include: the impact of own credit gain/(charge); the provision for PPI redress; (losses)/gains on acquisitions and disposals of subsidiaries, associates and joint ventures; and losses on disposal of strategic investments.

Results by Business

UK Retail and Business Banking

Income Statement Information	Half Year Ended 30.06.11 £m	Half Year Ended 31.12.10 £m	Half Year Ended 30.06.10 £m
Net interest income	1,625	1,672	1,493
Net fee and commission income	591	631	624
Net trading loss	-	(2)	-
Net premiums from insurance contracts	49	57	73
Other (loss)/income	(2)	1	-
Total income	2,263	2,359	2,190
Net claims and benefits incurred under insurance contracts	(9)	(12)	(19)
Total income net of insurance claims	2,254	2,347	2,171
	(275)	(372)	(447)

Impairment charges and other credit provisions			
Net operating income	1,979	1,975	1,724
Operating expenses (excluding provision for PPI redress)	(1,275)	(1,487)	(1,322)
Provision for PPI redress[1]	(400)	-	-
Operating expenses	(1,675)	(1,487)	(1,322)
Share of post-tax results of associates and joint ventures	-	(3)	2
Gains on acquisition	-	-	100
Profit before tax	304	485	504
Adjusted profit before tax[2]	704	485	404
Balance Sheet Information			
Loans and advances to customers at amortised cost	£117.9bn	£115.6bn	£113.9bn
Customer deposits	£108.3bn	£108.4bn	£106.3bn
Total assets	£123.7bn	£121.6bn	£119.3bn
Risk weighted assets	£34.2bn	£35.3bn	£35.6bn

	Adjusted[2]			Statutory		
Performance Measures	30.06.11	31.12.10	30.06.10	30.06.11	31.12.10	30.06.10
Return on average equity[3]	15%	12%	8%	6%	12%	11%
Return on average tangible equity[3]	29%	22%	15%	12%	22%	20%
Return on average risk weighted assets	3.0%	2.3%	1.5%	1.3%	2.3%	2.1%
Loan loss rate (bps)	46	63	77	46	63	77
90 day arrears rates - UK personal loans	2.1%	2.6%	2.8%	2.1%	2.6%	2.8%
Cost: income ratio	57%	63%	61%	74%	63%	61%
Cost: net operating income ratio	64%	75%	77%	85%	75%	77%

Key Facts	30.06.11	31.12.10	30.06.10
Number of UK current accounts	11.7m	11.6m	11.4m
Number of UK savings accounts	15.0m	14.4m	14.1m
Number of UK mortgage accounts	925,000	916,000	913,000
Number of Barclays Business customers	779,000	760,000	760,000
LTV of mortgage portfolio	43%	43%	42%
LTV of new mortgage lending	53%	52%	51%
Number of branches	1,634	1,658	1,674
Number of ATMs	3,361	3,345	3,343

1 Provision for the settlement of PPI claims following the conclusion of the Judicial Review proceedings.

2 Adjusted profit before tax and adjusted performance measures exclude the impact of the provision for PPI redress of £400m (2010: £nil) and gains on acquisitions of £nil (2010: £100m).

3 Return on average equity and return on average tangible equity comparatives have been revised to use 10% of average risk weighted assets (previously 9%) in the calculation of average equity and average tangible equity.

Results by Business

UK Retail and Business Banking

— Adjusted profit before tax up 74% to £704m (2010: £404m)

– Profit before tax down 40% to £304m (2010: £504m) after £400m provision for PPI redress and £100m gain on acquisition of Standard Life Bank in 2010

— Income up 4% to £2,254m (2010: £2,171m)

— Net interest income up 9% to £1,625m (2010: £1,493m) driven by improved margins

– Net interest margin up to 146bps (2010: 139bps) and risk adjusted net interest margin up to 122bps (2010: 98bps)

– Average assets increased 4% to £117.0bn (30 June 2010: £112.5bn)

– Asset margin up to 121bps (2010: 117bps)

– Average liabilities increased 3% to £107.0bn (30 June 2010: £103.5bn)

