BARCLAYS PLC
Form 6-K
August 03, 2006

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, 2006

Barclays PLC and
Barclays Bank PLC
(Names of Registrants)

1 Churchill Place
London E14 5HP
England
(Address of Principal Executive Offices)

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

Form 20-F x   Form 40-F

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

Yes   No x

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

This Report 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

1. Interim Results dated 03 August 2006

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 03, 2006 By: /s/ Patrick Gonsalves

Patrick Gonsalves
Deputy Secretary

BARCLAYS BANK PLC
(Registrant)

Date: August 03, 2006 By: /s/ Patrick Gonsalves

Patrick Gonsalves
Joint Secretary

Interim Results Announcement
30th June 2006

BARCLAYS PLC

INTERIM ANNOUNCEMENT OF RESULTS FOR 2006

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

The information in this announcement, which was approved by the Board of Directors on 2nd August 2006, does not comprise statutory accounts within the meaning of Section 240 of the Companies Act 1985 (the 'Act'). Statutory accounts for the year ended 31st December 2005, which included certain information required for the joint Annual Report on Form 20-F of Barclays PLC and Barclays Bank PLC to the US Securities and Exchange Commission (SEC) and which contained an unqualified audit report under Section 235 of the Act and which did not make any statements under Section 237 of the Act, have been delivered to the Registrar of Companies in accordance with Section 242 of the Act.

Unless otherwise stated, the information in this announcement reflects the changes in Barclays group structure and reporting, and the revisions to the Group's policy for the internal cost of funding and the segmental disclosure of risk weighted assets, which were announced on 16th June 2006. For a fuller discussion of the changes, please refer to the 'Group reporting changes in 2006' announcement released on 16th June 2006. Details of these changes are also set out on page 70.

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

Forward-looking statements

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

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

Absa Definitions

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

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

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

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

Glossary of terms

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

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

The Return on average economic capital by business is defined as attributable profit compared to average economic capital.

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

'Profit' refers to profit before tax unless otherwise specified.

3rd August 2006

BARCLAYS PLC

"Barclays had an excellent first half, with earnings per share up 25%. Successful strategy execution delivered outstanding performance from our global wholesale businesses, a substantial contribution from Absa and sustained income growth in UK Banking. We are very well positioned across the Group for future growth."

John Varley, Group Chief Executive

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

	Half-year ended		
	30.06.06	30.06.05	% Change
Group Results	GBPm	GBPm	
Total income net of insurance claims	10,969	7,922	38

Impairment charges	(1,057)	(706)	50
Operating expenses	(6,269)	(4,542)	38
Profit before tax	3,673	2,690	37
Profit attributable to minority interests	(294)	(134)	119
Profit attributable to equity holders of the parent	2,307	1,841	25
Economic profit	1,385	1,004	38
Earnings per share	36.3p	29.1p	25
Dividend per share	10.5p	9.2p	14
Post-tax return on average shareholders' equity	25.8%	23.4%	
Summary of divisional profit before tax(1)	GBPm	GBPm	% Change
UK Banking	1,265	1,138	11
UK Retail Banking	612	548	12
UK Business Banking	653	590	11
Barclaycard	297	346	(14)
International Retail and Commercial Banking (IRCB)	539	174	210
IRCB - ex Absa	222	174	28
IRCB - Absa	317	-	-
Barclays Capital	1,246	750	66
Barclays Global Investors	364	241	51
Wealth Management	110	84	31

(1) Summary excludes Wealth Management - closed life assurance activities and Head office functions and other operations. Full analysis of business profit before tax is on page 16.

PERFORMANCE SUMMARY

- The financial results reflect the successful execution of strategy:
  - Total income up 38% to GBP10,969m
  - Profit before tax up 37% to GBP3,673m
  - Earnings per share up 25% to 36.3p
  - Dividend per share up 14% to 10.5p
  - Economic profit up 38% to GBP1,385m
  - Return on average shareholders' equity of 26%.

