

BARCLAYS PLC
Form 6-K
April 27, 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
of the Securities Exchange Act of 1934

April 27, 2011

Barclays PLC and
Barclays Bank PLC

(Names of Registrants)

1 Churchill Place

London E14 5HP

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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 Form 40-F

Indicate by check mark whether the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark whether the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

THIS REPORT ON FORM 6-K, WITH THE EXCEPTION OF EXHIBIT 99.6 HERETO, SHALL BE DEEMED TO BE INCORPORATED BY REFERENCE IN THE REGISTRATION STATEMENTS ON FORM F-3 (NO. 333-169119) AND FORM S-8 (NOS. 333-112796, 333-112797, 333-149301 AND 333-149302) OF BARCLAYS BANK PLC AND THE REGISTRATION STATEMENT ON FORM S-8 (NO. 333-153723 AND 333-167232) OF BARCLAYS PLC AND TO BE A PART THEREOF FROM THE DATE ON WHICH THIS REPORT IS FURNISHED, TO THE EXTENT NOT SUPERSEDED BY DOCUMENTS OR REPORTS SUBSEQUENTLY FILED OR FURNISHED. EXHIBIT 99.6 HERETO SHALL BE DEEMED TO BE INCORPORATED BY REFERENCE IN THE REGISTRATION STATEMENT ON FORM F-3 (NO. 333-169119) OF BARCLAYS BANK PLC ONLY AND TO BE A PART THEREOF FROM THE DATE ON WHICH THIS REPORT IS FURNISHED, TO THE EXTENT SUCH EXHIBIT IS NOT SUPERSEDED BY DOCUMENTS OR REPORTS SUBSEQUENTLY FILED OR FURNISHED.

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

The Report comprises the following:

- Exhibit 99.1. The Interim Management Statement of Barclays PLC relating to the three months ended 31st March 2011.
- Exhibit 99.2. A table setting forth the issued share capital of Barclays PLC and the Barclays PLC Group's total shareholders' equity, indebtedness and contingent liabilities as at 31st December 2010.
- Exhibit 99.3. A table setting forth the issued share capital of Barclays Bank PLC and the Barclays Bank PLC Group's total shareholders' equity, indebtedness and contingent liabilities as at 31st December 2010.
- Exhibit 99.4. Ratio of earnings under IFRS to fixed charges for Barclays PLC
- Exhibit 99.5. Ratio of earnings under IFRS to combined fixed charges, preference share dividends and similar appropriations for Barclays PLC.
- Exhibit 99.6. Certain risk considerations related to subordinated debt securities and preference shares of Barclays Bank PLC.

SIGNATURES

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

BARCLAYS PLC

(Registrant)

Date: April 27, 2011

By: /s/ Marie Smith
Name: Marie Smith
Title: Assistant Secretary

BARCLAYS BANK PLC

(Registrant)

Date: April 27, 2011

By: /s/ Marie Smith
Name: Marie Smith
Title: Assistant Secretary

BARCLAYS PLC AND BARCLAYS BANK PLC

This document includes portions from the previously published Interim Management Statement of Barclays PLC relating to the three month period ended 31st March, as amended to comply with the requirements of Regulation G and Item 10(e) of Regulation S-K promulgated by the US Securities and Exchange Commission (the SEC), and also includes the reconciliation to certain financial information prepared in accordance with International Financial Reporting Standards (IFRS). The purpose of this document is to provide such additional disclosure as required by Regulation G and Regulation S-K item 10(e), to delete certain information not in compliance with SEC regulations and to include reconciliations of certain non IFRS figures to the most directly equivalent IFRS figures for the periods presented. This document does not update or otherwise supplement the information contained in the previously published results announcement.

In this document certain non-IFRS measures are reported. Barclays management believes that these non-IFRS measures provide valuable information to readers of its financial statements because they enable the reader to focus more directly on the underlying day-to-day performance of its businesses and provide more detail concerning the elements of performance which the managers of these businesses are most directly able to influence. They also reflect an important aspect of the way in which operating targets are defined and performance is monitored by Barclays management. However, any non-IFRS measures in this document are not a substitute for IFRS measures and readers should consider the IFRS measures as well.

An audit opinion has not been rendered in respect of this announcement.

Q111 Interim Management Statement

27th April 2011

Barclays PLC - Interim Management Statement

| Group Unaudited Results | Three Months Ended | Three Months Ended | % Change |
|--|--------------------|--------------------|-----------------|
| | 31.03.11 | 31.03.10 | |
| | £m | £m | |
| Total income net of insurance claims | 7,399 | 8,065 | (8) |
| Impairment charges and other credit provisions | (921) | (1,508) | (39) |
| Net operating income | 6,478 | 6,557 | (1) |
| Operating expenses | (4,842) | (4,852) | |
| Profit before tax | 1,655 | 1,820 | (9) |
| Own credit charge | 351 | 102 | nm |
| Gains on acquisitions and disposals | (2) | (100) | (98) |
| Adjusted profit before tax¹ | 2,004 | 1,822 | 10 |
| Profit after tax | 1,241 | 1,310 | (5) |
| Profit attributable to equity holders of the parent | 1,012 | 1,067 | (5) |
| Basic earnings per share | 8.5p | 9.3p | (9) |
| Dividend per share | 1.0p | 1.0p | |
| Performance Measures | | | |
| Cost: income ratio | 65% | 60% | nm |
| Cost: net operating income ratio | 75% | 74% | nm |
| Cost: income ratio (excluding own credit) ² | 62% | 59% | nm |
| Cost: net operating income ratio (excluding own credit) ² | 71% | 73% | nm |
| Capital and Balance Sheet | 31.03.11 | 31.12.10 | % Change |
| Core Tier 1 ratio | 11.0% | 10.8% | nm |
| Risk weighted assets | £ 392bn | £ 398bn | (2) |
| Adjusted gross leverage ³ | 20x | 20x | nm |
| Group liquidity pool | £ 161bn | £ 154bn | 5 |
| Net asset value per share | 414p | 417p | (1) |
| Net tangible asset value per share | 344p | 346p | (1) |
| Group loan: deposit ratio | 119% | 124% | nm |

- The adjusted profit before tax figures are presented excluding own credit and gains on acquisitions and disposals, and as such are non-IFRS measures. They have been presented as they provide a consistent basis for comparing the business performance between financial periods. Own credit represents the effect of the Group's own credit standing on the fair value of financial liabilities.*
- The cost: income ratio and cost: net operating income ratio have been presented excluding own credit. These non-IFRS measures have been presented as they provide a consistent basis for comparing the business performance between financial periods. The own credit charge recognised for the period to 31st March 2011 was £351m (2010: £102m). Own credit represents the effect of the Group's own credit standing on the fair value of financial liabilities.*
- Adjusted gross leverage is a non-IFRS measure representing the multiple of adjusted total tangible assets over total qualifying Tier 1 capital. Adjusted total tangible assets are total assets adjusted to allow for: derivative counterparty netting where the Group has a legally*

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enforceable master netting agreement; assets held in respect of linked liabilities to customers under investment contracts on the balance sheet; settlement balances; cash collateral on derivatives; and goodwill and intangible assets. This measure has been presented as it provides for a metric used by management in assessing balance sheet leverage. Barclays management believes that this measure provides useful information to readers of Barclays financial statements as a key measure of stability, which is consistent with the views of regulators and investors.