– Liability margin up to 168bps (2010: 161bps)

– Average mortgage balances up 6%, with strong positive net lending. Mortgage balances of £103.9bn at 30 June 2011 (31 December 2010: £101.2bn) with share by value1 of 9% (31 December 2010: 8%). Gross new mortgage lending of £7.6bn (30 June 2010: £8.5bn), with share by value of 12% (30 June 2010: 14%). Mortgage redemptions down to £4.9bn (30 June 2010: £5.2bn), with net new mortgage lending of £2.7bn (30 June 2010: £3.3bn)

– Average loan to value ratio on the mortgage portfolio (including buy to let) on a current valuation basis of 43% (2010: 43%). Average loan to value of new mortgage lending of 53% (2010: 52%)

— Net fee and commission income down 5% to £591m (2010: £624m) following closure of branch-based element of financial planning business

— Impairment charges down 38% to £275m (2010: £447m) with annualised loan loss rate of 46bps (2010: 77bps)

– Consumer lending impairment down 47% to £117m (2010: £221m), business lending impairment down 29% to £91m (2010: £129m), and current account impairment down 47% to £43m (2010: £81m)

– Mortgage impairment charge of £23m (2010: £16m)

– 90 day arrears rates for the UK personal loans improved to 2.1% (31 December 2010: 2.6%)

—

Operating expenses down 11% to £1,275m (2010: £1,440m), excluding £400m provision for PPI redress in 2011 and £118m one-off pension credit in 2010. Including these items, operating expenses up 27% to £1,675m (2010: £1,322m)

— Total loans and advances to customers up 2% to £117.9bn (31 December 2010: £115.6bn) driven by growth in mortgage balances

— Total customer deposits flat at £108.3bn (31 December 2010: £108.4bn)

— Adjusted return on average equity up to 15% (2010: 8%) and adjusted return on average tangible equity up to 29% (2010: 15%)

1 Share by value refers to the UK RBB share of total mortgage lending across the UK as sourced from the Bank of England.

Results by Business

Europe Retail and Business Banking

Income Statement Information	Half Year Ended 30.06.11	Half Year Ended 31.12.10	Half Year Ended 30.06.10
	£m	£m	£m
Net interest income	358	344	335
Net fee and commission income	219	207	214
Net trading income	5	13	7
Net investment income	33	31	36
Net premiums from insurance contracts	254	217	262
Other income/(loss)	7	(15)	24
Total income	876	797	878
Net claims and benefits incurred under insurance contracts	(272)	(235)	(276)
Total income net of insurance claims	604	562	602
Impairment charges and other credit provisions	(116)	(181)	(133)
Net operating income	488	381	469
Operating expenses	(657)	(538)	(495)
Share of post-tax results of associates and joint ventures	8	8	7
Gains on acquisition	-	-	29
(Loss)/profit before tax	(161)	(149)	10
Adjusted loss before tax1	(161)	(149)	(19)

Balance Sheet Information			
Loans and advances to customers at amortised cost	£46.0bn	£43.4bn	£39.9bn
Customer deposits	£19.1bn	£18.9bn	£17.1bn
Total assets	£56.7bn	£53.6bn	£49.0bn
Risk weighted assets	£17.9bn	£17.3bn	£15.9bn

	Adjusted1			Statutory		
Performance Measures	30.06.11	31.12.10	30.06.10	30.06.11	31.12.10	30.06.10
Return on average equity2, 3	(9%)	(10%)	8%	(9%)	(10%)	10%
Return on average tangible equity2, 3	(13%)	(13%)	11%	(13%)	(13%)	13%
Return on average risk weighted assets3	(1.4%)	(1.5%)	1.2%	(1.4%)	(1.5%)	1.5%
30 day arrears rates	1.9%	1.8%	1.9%	1.9%	1.8%	1.9%
Loan loss rate (bps)	50	81	65	50	81	65
Cost: income ratio	109%	96%	82%	109%	96%	82%
Cost: net operating income ratio	135%	141%	106%	135%	141%	106%