- UK Banking produced strong profit growth, up 11% to GBP1,265m, with the cost:income ratio improving a further three percentage points. UK Retail Banking delivered a 12% improvement in profit to GBP612m, driven by sustained income growth across the business and with additional investment spend mostly offsetting the benefit of gains on the sale and leaseback of property. UK Business Banking delivered strong, broadly based growth, with profit up 11% to GBP653m.

- Barclaycard profit fell 14% to GBP297m. Strong income growth was offset by a continued rise in impairment charges, principally in the UK unsecured lending portfolios and by higher costs, mainly as a result of continued investment in Barclaycard US, which is performing in line with the acquisition business plan.

- International Retail and Commercial Banking - excluding Absa achieved a profit of GBP222m, with strong underlying growth. There were good performances in all geographies, with continued progress from recent acquisitions in Spain and France and continued strong organic growth.

- International Retail and Commercial Banking - Absa's contribution to profit was GBP317m in the first half of 2006. Absa Group Limited reported 16% growth in profit before tax to R4.9bn. Absa Group Limited's performance reflected a favourable economic environment, strong growth in demand for credit and in deposits, and good progress on the integration.

- Barclays Capital produced an outstanding performance, with profit rising 66% to GBP1,246m, and compared well against its peer group. Income growth was broadly based across all asset classes and geographies, reflecting returns on past investment and the strength of the client franchise. Profit growth significantly exceeded the rate of growth of risk and capital consumption.

- Barclays Global Investors maintained its track record of excellent growth, with profit up 51% to GBP364m. There was strong performance across products, distribution channels and geographies, whilst investing in key growth initiatives. Net new assets in the period were US$30bn and at 30th June 2006 assets under management totalled US$1.6 trillion.

- Wealth Management profit rose 31% to GBP110m. This reflected balance sheet growth across the business, higher client funds under management and increased client activity, whilst investing for future growth.

- Group income grew 38%, or 23% excluding the impact of Absa. Income growth was well diversified by income type and particularly strong in the wholesale and international businesses. Net interest income represented 40% of total income.

- Impairment charges rose 50%. Impairment charges on loans and advances, excluding Absa, increased 30%. The increase was principally driven by a continued increase in arrears balances and lower rates of recovery in UK credit cards and unsecured loans. Small and medium business impairment charges increased towards Risk Tendency. Wholesale charges were lower and mortgage impairment was negligible.

- Operating expenses grew 38%, in line with income growth. Excluding Absa, operating expenses growth was 21% and the cost:income ratios of all businesses improved. Growth in operating expenses was driven by higher performance related expenses, organic expansion of distribution channels in International Retail and Commercial Banking and continued investment for future growth.

- The Group took advantage of historically low yields on property to realise gains of GBP238m from the sale and leaseback of some of its freehold portfolio. The majority of the gains were in UK Banking (GBP145m) where they were largely offset by an acceleration of investment expenditure. The remaining property gains were recorded in Barclaycard (GBP38m) and International Retail and Commercial Banking (GBP55m).

- Approximately 50% of the Group's profits were generated from outside the UK.

- Barclays primary performance goal is to achieve top quartile Total Shareholder Return (TSR). As at 30th June 2006, in the 2004-2007 goal period, Barclays was positioned 7th within its peer group(1), which is third quartile. Compound annual growth in economic profit is well ahead of the growth target range (10%-13% pa).

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

FINANCIAL HIGHLIGHTS (UNAUDITED)