Barclays PLC

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Q111 Interim Management Statement

Performance Summary

Adjusted profit before tax¹, excluding own credit and gains on acquisitions and disposals, of £2,004m up 10% (2010: £1,822m). Profit before tax of £1,655m down 9% (2010: £1,820m)

Retail and Business Banking profit before tax of £692m up 21% (2010: £570m)

Total income of £7,399m down 8% (2010: £8,065m) after a charge for own credit of £351m (2010: £102m)

Barclays Capital top-line income² of £3,278m down 15% (2010: £3,845m), reflecting a decline of 22% in Fixed Income, Currency and Commodities and increases of 11% in Equities and Prime Services and 10% in Investment Banking

Impairment of £921m improved 39% (2010: £1,508m) giving a year-to-date annualised loan loss rate of 76bps (2010:112bps) including a £190m release of the impairment allowance relating to the loan to Protium

Net operating income (excluding own credit) of £6,829m up 3% (2010: £6,659m). Net operating income of £6,478m down 1% (2010: £6,557m)

Operating expenses of £4,842m (2010: £4,852m) including restructuring costs of £69m (2010: £77m)

Core Tier 1 ratio of 11.0% (2010: 10.8%)

£12bn of term funding issued in the first three months of 2011 and strong liquidity position maintained

First quarter dividend of 1.0p per share

Increased gross new lending to UK households and businesses of £9.9bn (2010: £9.0bn)

Group Performance

Profit before tax for the three months ended 31st March 2011 declined 9% to £1,655m (2010: £1,820m). Total income decreased 8% to £7,399m (2010: £8,065m) reflecting the subdued macroeconomic environment and the impact of the increased own credit charge. Impairment charges improved 39% to £921m (2010: £1,508m), while operating expenses were flat at £4,842m (2010: £4,852m).

Adjusted profit before tax of £2,004m increased 10% relative to £1,822m in Q1 2010 and increased 63% compared to £1,228m in Q4 2010¹.

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| Profit Before Tax by Business | Three Months Ended 31.03.11 | | Three Months Ended 31.03.10 | | % Change |
|---|--------------------------------|------------|--------------------------------|------------|------------|
| | £m | | £m | | |
| Retail and Business Banking ³ | 692 | | 570 | | 21 |
| Corporate and Investment Banking | 983 | | 1,394 | | (29) |
| Wealth and Investment Management | 70 | | 74 | | (5) |
| Head Office Functions and Other Operations | (90) | | (218) | | 59 |
| Profit before tax | 1,655 | | 1,820 | | (9) |
| Income by Geographic Segment | £m | % | £m | % | |
| UK ⁴ | 3,038 | 41 | 3,151 | 39 | |
| Europe ⁴ | 946 | 13 | 1,240 | 15 | |
| Americas | 1,864 | 25 | 2,201 | 27 | |
| Africa and the Middle East ⁵ | 1,239 | 17 | 1,184 | 15 | |
| Asia ³ | 312 | 4 | 289 | 4 | |
| Total income net of insurance claims | 7,399 | 100 | 8,065 | 100 | |

- 1 Adjusted profit before tax is presented excluding the own credit charge of £351m (Q1 2010: £102m charge, Q4 2010: £487m gain) and gains on acquisitions and disposals of £2m (Q1 2010: £100m, Q4 2010: £76m) and as such is a non-IFRS measure. It has been presented as it provides a consistent basis for comparing the business performance between financial periods. Own credit represents the effect of the Group's own credit standing on the fair value of financial liabilities.
- 2 Top-line income is a non-IFRS measure that represents income before own credit charge and credit market income/losses. This measure has been presented as it provides a consistent basis for comparing the business performance between financial periods. Credit market income at Barclays Capital for the 3 month period ended 31st March 2011 was £88m (2010: £50m), and the own credit charge for the 3 month period ended 31st March 2011 was £351m (2010: £102m). Total income at Barclays Capital for the 3 month period ended 31st March 2011 was £3,015m (2010: £3,793m).
- 3 Retail and Business Banking comprises UK Retail Banking, Western Europe Retail Banking, Absa, Barclays Africa and Barclaycard, with UK Retail Banking and Western Europe Retail Banking now known as Retail and Business Banking UK and Europe respectively.
- 4 Income of £24m (2010: £24m) relating to Ireland is now included in Europe; formerly it was reported in UK & Ireland. Comparatives have been restated.
- 5 Income of £76m (2010: £97m) relating to Middle East is now included in Africa and Middle East; formerly it was reported in Asia. Comparatives have been restated.

Q111 Interim Management Statement

Capital and Liquidity

At 31st March 2011, the Group's Core Tier 1 ratio was 11.0% (31st December 2010: 10.8%). Risk weighted assets decreased £6bn to £392bn (31st December 2010: £398bn). Total assets increased since the year end by £2bn to £1,492bn (31st December 2010: £1,490bn). The net asset value per share was 414p (31st December 2010: 417p) and the net tangible asset value per share was 344p (31st December 2010: 346p).

Adjusted gross leverage¹ was 20x as at 31st March 2011 and moved within the month end range of 20x to 22x during the quarter as a result of normal trading activity. The ratio of total assets to shareholders' equity of 24x moved within the month end range of 24x to 25x during the quarter.

The Group liquidity pool at 31st March 2011 was £161bn (31st December 2010: £154bn), of which £147bn was in FSA-eligible assets (31st December 2010: £140bn). During the quarter the Group issued approximately £12bn of term funding. At 31st March 2011 the Group had £20bn remaining publicly issued term debt with contractual maturities in 2011 (£25bn maturing in 2011 at 31st December 2010).

Returns

During Q1, we took a number of actions related to the Group's strategic returns initiative. In Barclays Capital credit market exposures reduced in aggregate by \$1,647m to \$35,350m. This included a decrease of \$636m on the loan to Protium. In March, we announced the sale of \$586m of real estate loans to CreXus Investment Corp. A further \$572m of principal repayments were received from Protium in April and today we announced the restructuring of the loan to Protium.

In Retail and Business Banking, we took the decision to close our branch-based Financial Planning business in the UK; and to combine, by the end of this year, Absa and Barclays Africa into one regional centre in Johannesburg. Operating expenses across all businesses have benefited from the Group cost reduction programme which is on track to result in gross annual savings in 2011 of £500m; £250m net of restructuring charges.

Income Growth

Income performance across the Group has been resilient in the context of subdued economic conditions in many of our key markets. Net operating income excluding own credit of £351m (2010: £102m), increased 3% to £6,829m (2010: £6,659m). Net operating income decreased 1%. In Corporate and Investment Banking, growth in Barclays Capital Equities and Prime Services, and Investment Banking businesses helped to offset partially a year on year decline in Fixed Income, Currency and Commodities (FICC) revenues.

In Retail and Business Banking, Barclays agreed to acquire Egg's UK credit card assets, consisting of approximately 1.15 million credit card accounts, representing approximately £2.3bn of gross receivables, and announced the acquisition of MBNA Europe Bank Limited's Small Business cards portfolio in the UK, consisting of approximately 60,000 accounts and £130m of outstanding balances.

The strategic investment programme in Barclays Wealth continues on track and we have begun to see both revenue and customer service benefits as a consequence.

Citizenship

In February, Barclays was one of the signatories to 'Project Merlin', a clear statement to demonstrate that the UK Government and the main UK banks are working in partnership to help the recovery of the economy. The agreement focuses on commitments in three key areas: lending to businesses; pay and disclosure; and supporting economic growth.