Key Facts	30.06.11	31.12.10	30.06.10
Number of customers	2.7m	2.7m	2.7m
Number of branches	1,120	1,120	1,111
Number of sales centres	247	243	211
Number of distribution points	1,367	1,363	1,322

1 Adjusted profit before tax and adjusted performance measures excludes the impact of gains on acquisitions of £nil (H2 2010: £nil; H1 2010: £29m).
2 Return on average equity and return on average tangible equity comparatives have been revised to use 10% of average risk weighted assets (previously 9%) in the calculation of average equity and average tangible equity.
3 Return on average equity, return on average tangible equity and return on average risk weighted assets reflect a deferred tax benefit of £nil (H2 2010: £93m; H1 2010 £112m).

Results by Business

Europe Retail and Business Banking

— Loss of £161m (2010: profit of £10m) reflecting repositioning of the business

– Restructuring charges of £129m in 2011

– Gain of £29m on the acquisition of Italian cards business of Citigroup in 2010

— Income flat at £604m (2010: £602m)

— Net interest income up 7% to £358m (2010: £335m) reflecting higher asset and liability volumes accompanied by higher margins

– Net interest margin up to 118bps (2010: 115bps)

– Average assets increased 6% to £43.4bn (30 June 2010: £40.8bn)

– Asset margin down to 94bps (2010: 127bps) due to increased funding costs more than offsetting repricing of new business

– Average liabilities increased 2% to £18.0bn (30 June 2010: £17.7bn)

– Liability margin up to 96bps (2010: 49bps) due to improved pricing

— Net fee and commission income flat at £219m (2010: £214m)

— Net premiums from insurance contracts down slightly at £254m (2010: £262m), with net claims and benefits down slightly to £272m (2010: £276m)

— Impairment charges down 13% to £116m (2010: £133m) due to focused risk management with 30 day arrears rate stable at 1.9% (31 December 2010: 1.8%)

— Operating expenses up 33% to £657m (2010: £495m)

– Restructuring charges of £129m, largely in Spain where an agreement has been signed with unions to close 20% of branch network and reduce headcount by 16% by the end of 2011

– Excluding restructuring, cost growth of 7% reflecting Italian and Portuguese branch expansion during 2010 and the acquisition of Citigroup's credit card business in Italy in March 2010

— Risk weighted assets up 3% to £17.9bn (31 December 2010: £17.3bn)

— Loans and advances to customers up 6% at £46.0bn (31 December 2010: £43.4bn) primarily due to foreign exchange

— Customer deposits up slightly to £19.1bn (31 December 2010: £18.9bn)

— Customer numbers up 1% to 2.73 million (31 December 2010: 2.70 million)

— Adjusted return on average equity of negative 9% (2010: positive 8%) although we broke even in June before restructuring

— Target return on average equity of 4% to 5% by 2013 and 13% by 2015

Results by Business

Africa Retail and Business Banking1

Income Statement Information	Half Year Ended 30.06.11 £m	Half Year Ended 31.12.10 £m	Half Year Ended 30.06.10 £m
Net interest income	1,016	1,026	1,007
Net fee and commission income	650	685	633
Net trading income/(loss)	43	(8)	61
Net investment income/(loss)	30	75	(17)
Net premiums from insurance contracts	216	212	187
Other income	25	30	24
Total income	1,980	2,020	1,895
Net claims and benefits incurred under insurance contracts	(113)	(102)	(113)
Total income net of insurance claims	1,867	1,918	1,782
Impairment charges and other credit provisions	(268)	(232)	(330)
Net operating income	1,599	1,686	1,452
Operating expenses	(1,223)	(1,349)	(1,069)
Share of post-tax results of associates and joint ventures	3	2	1
Profit on disposal of subsidiaries, associates and joint ventures	-	77	4
Profit before tax	379	416	388
Adjusted profit before tax2	379	339	384
Balance Sheet Information			
Loans and advances to customers at amortised cost	£41.7bn	£45.4bn	£41.2bn
Customer deposits	£31.8bn	£31.3bn	£27.5bn
Total assets	£57.1bn	£60.3bn	£54.9bn
Risk weighted assets	£35.4bn	£38.4bn	£30.9bn