	Half-year ended		
	30.06.06	31.12.05	30.06.05
RESULTS	GBPm	GBPm	GBPm
Net interest income	4,404	4,375	3,700
Net fee and commission income	3,652	3,165	2,540
Principal transactions(1)	2,575	1,630	1,549
Net premiums from insurance contracts	510	501	371
Other income	61	98	49
Total income	11,202	9,769	8,209
Net claims and benefits paid on insurance contracts	(233)	(358)	(287)
Total income net of insurance claims	10,969	9,411	7,922
Impairment charges	(1,057)	(865)	(706)
Net income	9,912	8,546	7,216
Operating expenses	(6,269)	(5,985)	(4,542)
Share of post-tax results of associates and joint ventures	30	29	16
Profit before tax	3,673	2,590	2,690
Profit attributable to equity holders of the parent	2,307	1,606	1,841
Economic profit	1,385	748	1,004
PER ORDINARY SHARE	p	p	p
Earnings	36.3	25.4	29.1
Diluted earnings	35.1	24.3	28.4
Dividend	10.5	17.4	9.2
Net asset value	276	269	249
PERFORMANCE RATIOS	%	%	%
Post-tax return on average shareholders' equity	25.8	26.4	23.4

Cost:income ratio	57	64	57
Cost:net income ratio	63	70	63

		As at	
	30.06.06	31.12.05	30.06.05
BALANCE SHEET	GBPm	GBPm	GBPm
Shareholders' equity excluding minority interests	17,988	17,426	16,099
Minority interests	7,551	7,004	5,686
Total shareholders' equity	25,539	24,430	21,785
Subordinated liabilities	13,629	12,463	11,309
Total capital resources	39,168	36,893	33,094
Total assets	986,124	924,357	850,123
Risk weighted assets	290,924	269,148	242,406
CAPITAL RATIOS	%	%	%
Tier 1 ratio	7.2	7.0	7.6
Risk asset ratio	11.6	11.3	12.1

(1) Principal transactions comprise net trading income and net investment income.

CHIEF EXECUTIVE'S HALF-YEAR REVIEW

Barclays had an excellent first half, delivering a substantial increase in returns to shareholders, whilst continuing to invest heavily for the future.

Profit before tax increased 37% to GBP3,673m (2005: GBP2,690m). Earnings per share rose 25% to 36.3p (2005: 29.1p). Economic profit increased 38%, and return on average shareholders' equity was 26%, (2005: 23%). We increased the interim dividend by 14% to 10.5p (2005: 9.2p).

The strength of the Group's results demonstrates successful execution of our four strategic priorities:

- Building the best bank in the UK
- Accelerating growth of global businesses
- Developing retail and commercial banking activities in selected countries outside the UK
- Enhancing operational excellence.

Group Performance

Total income grew 38% to GBP10,969m (2005: GBP7,922m). Income growth was broadly based by business and geography. The growth demonstrated the strength of momentum in each business, the contribution of Absa and especially strong performances in the wholesale and institutional businesses. Excluding the effect of the first time consolidation of Absa, total income was up 23% compared with expense growth of 21%. The mix of income continued to evolve reflecting the development of the business. Net interest income represented approximately 40% of total income. Approximately half of our profits were made from outside the UK.

Total impairment charges rose 50% to GBP1,057m (2005: GBP706m). Impairment charges on loans and advances, excluding Absa, increased 30%. This reflected the growth in the loan book, an increase in arrears balances and reduced recoveries in UK unsecured loans and credit cards and some growth in impairment charges for small and medium businesses as they trended towards Risk Tendency. Credit related impairment was stable in UK mortgages and was lower in wholesale and larger corporate business. Loans and advances to customers grew 19% since 30th June 2005, or 8% excluding Absa.

Operating expenses increased 38% to GBP6,269m (2005: GBP4,542m). Excluding the impact of Absa, operating expenses grew 21% and the cost:income ratio improved in all businesses. The principal driver of expense growth was variable costs driven by the outstanding performances in Barclays Capital and Barclays Global Investors. Reported operating expenses were reduced by GBP238m from gains on the sale and leaseback of freehold properties, as the Group took advantage of historically low yields on property to realise gains on some of its freehold portfolio. Gains of GBP145m in UK Banking were largely offset by an acceleration of investment expenditure. The remaining property gains were in Barclaycard (GBP38m) and International Retail and Commercial Banking (GBP55m).

Business Performance

UK Banking achieved strong growth in profit before tax, up 11% to GBP1,265m (2005: GBP1,138m). The cost:income ratio improved three percentage points relative to the first half of 2005.