During Q1 2011, Barclays and the other participating banks made good progress implementing the report of the Business Finance Taskforce set out in October 2010. The initiatives are intended to help and encourage viable businesses to have access to secure and sustainable funding. Among the Taskforce's enacted recommendations was the creation of a one-stop-shop website (www.BetterBusinessFinance.co.uk) for

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businesses to get impartial information about how to secure finance and the best options for their business. In addition the Taskforce launched a new appeals process for businesses who are dissatisfied with banks' lending decisions, a series of regional events and a nationwide Business Mentoring scheme.

Another of the Taskforce's recommendations resulted in the creation of the Business Growth Fund (BGF). This Fund has been established to help growing businesses with a turnover of between £10m and £100m. The BGF will invest between £2m and £10m per business in return for a minimum 10 per cent equity stake and a seat on the board.

1 Adjusted gross leverage is a non-IFRS measure representing the multiple of adjusted total tangible assets over total qualifying Tier 1 capital. Adjusted total tangible assets are total assets adjusted to allow for: derivative counterparty netting, where the Group has a legally enforceable master netting agreement; assets held in respect of linked liabilities to customers under investment contracts on the balance sheet; settlement balances; cash collateral on derivatives; and goodwill and intangible assets. This measure has been presented as it provides for a metric used by management in assessing balance sheet leverage. Barclays management believes that this measure provides useful information to readers of Barclays financial statements as a key measure of stability, which is consistent with the views of regulators and investors.

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Business Commentary

Retail and Business Banking

Retail and Business Banking profit before tax rose 21% to £692m (2010: £570m). This included profit before tax in Absa of £135m (2010: £167m) now reported in Retail and Business Banking. Income was flat at £3,251m (2010: £3,248m) as new business growth was offset by higher levels of customer repayments. Impairment charges decreased by 29% to £659m (2010: £927m) reflecting good risk management which in turn drove improved net operating income. Operating expenses increased 3% to £1,918m (2010: £1,863m) reflecting a one-off credit in 2010 relating to the recognition of a pension fund surplus in Absa partially offset by a 3% decrease in the rest of Retail and Business Banking.

The performance of the businesses within Retail and Business Banking is summarised below:

| Profit Before Tax by Business | Three Months Ended | Three Months Ended | % Change |
|------------------------------------|--------------------|--------------------|-----------|
| | 31.03.11 | 31.03.10 | |
| | £m | £m | |
| UK ¹ | 288 | 238 | 21 |
| Europe ¹ | (59) | 17 | nm |
| Africa ¹ | 167 | 197 | (15) |
| - Absa | 135 | 167 | (19) |
| - Barclays Africa | 32 | 30 | 7 |
| Barclaycard | 296 | 118 | 151 |
| Retail and Business Banking | 692 | 570 | 21 |

UK profit before tax increased 21% to £288m (2010: £238m), driven by a strong performance in reducing impairment. Income was broadly in line with prior year with a stable net interest margin. There was good growth in mortgage balances. Impairment charges decreased year on year with reductions seen across all portfolios as a result of credit risk management actions. Operating expenses remained well controlled and decreased compared to prior year. This led to an improved return on risk weighted assets to above our target threshold.

Europe incurred a loss for the quarter of £59m (2010: profit of £17m). The decrease was due primarily to restructuring charges of £34m and a gain in 2010 of £29m on the acquisition of the Italian cards business of Citigroup. Excluding the effect of these restructuring charges and acquisition gains, income was flat after a 3% decline as a result of adverse foreign exchange movements. Impairment charges were flat on prior year but significantly down on prior quarter. Operating expenses increased due to 2011 restructuring costs and investment in developing the franchise throughout 2010.

Africa profit before tax decreased 15% to £167m (2010: £197m).

Absa profit before tax decreased 19% to £135m (2010: £167m). Favourable foreign exchange movements and the improved performance of the underlying business were offset by a £54m one-off credit in 2010 in relation to the Group's recognition of a pension fund surplus. Excluding the one-off credit in 2010, profit before tax increased 19% driven by the impact of currency movements, income growth and significant improvements in impairment charges as a result of a continued improving economy. Operating expenses increased reflecting currency movements and inflationary pressures.

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Barclays Africa profit before tax increased 7% to £32m (2010: £30m) which reflected well controlled operating expenses and an improved impairment performance partially offset by a decline in income due to the unrest in Egypt and overall balance sheet contraction.

Barclaycard profit before tax increased 151% to £296m (2010: £118m). Income was broadly in line with prior year with new business growth offset by a decline in net interest margin and higher levels of customer repayment. Impairment charges reduced significantly, reflecting good risk management and customer behaviour. The 30 day delinquency rate continued to improve in the UK and the US. Operating expenses decreased year on year reflecting focused cost management.

1 Retail Banking and Absa are together known as Retail and Business Banking, with UK Retail Banking and Western Europe Retail Banking now known as UK and Europe respectively, and Absa and Barclays Africa are together known as Africa.

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Corporate and Investment Banking

| Profit Before Tax by Business | Three Months Ended | Three Months Ended | % Change |
|---|--------------------|--------------------|-------------|
| | 31.03.11 | 31.03.10 | |
| | £m | £m | |
| Barclays Capital excluding own credit | 1,333 | 1,571 | (15) |
| Own credit | (351) | (102) | nm |
| Barclays Capital | 982 | 1,469 | (33) |
| Barclays Corporate | 1 | (75) | nm |
| Corporate and Investment Banking | 983 | 1,394 | (29) |

Barclays Capital profit before tax excluding own credit was £1,333m (2010: £1,571m). An own credit loss of £351m (2010: loss of £102m) reduced profit before tax to £982m (2010: £1,469m). Total income excluding own credit was £3,366m (2010: £3,895m), down 14% on Q1 2010, and 4% on Q4 2010. This reflected top-line income¹ of £3,278m (2010: £3,845m) and an increase in credit market income to £88m (2010: £50m).

| Analysis of Total Income | Three Months Ended | Three Months Ended | % Change |
|--|--------------------|--------------------|-------------|
| | 31.03.11 | 31.03.10 | |
| | £m | £m | |
| Fixed Income, Currency and Commodities | 2,113 | 2,695 | (22) |
| Equities and Prime Services | 545 | 493 | 11 |
| Investment Banking | 612 | 556 | 10 |
| Principal Investments | 8 | 101 | (92) |
| Top-line income¹ | 3,278 | 3,845 | (15) |
| Credit market income | 88 | 50 | 76 |
| Total income (excluding own credit) | 3,366 | 3,895 | (14) |

FICC top-line income of £2,113m declined 22% on the prior year, reflecting lower contributions from the Fixed Income businesses, partially offset by improved performances in Currencies, which benefited from record client volumes in the quarter, and Commodities. Equities and Prime Services top-line income¹ of £545m increased 11% on the prior year with improved performances from equity derivatives and equity financing. Investment Banking income of £612m increased 10%, reflecting strong performances in both equity underwriting and advisory.

Net operating income excluding own credit of £351m (2010: £102m) reduced 6% to £3,397m as the decline in total income was partially offset by an impairment release of £31m (2010: charge of £268m), including a £190m release of the impairment allowance relating to the loan to Protium offset by charges primarily relating to leveraged finance and ABS CDO Super Senior exposures. Operating expenses were in line with prior year. Excluding the impact of own credit, cost to net operating income was 61% and compensation to income was 44%².