	Adjusted2			Statutory		
Performance Measures	30.06.11	31.12.10	30.06.10	30.06.11	31.12.10	30.06.10
Return on average equity3	8%	8%	10%	8%	13%	10%
Return on average tangible equity3	15%	14%	18%	15%	18%	18%
Return on average risk weighted assets	1.5%	1.5%	1.8%	1.5%	1.9%	1.8%
Loan loss rate (bps)	124	98	153	124	98	153
Cost: income ratio	66%	70%	60%	66%	70%	60%
Cost: net operating income ratio	76%	80%	74%	76%	80%	74%

Key Facts	30.06.11	31.12.10	30.06.10
Number of customers	14.5m	14.4m	14.0m
Number of ATMs	9,816	9,530	9,450
Number of branches	1,317	1,321	1,339
Number of sales centres	189	222	249

Number of distribution points	1,506	1,543	1,588

1 Further analysis of the individual results for Barclays Africa and Absa are set out on page 106.
2 Adjusted profit before tax and adjusted performance measures excludes the impact of profit on disposals of subsidiaries, associates and joint ventures of £nil (H2 2010: £77m; H1 2010: £4m).
3 Return on average equity and return on average tangible equity comparatives have been revised to use 10% of average risk weighted assets (previously 9%) in the calculation of average equity and average tangible equity.

Results by Business

Africa Retail and Business Banking

— Segmental reporting for Barclays Africa and Absa now combined to reflect revised management structure

— Profit before tax down 2% to £379m (2010: £388m)

– Business growth in Absa and a 3% average appreciation of the Rand against Sterling, more than offset by a 2010 one-off pension credit in Absa of £54m, political unrest in Egypt and adverse exchange rates in the majority of the businesses outside South Africa

— Income up 5% to £1,867m (2010: £1,782m)

– 10% improvement in Absa partially offset by 14% decline in non-Absa businesses

— Net interest income up slightly at £1,016m (2010: £1,007m)

– Net interest income in Absa up 8% to £796m (2010: £737m) due to effective hedging, improved margins and appreciation in average value of Rand

– Net interest income in the non-Absa businesses down 19% to £220m (2010: £270m) due to Sterling appreciation against relevant currencies and the impact of margin compression in both retail and corporate portfolios

— Average customer assets were stable at £40.8bn (2010: £40.6bn)

– Driven by the appreciation of the Rand, offset by depreciation in non-Rand currencies and lower volumes

– Asset margin for Africa stable at 312bps (2010: 313bps) due to continued pricing improvements across product range in Absa and a decline in cost of funding for the rest of Africa offset by an increase in interest suspended on delinquent accounts in Absa and a decline in customer pricing for the rest of Africa

— Average customer liabilities overall increased 11% to £30.1bn (2010: £27.1bn)

– Principally in Absa due to growth in retail deposits and the appreciation of the Rand

– Liability margin broadly stable at 242bps (2010: 247bps) driven in Absa by growth in high margin products offset by pressures on commercial margins

— Net fee and commission income up 3% to £650m (2010: £633m) reflecting impact of volume growth and selected pricing increases in Absa

— Net investment income increased to £30m (2010: loss of £17m) reflecting fair value gains on commercial property portfolios and fair value losses recognised in 2010 on Visa shares

— Impairment charges down 19% to £268m (2010: £330m)

– Improving economy in South Africa and improving performance across non-Absa commercial portfolios, especially in Mauritius, and retail portfolio in Botswana

– Deteriorating 30-day arrears rates in non-Absa retail with increase to 2.6% (31 December 2010: 2.2%) mainly due to retail portfolios in Egypt and Botswana

— Operating expenses up 14% to £1,223m (2010: £1,069m)

– Primarily driven by one-off pension credit in 2010, inflationary pressures in South Africa and appreciation of the Rand against Sterling

— Adjusted return on average equity of 8% (2010: 10%)

Results by Business

Barclaycard

Half Year
Ended