UK Retail Banking profit before tax grew 12% to GBP612m (2005: GBP548m). Income growth of 7% extended the momentum established in 2005. Operating expenses grew 3%, after property gains of GBP116m, which were largely reinvested through an acceleration of our plans to develop the business.

UK Business Banking profit before tax increased 11% to GBP653m (2005: GBP590m). Income growth of 12% was driven by strong growth in average loans and deposits. Operating expenses increased 7% and benefited from property gains of GBP29m.

Barclaycard profit before tax fell 14% to GBP297m (2005: GBP346m) as the impact of higher impairment charges and costs relating to international investment exceeded income growth of 14%. Income growth reflected improved margins in the UK Cards portfolio, balance growth in UK unsecured loans, and strong momentum in international cards particularly Barclaycard US. Operating expenses grew 9%, or 18% excluding property gains, reflecting continued investment in Barclaycard US and further development of the UK cards partnerships business.

International Retail and Commercial Banking profit before tax of GBP539m (2005: GBP174m) reflected the first full period of our ownership of Absa. Absa Group Limited reported 16% growth in profit before tax to R4,881m (2005: R4,193m), driven by very strong growth in demand for banking assets, especially in mortgages, vehicle and asset finance and credit cards. We are making good progress with integration and the realisation of synergy benefits.

International Retail and Commercial Banking - excluding Absa increased profit before tax by 28% to GBP222m (2005: GBP174m). Strong income growth of 11% reflected good balance sheet growth in continental Europe, Africa and the Middle East, development of the corporate business in Spain and a strong performance from the Spanish funds business. Flat operating expenses reflected expansion of the distribution network in Europe and India, offset by property gains of GBP55m. We have reached an agreement, subject to regulatory approval, to dispose of our 43.7% stake in FirstCaribbean International Bank to Canadian Imperial Bank of Commerce for US$1.08bn.

Barclays Capital delivered outstanding results, increasing profit before tax 66%

to GBP1,246m (2005: GBP750m). Performance was driven by income growth of 58%, arising from higher business volumes and client activity levels. Particularly strong growth was delivered by interest rate products, equity products, currency products, emerging markets, credit products and commodities. Growth in market risk and capital consumption was substantially lower than growth in income and profit. Operating expenses growth of 54% reflected performance related costs and continued investment. The cost:net income ratio improved by two percentage points.

Barclays Global Investors profit before tax increased 51% to GBP364m (2005: GBP241m). This excellent profit performance reflected income growth from flows of net new assets last year, strong investment performance in active products and a two percentage point improvement in the cost: income ratio to 57%. Total assets under management increased to US$1.6 trillion, and net new asset flows continued to be strong.

Wealth Management delivered a 31% improvement in profit before tax to GBP110m (2005: GBP84m). Income growth of 15% was driven by growth in client transactions, deposit and loan balances and client funds under management. Operating expenses grew 11% partly as a result of significant investment in client-facing professionals and infrastructure.

Head office functions and other operations loss before tax increased to GBP157m (2005: GBP40m). This was driven by a reduction in net interest income retained in Group Treasury, which was partially offset by a lower net impact of consolidation adjustments and lower operating expenses caused by the completion in 2005 of the Head Office relocation. The net gain from hedging activity was also lower than in 2005.

Capital Management

We continue to direct a lot of attention to capital management, maintaining a strong credit rating whilst optimising the returns to shareholders. At 30th June 2006, our Tier 1 capital ratio was 7.2%. Our target Tier 1 capital ratio remains 7.25%.

As part of our active management of the balance sheet, we have taken advantage of historically low yields on property to dispose of a portion of our freehold estate and crystallised gains of GBP238m in the first half of 2006 and expect to realise further gains of about GBP150m in the second half of 2006.

Dividends

We expect to grow dividends per share approximately in line with earnings per share over the longer term. We weight the annual dividend towards the final dividend to maintain flexibility, consistent with our practice of prior years.