- ¹ Top-line income is a non-IFRS measure that represents income before own credit charge and credit market income/losses. This measure has been presented as it provides a consistent basis for comparing the business performance between financial periods. Credit market income at Barclays Capital for the 3 month period ended 31st March 2011 was £88m (2010: £50m), and the own credit charge for the 3 month period ended 31st March 2011 was £351m (2010: £102m). Total income at Barclays Capital for the 3 month period ended 31st March 2011 was £3,015m (2010: £3,793m).
- ² Cost: net operating income ratio (excluding own credit) and compensation: income ratio (excluding own credit) are non-IFRS measures as they exclude own credit. They have been presented as they provide a consistent basis for comparing the business performance between financial periods. The own credit charge recognised for the period to 31st March 2011 was £351m (2010: £102m). Own credit

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represents the effect of the Group's own credit standing on the fair value of financial liabilities. Including own credit the cost: net operating income and compensation: income ratios were 68% and 49% respectively.

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Barclays Corporate recorded a profit before tax of £1m (2010: loss of £75m). Improved performance in the UK and Rest of World was partially offset by a larger loss in Europe.

| Profit Before Tax by Geography | Three Months Ended | Three Months Ended | % Change |
|--------------------------------|--------------------|--------------------|-----------|
| | 31.03.11 | 31.03.10 | |
| | £m | £m | |
| UK ^{1,2} | 208 | 158 | 32 |
| Europe ^{1,2} | (192) | (70) | (174) |
| Rest of World ¹ | (15) | (163) | 91 |
| Barclays Corporate | 1 | (75) | nm |

UK profit before tax increased 32% to £208m (2010: £158m). Impairment charges were 58% lower and underlying income performance was resilient.

Europe loss before tax increased to £192m (2010: £70m) principally driven by higher impairment charges in Spain. Depressed market conditions continued to affect some significant single name cases although the charge remained well below the peak charge reported in Q2 2010.

Rest of World loss before tax decreased to £15m (2010: £163m). Impairment charges improved significantly to £11m reflecting management action to reduce risk profile of portfolios (2010: £47m). Costs decreased principally due to the non-recurrence of the 2010 restructuring charges and the subsequent benefits derived. The Barclays Bank Russia sale process is proceeding as previously announced.

Wealth and Investment Management

| Profit Before Tax by Business | Three Months Ended | Three Months Ended | % Change |
|---|--------------------|--------------------|------------|
| | 31.03.11 | 31.03.10 | |
| | £m | £m | |
| Barclays Wealth | 46 | 45 | 2 |
| Investment Management | 24 | 29 | (17) |
| Wealth and Investment Management | 70 | 74 | (5) |

Barclays Wealth profit before tax was up 2% on prior year at £46m. Strong income growth of 14% was driven by the High Net Worth Businesses. The Barclays Wealth strategic investment programme continued with investment costs of £17m in 2011 (2010: £7m). Client assets increased 1% to £166bn.

Investment Management profit before tax was £24m (2010: £29m) principally reflecting dividend income from the Group's holding in BlackRock, Inc. The value of this holding of 37.567 million shares as at 31st March 2011 was recorded at £4.7bn (31st December 2010: £4.6bn). The available for sale reserve relating to this investment recovered to £0.7bn adverse (31st December 2010: £0.9bn) and is already reflected in our Core Tier 1 ratio.

Head Office Functions and Other Operations

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Head Office Functions and Other Operations loss before tax decreased £128m to £90m (2010: loss of £218m) principally reflecting the timing of internal transactions and lower operating expenses.

- 1 *UK & Ireland, Continental Europe and New Markets are now known as UK, Europe and Rest of World respectively. Ireland profit before tax of £5m (2010: £5m), previously included within UK and Ireland, is now included under Europe.*
- 2 *2010 figures have been revised to reflect the transfer from UK to Europe of IVECO, the Italian based business (representing £5m of loss before tax).*

Barclays PLC

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Q111 Interim Management Statement
Impairment

| | Three Months | Three Months |
|---|---------------------|---------------------|
| | Ended | Ended |
| | 31.03.11 | 31.03.10 |
| | £m | £m |
| Group Impairment Charges and Other Credit Provisions | | |
| Impairment charges on loans and advances and other credit provisions | 944 | 1,434 |
| Impairment (release)/charges on available for sale assets and reverse repurchase agreements | (23) | 74 |
| Impairment charges and other credit provisions | 921 | 1,508 |
| Annualised loan loss rate (bps) | 76 | 112 |

Impairment charges and other credit provisions improved significantly to £921m (2010: £1,508m). Impairment charges on loans and advances fell by 34% to £944m (2010: £1,434m). The annualised loan loss rate for the first three months reduced to 76bps (2010: 112bps).

The reduction in impairment on loans and advances was primarily due to lower charges in:

Wholesale portfolios, where impairments reduced to £310m (2010: £509m), primarily due to a £190m release against the loan to Protium following an increase to the value of underlying assets partially offset by further charges in Barclays Corporate - Europe as credit conditions continued to remain weak in the market.

Retail portfolios, where impairments reduced to £634m (2010: £925m), reflecting continuing improvement in performance in the majority of secured and unsecured portfolios.

There was an impairment release on available for sale and reverse repurchase agreements of £23m (2010: £74m charge).

Total impairment relating to Barclays Capital credit market exposures reduced from a charge in Q1 2010 of £191m to a release of £31m, reflecting a £190m one-off release on the loan to Protium (with any further changes in the value of the Protium assets being recorded in trading income), offset by charges primarily relating to leveraged finance and ABS CDO Super Senior exposures.

See Appendix II for more information on Risk Management and Appendix III for Barclays Capital Credit Market Exposures.

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Other Matters

The judgment on the Judicial Review proceedings relating to the sale of Payment Protection Insurance was announced on 20th April 2011 in favour of the FSA and Financial Ombudsman Service. A reliable estimate of the financial impact cannot be provided until the Judicial Review proceedings have been finalised, including the outcome of any potential appeals and precise implications for banks' complaints handling and remediation practices. The British Bankers' Association members are considering the implications of the judgment and the merits of any appeal against the decision.

In line with our comments at the time of the 2010 Results Announcement, we have been seeking to re-negotiate the terms of the loan to Protium. In April 2011, the Group agreed to purchase the outstanding financial interests in Protium and is in the process of re-negotiating the management arrangements. This acquisition will help facilitate the Group's early exit from the underlying Protium exposures, therefore improving overall returns. No gain or loss and no goodwill is expected. Further details are contained on page 13 in Appendix III.

The UK Financial Services Authority, the US Commodity Futures Trading Commission, the US Securities and Exchange Commission and the US Department of Justice are conducting investigations relating to certain past submissions made by Barclays to the British Bankers' Association, which sets LIBOR rates. We are cooperating with the investigations being conducted by these authorities and are keeping relevant regulators informed. It is currently not possible to predict the ultimate resolution of the issues covered by the various investigations, including the timing and the scale of the potential impact on the Group of any resolution.

The impact of the UK bank levy, for which legislation has not yet been enacted, is not reflected in these results in accordance with generally accepted accounting principles. The amount attributable to Q1 2011 is expected to be approximately £100m.

Dividends

It is our policy to declare and pay dividends on a quarterly basis. We will pay a cash dividend for the first quarter of 2011 of 1.0p per share on 10th June 2011.

Trading Update

In the month of April to date, performance has been in line with the trends of the first quarter and we remain content with the current market consensus for 2011. The improvement in impairment in the first quarter included a release of £190m on the loan to Protium and we do not therefore expect the same pace of improvement for the Group for the whole year.

Q111 Interim Management Statement

Timetable

| Event | Date |
|--------------------------------------|-------------------|
| Ex-dividend date | 4th May 2011 |
| Dividend Record date | 6th May 2011 |
| Dividend Payment date | 10th June 2011 |
| 2011 Interim Results Announcement | 2nd August 2011 |
| Q3 2011 Interim Management Statement | 1st November 2011 |

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Q111 Interim Management Statement

Notes

Unless otherwise stated, the income statement analyses compare the three months to 31st March 2011 to the corresponding period in 2010. Balance sheet comparisons, unless otherwise stated, relate to the corresponding position as at 31st December 2010.

The financial information on which this Interim Management Statement is based, and the credit market exposures and other data set out in the appendices to this statement, are unaudited and have been prepared in accordance with Barclays previously stated accounting policies described in the 2010 Annual Report. A glossary of terms is also set out in the 2010 Annual Report.

For qualifying US and Canadian resident ADR holders, the interim dividend of 1p per ordinary share becomes 4p per ADS (representing four shares). The ADR depositary will mail the interim dividend on 10th June 2011 to ADR holders on the record on 6th May 2011.

Shareholders may have their dividends reinvested in Barclays shares by joining the Barclays Dividend Reinvestment Plan (DRIP). The DRIP is a straightforward and cost-effective way of using your dividends to build your shareholding in Barclays. For further details including application information visit www.barclays.com or alternatively contact: The Plan Administrator to Barclays DRIP, Share Dividend Team, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA UK, Phone: 0871 384 2055* in the UK or +44 (0)121 415 7004 from overseas.

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, or believe, or 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 requirements regarding capital and group structures, changes in legislation, development of standards and evolving practices with regard to the interpretation and application of standards under IFRS applicable to past, current and future periods, 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.

* *Calls to this number are charged at 8p per minute if using a BT landline; other telephony provider costs may vary.*

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Q111 IMS Appendix I Quarterly Results Summary

| Group Results | Q111 | Q410 | Q310 | Q210 | Q110 |
|--|----------------|----------------|----------------|----------------|----------------|
| | £m | £m | £m | £m | £m |
| Top-line income ¹ | 7,662 | 7,965 | 7,413 | 7,678 | 8,117 |
| Credit market income/(losses) | 88 | 116 | (175) | (115) | 50 |
| Total income net of insurance claims (excluding own credit)² | 7,750 | 8,081 | 7,238 | 7,563 | 8,167 |
| Impairment charges and other credit provisions | (921) | (1,374) | (1,218) | (1,572) | (1,508) |
| Net operating income (excluding own credit)² | 6,829 | 6,707 | 6,020 | 5,991 | 6,659 |
| Operating expenses (excluding restructuring costs) | (4,773) | (5,277) | (4,741) | (4,848) | (4,775) |
| Restructuring costs | (69) | (218) | (15) | (20) | (77) |
| Total operating expenses | (4,842) | (5,495) | (4,756) | (4,868) | (4,852) |
| Share of post tax results of associates & JVs | 17 | 16 | 9 | 18 | 15 |
| Gains on acquisitions and disposals | 2 | 76 | 1 | 33 | 100 |
| Profit before tax (excluding own credit)² | 2,006 | 1,304 | 1,274 | 1,174 | 1,922 |
| Own credit (charge)/gain | (351) | 487 | (947) | 953 | (102) |
| Total income net of insurance claims | 7,399 | 8,568 | 6,291 | 8,516 | 8,065 |
| Net operating income | 6,478 | 7,194 | 5,073 | 6,944 | 6,557 |
| Profit before tax | 1,655 | 1,791 | 327 | 2,127 | 1,820 |
| Basic earnings per share | 8.5p | 9.1p | 0.4p | 11.6p | 9.3p |
| Cost: income ratio | 65% | 64% | 76% | 57% | 60% |
| Cost: net operating income ratio | 75% | 76% | 94% | 70% | 74% |
| Cost: income ratio (excluding own credit) ³ | 62% | 68% | 66% | 64% | 59% |
| Cost: net operating income ratio (excluding own credit) ³ | 71% | 82% | 79% | 81% | 73% |
| Barclays Capital Results | | | | | |
| Fixed Income, Currency and Commodities | 2,113 | 1,915 | 1,948 | 2,253 | 2,695 |
| Equities and Prime Services | 545 | 625 | 359 | 563 | 493 |
| Investment Banking | 612 | 725 | 501 | 461 | 556 |
| Principal Investments | 8 | 115 | 19 | 4 | 101 |
| Top-line income¹ | 3,278 | 3,380 | 2,827 | 3,281 | 3,845 |
| Credit market income/(losses) | 88 | 116 | (175) | (115) | 50 |
| Total income (excluding own credit)² | 3,366 | 3,496 | 2,652 | 3,166 | 3,895 |
| Impairment releases/(charges) - credit market | 31 | (299) | (11) | (120) | (191) |
| Impairment releases/(charges) - other | | 77 | (1) | 79 | (77) |
| Impairment charges and other credit provisions | 31 | (222) | (12) | (41) | (268) |
| Net operating income (excluding own credit) ² | 3,397 | 3,274 | 2,640 | 3,125 | 3,627 |
| Operating expenses | (2,067) | (2,201) | (1,881) | (2,154) | (2,059) |
| Share of post tax results of associates and JVs | 3 | 2 | 6 | 7 | 3 |
| Profit before tax (excluding own credit)² | 1,333 | 1,075 | 765 | 978 | 1,571 |
| Own credit (charge)/gain | (351) | 487 | (947) | 953 | (102) |
| Total income | 3,015 | 3,983 | 1,705 | 4,119 | 3,793 |
| Net operating income | 3,046 | 3,761 | 1,693 | 4,078 | 3,525 |
| Profit before tax | 982 | 1,562 | (182) | 1,931 | 1,469 |
| Cost: income ratio | 69% | 55% | 110% | 52% | 54% |

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| | | | | | |
|--|-----|-----|------|-----|-----|
| Cost: net operating income ratio | 68% | 59% | 111% | 53% | 58% |
| Cost: income ratio (excluding own credit) ³ | 61% | 63% | 71% | 68% | 53% |
| Cost: net operating income ratio (excluding own credit) ³ | 61% | 67% | 71% | 69% | 57% |

- 1 *Top-line income is a non-IFRS measure that represents income before own credit gain/charge and credit market income/losses. This measure has been presented as it provides for a consistent basis for comparing the business performance between financial periods.*
- 2 *Total income net of insurance claims (excl own credit), Net operating income (excl own credit) and Profit before tax (excl own credit) with respect to the Group's results as well as Total income (excl own credit), Net operating income (excl own credit) and Profit before tax (excl own credit) with respect to Barclays Capital's results are non-IFRS measures because they exclude own credit (charge)/gain from the respective IFRS line items. In each case, these non-IFRS measures have been presented as they provide for a consistent basis for comparing the business performance between financial periods.*
- 3 *Cost: income ratio and cost: net operating income ratio are presented excluding own credit and as such are non-IFRS measures. They have been presented as they provide a consistent basis for comparing the business performance between financial periods. The own credit charge/gain recognised for each quarter is presented in the table above. Own credit represents the effect of the Group's own credit standing on the fair value of financial liabilities.*