Group Goals

Barclays ranked 7th in its Total Shareholder Return (TSR) peer group(1) for the current four year goal period which commenced on 1st January 2004.

Outlook

For the rest of 2006, the global economic outlook remains positive and we expect global growth to be at or ahead of the levels of 2005. We anticipate strong economic performances in the United Kingdom, the United States of America, the Eurozone and Japan. In South Africa, actions by the monetary authorities in response to inflationary pressures are expected to moderate the pace of growth but we remain confident as to the long-term growth prospects for the economy. The instability in the Middle East may affect volatility and the volume of activity in world financial markets.

We expect retail credit conditions in the UK to remain challenging in the second half of 2006 as impairment trends continue to be affected by the rise in average balances and the growth in personal bankruptcies. There are, however, signs of stabilisation of the new flow into delinquency in our main credit card portfolio as the measures taken in the past 18 months have had a positive impact on the credit quality of new business and the management of existing exposures.

There is good earnings momentum across the Group and Barclays is well positioned to deliver strong earnings growth going forward.

Senior Management

I am delighted to welcome to the Executive Committee Frits Seegers, who joined Barclays on 10th July 2006 as Chief Executive, Global Retail and Commercial Banking.

John Varley
Group Chief Executive

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

CONSOLIDATED INCOME STATEMENT (UNAUDITED)

	Half-year ended		
	30.06.06	31.12.05	30.06.05
Continuing operations	GBPm	GBPm	GBPm
Interest income	10,544	9,584	7,648
Interest expense	(6,140)	(5,209)	(3,948)
Net interest income	4,404	4,375	3,700
Fee and commission income	4,077	3,558	2,872
Fee and commission expense	(425)	(393)	(332)
Net fee and commission income	3,652	3,165	2,540
Net trading income	2,201	1,145	1,176
Net investment income	374	485	373
Principal transactions	2,575	1,630	1,549
Net premiums from insurance contracts	510	501	371
Other income	61	98	49
Total income	11,202	9,769	8,209
Net claims and benefits paid on insurance contracts	(233)	(358)	(287)
Total income net of insurance claims	10,969	9,411	7,922
Impairment charges	(1,057)	(865)	(706)
Net income	9,912	8,546	7,216
Operating expenses excluding amortisation of intangible assets	(6,206)	(5,923)	(4,525)
Amortisation of intangible assets	(63)	(62)	(17)

Operating expenses	(6,269)	(5,985)	(4,542)
Share of post-tax results of associates and joint ventures	30	29	16
Profit before tax	3,673	2,590	2,690
Tax	(1,072)	(724)	(715)
Profit for the period	2,601	1,866	1,975
Profit attributable to minority interests	294	260	134
Profit attributable to equity holders of the parent	2,307	1,606	1,841
	2,601	1,866	1,975
	p	p	p
Basic earnings per ordinary share	36.3	25.4	29.1
Diluted earnings per ordinary share	35.1	24.3	28.4
Dividends per ordinary share:			
Interim dividend	10.5	-	9.2
Final dividend	-	17.4	-
Dividend	GBP667m	GBP1,105m	GBP582m

CONSOLIDATED BALANCE SHEET (UNAUDITED)

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

CONSOLIDATED BALANCE SHEET (UNAUDITED)

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

FINANCIAL REVIEW

Results by business

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

- UK Banking, comprising
  - UK Retail Banking
  - UK Business Banking

- Barclaycard

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

- Barclays Capital

- Barclays Global Investors

- Wealth Management

- Wealth Management - closed life assurance activities

- Head office functions and other operations.

UK Banking

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

UK Retail Banking

UK Retail Banking comprises Personal Customers, Local Business (formerly Small Business), UK Premier and Home Finance (formerly Mortgages). This cluster of businesses aims to build broader and deeper relationships with both existing and new customers. Personal Customers and Home Finance provide a wide range of products and services to retail customers, including current accounts, savings and investment products, mortgages and general insurance. Local Business provides banking services to small businesses with an annual turnover up to GBP1m. UK Premier provides banking, investment products and advice to affluent customers.