Q111 IMS Appendix II Risk Management

Analysis of Loans and Advances to Customers and Banks

| | Gross | Impairment | | | Loan Loss |
|---|----------------|-----------------|-----------------------------|---------------------------------------|---------------------------|
| As at 31.03.11 | L&A £m | Allowance £m | L&A Net of Impairment £m | Impairment Charges ¹ £m | Rates ² bps |
| Wholesale - customers | 221,207 | 5,392 | 215,815 | 309 | 57 |
| Wholesale - banks | 44,567 | 51 | 44,516 | 1 | 1 |
| Total wholesale | 265,774 | 5,443 | 260,331 | 310 | 47 |
| Retail - customers | 236,064 | 6,664 | 229,400 | 634 | 109 |
| Total retail | 236,064 | 6,664 | 229,400 | 634 | 109 |
| Loans and advances at amortised cost | 501,838 | 12,107 | 489,731 | 944 | 76 |
| Loans and advances held at fair value | 24,820 | n/a | 24,820 | | |
| Total loans and advances | 526,658 | 12,107 | 514,551 | | |
| As at 31.12.10 | | | | | |
| Wholesale - customers | 204,991 | 5,501 | 199,490 | 2,347 | 114 |
| Wholesale - banks | 37,847 | 48 | 37,799 | (18) | (5) |
| Total wholesale | 242,838 | 5,549 | 237,289 | 2,329 | 96 |
| Retail - customers | 235,335 | 6,883 | 228,452 | 3,296 | 140 |
| Total retail | 235,335 | 6,883 | 228,452 | 3,296 | 140 |
| Loans and advances at amortised cost | 478,173 | 12,432 | 465,741 | 5,625 | 118 |
| Loans and advances held at fair value | 24,522 | n/a | 24,522 | | |
| Total loans and advances | 502,695 | 12,432 | 490,263 | | |

1 The impairment charge provided above relates to the three months ended 31st March 2011 and twelve months ended 31st December 2010.

2 The loan loss rates for 31st March 2011 have been calculated on an annualised basis.

Q111 IMS Appendix III Barclays Capital Credit Market Exposures
Barclays Capital Credit Market Exposures

Barclays Capital's credit market exposures primarily relate to commercial real estate, leveraged finance and a loan to Protium Finance LP. These include positions subject to fair value movements in the income statement and positions that are classified as loans and advances and as available for sale.

The balances and impact on the income statement presented below represent credit market exposures held at the time of the market dislocation in mid-2007. Similar assets acquired subsequent to the market dislocation are actively traded in the secondary market and are therefore excluded from this disclosure.

The balances, fair value and impairment movements to 31st March 2011 are set out by asset class below:

Credit Market Exposures¹

| | As at | As at | As at | As at | Three Months Ended 31.03.11 | | |
|---|---------------|---------------|---------------|---------------|---------------------------------|------------------------------------|----------------------------|
| | 31.03.11 | 31.12.10 | 31.03.11 | 31.12.10 | Fair Value (Losses)/ Gain | Impairment (Charge)/ Release | Total (Losses)/ Gain |
| | \$m | \$m | £m | £m | £m | £m | £m |
| US Residential Mortgages | | | | | | | |
| ABS CDO Super Senior | 2,938 | 3,085 | 1,833 | 1,992 | | (47) | (47) |
| Other US sub-prime and Alt-A | 845 | 1,025 | 528 | 662 | 5 | 25 | 30 |
| Commercial Mortgages | | | | | | | |
| Commercial real estate loans and properties | 11,112 | 11,006 | 6,932 | 7,106 | 82 | | 82 |
| Commercial Mortgage-Backed Securities | 157 | 184 | 98 | 119 | | | |
| Monoline protection on CMBS | 8 | 18 | 5 | 12 | 33 | | 33 |
| Other Credit Market | | | | | | | |
| Leveraged Finance ² | 7,424 | 7,636 | 4,631 | 4,930 | | (137) | (137) |
| SIVs, SIV-Lites and CDPCs | 592 | 618 | 369 | 399 | 3 | | 3 |
| Monoline protection on CLO and other | 2,026 | 2,541 | 1,264 | 1,641 | (35) | | (35) |
| Loan to Protium | 10,248 | 10,884 | 6,393 | 7,028 | | 190 | 190 |
| Total | 35,350 | 36,997 | 22,053 | 23,889 | 88 | 31 | 119 |

During the period ended 31st March 2011, credit market exposures decreased by £1,836m to £22,053m (31st December 2010: £23,889m). The decrease reflected net sales and paydowns and other movements of £1,468m and foreign exchange rate movements of £487m primarily relating to the depreciation of the US Dollar against Sterling, partially offset by total fair value gains and impairment releases of £119m.

Fair value gains and impairment releases comprised £88m net fair value gains through income (2010: gain of £50m) and £31m (2010: charge of £191m) of impairment releases. These included a £115m gain (2010: loss of £87m) on commercial mortgage positions, a £17m loss (2010: £140m) against US residential mortgage positions, a £169m loss (2010: gain of £86m) against other credit market positions and a £190m (\$307m) impairment release against the loan to Protium following an increase in value of the underlying assets.

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On 21st March 2011, Barclays Bank PLC announced an agreement to sell certain real estate loans to CreXus Investment Corp., a commercial mortgage real estate investment trust. In April 2011, the sale of \$530m of these real estate loans had been completed with one remaining loan to be settled in May.

- 1 *As the majority of exposure is held in US Dollars, except Leveraged Finance, the exposures above are shown in both US Dollars and Sterling.*
- 2 *Includes undrawn commitments of £259m (31st December 2010: £264m).*

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Q111 IMS Appendix III Barclays Capital Credit Market Exposures
Protium

On 16th September 2009, Barclays Capital sold assets of £7,454m (\$12,285m), including £5,087m (\$8,384m) in credit market assets, to Protium Finance LP (Protium), a newly established fund. As part of the transaction Barclays extended a \$12,641m 10 year loan to Protium.

During the first quarter of 2011, the loan to Protium decreased in dollar currency terms by \$636m due to principal repayments of \$933m and interest payments of \$90m offset by accrued interest and the impairment release. In April 2011, there was a principal repayment of \$572m and an interest payment of \$82m, further reducing the balance of the loan to Protium.

Principal and interest payments on the loan have been received in accordance with contractual terms. However, following a reassessment of the expected realisation period, since 31st December 2010 the loan has been carried at an amount equivalent to the fair value of the underlying collateral. This resulted in an impairment of \$824m (£532m) being recognised as at 31st December 2010 with a subsequent impairment release in 2011 of \$307m (£190m).

| Protium | As at | As at | As at | As at | As at | As at |
|------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 31.03.11 | 31.12.10 | 16.09.09 | 31.03.11 | 31.12.10 | 16.09.09 |
| | \$m | \$m | \$m | £m | £m | £m |
| Protium assets | 10,248 | 10,884 | 12,535 | 6,393 | 7,028 | 7,605 |
| Loan to Protium | 10,248 | 10,884 | 12,641 | 6,393 | 7,028 | 7,669 |

Protium assets include all assets held by Protium as collateral for the loan. Following the commutation of contracts with one monoline insurer in January 2011, there is no longer any reliance on monoline insurers. At 31st March 2011, US residential & commercial mortgage backed securities and collateral loan obligations were \$8,432m (2010: \$8,990m). Cash and cash equivalents at 31st March 2011 were \$1,149m (2010: \$1,364m) including cash realised from sales and paydowns and funds available to purchase third party assets. Other assets at 31st March 2011 were \$667m (2010: \$530m) including residential mortgage-backed securities purchased by Protium post inception and other asset-backed securities.

In April 2011, Barclays entered into agreements to acquire the third party investments in Protium for their carrying value of \$270m. From this time, Barclays is exposed to the majority of risks and rewards of Protium, which will be consolidated by the Group. An associated restructuring of the management arrangements is also at an advanced stage of negotiation. Under this restructuring, the general partner interest will be acquired by Barclays for a nominal consideration and the remaining interest in Protium held by C12, Protium's investment manager, will be redeemed for consideration of \$83m, which is in accordance with the performance fees that would have been due under the original agreement, based on investment performance to date. Barclays will then become the sole owner of Protium. Completion is expected before the end of April. C12 will continue to provide management services to Barclays in relation to these assets. The transactions will also result in the shortening of the maturity of the loan to Protium to 15th June 2014. Acquiring control of Protium will assist the Group in facilitating an early exit from the underlying Protium exposures and improving returns. Since impairment on the loan is already calculated by reference to Protium's net asset value, there will be no gain or loss and no goodwill arising. As part of this transaction, \$750m of the proceeds from the Protium loan redemption will be invested into Helix, an existing fund managed by C12. This represents a majority interest in the fund, which will also be consolidated by the Group on completion.

Q111 IMS Appendix IV Group Exposures to Selected Countries

Group Exposures to Selected Countries

The table below shows the Group's exposure to selected countries that are subject to current investor focus. These comprise countries in the Eurozone that have a credit rating of AA or below¹ and where the Group has an exposure of over £0.5bn, and Egypt, which has a credit rating of BB and where Barclays has a significant local presence.

The balances represent exposure to retail customers and wholesale customers (comprising corporates and sovereigns) in each of the respective countries. Assets are stated gross of any trading liability positions and before any risk mitigation but net of impairment allowances, derivative counterparty netting and collateral held. Assets held at fair value primarily comprise trading portfolio assets, which are highly liquid in nature, available for sale positions in high quality debt securities, and derivatives.

| As at 31.03.11 | Loans and Advances at Amortised Cost | | | Assets Held at Fair Value | | Contingent Liabilities & Commitments | |
|---|--------------------------------------|-----------|---------------------|---------------------------|---------------------|--------------------------------------|-----------|
| | Retail | Wholesale | Of which Government | Total Assets | Of which Government | Retail | Wholesale |
| | £m | £m | £m | £m | £m | £m | £m |
| Spain | 19,470 | 6,432 | 98 | 10,010 | 8,051 | 1,330 | 2,728 |
| Italy | 16,889 | 3,107 | | 10,865 | 8,912 | 1,107 | 2,482 |
| Portugal | 5,776 | 2,736 | 27 | 2,677 | 1,425 | 1,403 | 1,610 |
| Ireland | 136 | 3,793 | | 2,863 | 395 | 2 | 2,066 |
| Middle East & North Africa ² | 1,619 | 4,924 | 1,365 | 2,776 | 1,752 | 449 | 2,219 |
| Including: | | | | | | | |
| Egypt | 255 | 566 | 113 | 833 | 794 | 47 | 773 |

Within the Eurozone countries, retail exposures mainly relate to the Group's domestic lending in Spain, Italy and Portugal, principally residential mortgages. The credit quality of our mortgage lending in Spain and Italy reflects low LTV lending, with average mark to market LTVs at 31st March 2011 in Spain of 56% and in Italy of 46% (2010: 58% and 45% respectively). During the first quarter, credit risk loan balances in Spain and Italy increased by 18% to £981m and 10% to £609m, respectively.

Eurozone wholesale exposures relate to Barclays Capital and Barclays Corporate activities in Spain, Italy, Portugal and Ireland covering a broad range of SME, corporate and investment banking activities, as well as Retail and Business Banking - Europe treasury operations' holdings of sovereign and corporate bonds in those countries. Loans and advances include exposures to the property and construction industry in Spain of £2,699m, in Portugal of £681m, in Ireland of £209m and in Italy of £174m.

The Group's on balance sheet exposure to Middle East and North Africa was approximately £9bn, including £1.7bn relating to Egypt. A significant proportion of the exposure to Egypt represented available for sale assets held in Treasury Bills with a maturity of less than one year.

1 As reported by Standard & Poor's.

2 As defined by the World Bank.

Capitalisation and Indebtedness

The following table sets out the issued share capital of Barclays PLC and the Barclays Group's total shareholders' equity, indebtedness and contingent liabilities as at 31st December 2010. The information has been prepared in accordance with the International Financial Reporting Standards (IFRS).

| | As at 31st December 2010 (000) |
|--|--------------------------------------|
| Share capital of Barclays PLC | |
| Ordinary shares - issued and fully paid shares of £0.25 each | 12,181,941 £ million |
| Group shareholders' equity | |
| Called up share capital | 3,045 |
| Share premium account | 9,294 |
| Other reserves | 1,754 |
| Other shareholders' funds | |
| Retained earnings | 36,765 |
| Shareholders' equity excluding non-controlling interests | 50,858 |
| Non-controlling interests | 11,404 |
| Total shareholders' equity | 62,262 |
| Group indebtedness ⁽¹⁾ | |
| Subordinated liabilities ⁽²⁾ | 28,499 |
| Debt securities in issue ⁽³⁾ | 156,623 |
| Total indebtedness ⁽³⁾ | 185,122 |
| Total capitalisation and indebtedness ⁽³⁾ | 247,384 |
| Group contingent liabilities | |
| Securities lending arrangements | 27,672 |
| Guarantees and letters of credit pledged as collateral security | 13,783 |
| Performance guarantees, acceptances and endorsements | 9,175 |
| Total contingent liabilities | 50,630 |
| Documentary credits and other short-term trade related transactions | 1,194 |
| Standby facilities, credit lines and other commitments | 222,963 |

- Group indebtedness includes interest accrued as at 31st December 2010, in accordance with International Financial Reporting Standards*
- On 8th March 2011, Barclays Bank PLC 1,000,000,000 5.75% Subordinated Notes due 2011 matured. On 30th March 2011, Barclays Bank PLC issued 1,000,000,000 6.625% Fixed Rate Subordinated Notes due 2022. On 20th April 2011, Barclays Bank PLC redeemed 1,250,000,000 Callable Floating Rate Subordinated Notes due 2016.*
- In addition to this there was £76,907m of debt securities in issue accounted on a fair value basis as at 31st December 2010.*

Barclays PLC

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Capitalisation and Indebtedness

The following table sets out the issued share capital of Barclays Bank PLC and the Barclays Bank Group's total shareholders' equity, indebtedness and contingent liabilities as at 31st December 2010. The information has been prepared in accordance with the International Financial Reporting Standards (IFRS).

| | As at 31st December 2010 (000) |
|--|-----------------------------------|
| Share capital of Barclays Bank PLC | |
| Ordinary shares - issued and fully paid shares of £1 each | 2,342,559 |
| Preference shares - issued and fully paid shares of £100 each | 75 |
| Preference shares - issued and fully paid shares of £1 each | 1 |
| Preference shares - issued and fully paid shares of U.S.\$100 each | 100 |
| Preference shares - issued and fully paid shares of U.S.\$0.25 each | 237,000 |
| Preference shares - issued and fully paid shares of 100 each | 240 |
| | £ million |
| Group shareholders' equity | |
| Called up share capital | 2,402 |
| Share premium account | 12,092 |
| Other reserves | 1,161 |
| Other shareholders' funds | 2,069 |
| Retained earnings | 41,450 |
| Shareholders' equity excluding non-controlling interests | 59,174 |
| Non-controlling interests | 3,467 |
| Total shareholders' equity | 62,641 |
| Group indebtedness ⁽¹⁾ | |
| Subordinated liabilities ⁽²⁾ | 28,499 |
| Debt securities in issue ⁽³⁾ | 156,623 |
| Total indebtedness ⁽³⁾ | 185,122 |
| Total capitalisation and indebtedness ⁽³⁾ | 247,763 |
| Group contingent liabilities | |
| Securities lending arrangements | 27,672 |
| Guarantees and letters of credit pledged as collateral security | 13,783 |
| Performance guarantees, acceptances and endorsements | 9,175 |
| Total contingent liabilities | 50,630 |
| Documentary credits and other short-term trade related transactions | 1,194 |
| Standby facilities, credit lines and other commitments | 222,963 |

- Group indebtedness includes interest accrued as at 31st December 2010, in accordance with International Financial Reporting Standards*
- On 8th March 2011, Barclays Bank PLC 1,000,000,000 5.75% Subordinated Notes due 2011 matured. On 30th March 2011, Barclays Bank PLC issued 1,000,000,000 6.625% Fixed Rate Subordinated Notes due 2022. On 20th April 2011, Barclays Bank PLC redeemed*

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1,250,000,000 Callable Floating Rate Subordinated Notes due 2016.

- 3. In addition to this there was £76,907m of debt securities in issue accounted on a fair value basis as at 31st December 2010.*

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RATIOS OF EARNINGS UNDER IFRS TO FIXED CHARGES FOR BARCLAYS PLC

| | 2010 | 2009 | 2008 | 2007 | 2006 |
|--|---------------------------|--------|--------|--------|--------|
| | (In £m except for ratios) | | | | |
| Fixed charges | | | | | |
| Interest expense | 20,511 | 20,713 | 38,143 | 37,912 | 30,386 |
| Rental expense | 254 | 256 | 235 | 158 | 135 |
| Total fixed charges | 20,765 | 20,969 | 38,378 | 38,070 | 30,521 |
| Earnings | | | | | |
| Income before taxes and non-controlling interests | 6,065 | 4,585 | 5,136 | 6,223 | 6,422 |
| Less: Unremitted pre-tax income of associated companies and joint ventures | (49) | (43) | (19) | (45) | (41) |
| | 6,016 | 4,542 | 5,117 | 6,178 | 6,381 |
| Fixed charges | 20,765 | 20,969 | 38,378 | 38,070 | 30,521 |
| Total earnings including fixed charges | 26,781 | 25,511 | 43,495 | 44,248 | 36,902 |
| Ratio of earnings to fixed charges | 1.29 | 1.22 | 1.13 | 1.16 | 1.21 |

Barclays PLC

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RATIOS OF EARNINGS UNDER IFRS TO COMBINED FIXED CHARGES, PREFERENCE

SHARE DIVIDENDS AND SIMILAR APPROPRIATIONS FOR BARCLAYS PLC

| | 2010 | 2009 | 2008 | 2007 | 2006 |
|---|---------------------------|--------|--------|--------|--------|
| | (In £m except for ratios) | | | | |
| Fixed charges, preference share dividends and similar appropriations | | | | | |
| Interest expense | 20,511 | 20,713 | 38,143 | 37,912 | 30,386 |
| Rental expense | 254 | 256 | 235 | 158 | 135 |
| Fixed charges | 20,765 | 20,969 | 38,378 | 38,070 | 30,521 |
| Preference share dividends and similar appropriations | 594 | 646 | 583 | 345 | 395 |
| Total fixed charges, preference share dividends and similar appropriations | 21,359 | 21,615 | 38,961 | 38,415 | 30,916 |
| Earnings | | | | | |
| Income before taxes and non-controlling interests | 6,065 | 4,585 | 5,136 | 6,223 | 6,422 |
| Less: Unremitted pre-tax income of associated companies and joint ventures | (49) | (43) | (19) | (45) | (41) |
| Fixed charges | 6,016 | 4,542 | 5,117 | 6,178 | 6,381 |
| Total earnings including fixed charges | 21,359 | 21,615 | 38,961 | 38,415 | 30,916 |
| Total earnings including fixed charges | 27,375 | 26,157 | 44,078 | 44,593 | 37,297 |
| Ratio of earnings to combined fixed charges, preference share dividends and similar appropriations | 1.28 | 1.21 | 1.13 | 1.16 | 1.21 |

The following is hereby incorporated into the Prospectus contained in the Registration Statement of Barclays Bank PLC

(333-169119)

CONSIDERATIONS RELATED TO SUBORDINATED DEBT SECURITIES AND PREFERENCE SHARES

An investment in the subordinated debt securities and preference shares involves a number of risks. You should carefully review the following information with other information contained in the prospectus and in documents incorporated by reference in the prospectus before deciding whether an investment in the subordinated debt securities or preference shares is suitable for you.

Implementation of Basel III may adversely affect Subordinated Debt Securities or Preference Shares

The Basel Committee on Banking Supervision (the Basel Committee) has proposed a number of fundamental reforms to the regulatory capital framework for internationally active banks, the principal elements of which are set out in its papers released on December 16, 2010 and on January 13, 2011 (the January 2011 Press Release).

The January 2011 Press Release states that the terms and conditions of all Additional Tier 1 and Tier 2 instruments must have a provision that requires such instruments, at the option of the relevant authority, to either be written off or converted into ordinary shares upon the occurrence of a specified trigger event (a Non-Viability Event). The Non-Viability Event will be the earlier of (a) a decision that a write-off, without which the financial institution would become non-viable, is necessary; and (b) the decision to make a public sector injection of capital, without which the financial institution would become non-viable, as determined by the relevant authority.

However, the January 2011 Press Release also states that it is not necessary to include a Non-Viability Event in the contractual terms of the instruments if (a) the governing jurisdiction of the financial institution has in place laws that (i) require such instruments to be written off upon the occurrence of such trigger event, or (ii) otherwise require such instruments to fully absorb losses before tax payers are exposed to loss; (b) a peer group review confirms that the jurisdiction so conforms; and (c) it is disclosed by the relevant regulator and by the issuing bank, in issuance documents going forward, that such instruments are subject to such loss.

Even if the terms and conditions of the Subordinated Debt Securities or Preference Shares, as the case may be, do not contain a provision which requires them to be converted into equity or written off on the occurrence of a Non-Viability Event, it is possible that the powers which currently exist under the UK Banking Act 2009 (the Banking Act) could be used in such a way as to result in such securities absorbing losses in the course of any resolution of Barclays PLC and/or Barclays Bank PLC (subject to any rights to compensation under the Banking Act). It is also possible that there could be amendments to the Banking Act or further legislation passed that could result in the Subordinated Debt Securities or Preference Shares absorbing losses in the course of any such resolution. The application of any such legislation may have an adverse effect on the position of holders of the Subordinated Debt Securities or the Preference Shares, as the case may be.

Furthermore, there can be no assurance that, prior to its implementation in 2013, the Basel Committee will not amend the package of reforms described above. Further, the European Union and/or authorities in the United Kingdom may implement the package of reforms, including the terms which capital securities are required to have, in a manner that is different from that which is currently envisaged or may impose more onerous requirements on UK banks.