UK Business Banking

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

Barclaycard

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

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

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

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

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

International Retail and Commercial Banking

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

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

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

International Retail and Commercial Banking - excluding Absa

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

International Retail and Commercial Banking - Absa

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

Barclays Capital

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

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

Barclays Global Investors

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

BGI offers structured investment strategies such as indexing, global asset allocation and risk-controlled active products, including hedge funds. BGI also provides related investment services such as securities lending, cash management and portfolio transition services. In addition, BGI is the global leader in assets and products in the exchange traded funds business, with over 150 funds for institutions and individuals trading in thirteen markets globally. BGI's investment philosophy focuses on the three dimensions of performance; return, risk and cost, offering clients total performance management.

Wealth Management

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

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

Wealth Management - closed life assurance activities

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

Head office functions and other operations

Head office functions and other operations comprise:

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

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

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

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

Group reporting changes in 2006 (see page 70)

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

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

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

SUMMARY OF RESULTS (UNAUDITED)

Analysis of profit attributable to equity holders of the parent

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

TOTAL ASSETS AND RISK WEIGHTED ASSETS

Total assets

	As at		
	30.06.06	31.12.05	30.06.05
	GBPm	GBPm	GBPm
UK Banking	134,391	130,304	129,093
UK Retail Banking	70,906	70,389	71,476
UK Business Banking	63,485	59,915	57,617
Barclaycard	26,604	25,771	24,166
International Retail and Commercial Banking	65,132	63,556	29,985
International Retail and Commercial Banking			

- ex Absa	35,832	34,195	29,985
International Retail and Commercial Banking - Absa	29,300	29,361	-
Barclays Capital	659,328	601,193	573,131
Barclays Global Investors	77,298	80,900	68,877
Wealth Management	6,841	6,094	5,843
Wealth Management - closed life assurance activities	7,243	7,276	6,653
Head office functions and other operations	9,287	9,263	12,375
	986,124	924,357	850,123

Risk weighted assets

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

Further analysis of total assets and risk weighted assets, can be found on page 61.

UK Banking

	Half-year ended		
	30.06.06	31.12.05	30.06.05
	GBPm	GBPm	GBPm
Net interest income	1,959	1,960	1,784
Net fee and commission income	919	879	841
Net trading income	2	2	(2)
Net investment income	17	9	17
Principal transactions	19	11	15
Net premiums from insurance contracts	135	139	141
Other income	2	13	20
Total income	3,034	3,002	2,801
Net claims and benefits on insurance contracts	(26)	(25)	(33)

Total income net of insurance claims	3,008	2,977	2,768
Impairment charges	(198)	(188)	(139)
Net income	2,810	2,789	2,629
Operating expenses excluding amortisation of intangible assets	(1,546)	(1,728)	(1,484)
Amortisation of intangible assets	(1)	(2)	(1)
Operating expenses	(1,547)	(1,730)	(1,485)
Share of post-tax results of associates and joint ventures	2	3	(6)
Profit before tax	1,265	1,062	1,138
Cost:income ratio	51%	58%	54%
Cost:net income ratio	55%	62%	57%
Risk Tendency	GBP470m	GBP430m	GBP400m
Return on average economic capital	36%	33%	33%
Economic profit	GBP641m	GBP577m	GBP553m

		As at	
	30.06.06	31.12.05	30.06.05
Loans and advances to customers	GBP120.6bn	GBP118.2bn	GBP117.1bn
Customer accounts	GBP136.0bn	GBP129.7bn	GBP126.8bn
Total assets	GBP134.4bn	GBP130.3bn	GBP129.1bn
Risk weighted assets	GBP84.6bn	GBP79.9bn	GBP83.6bn

Key Facts

Number of UK branches	2,014	2,029	2,053

UK Banking profit before tax increased 11% (GBP127m) to GBP1,265m (2005: GBP1,138m) driven by good income growth, partly offset by higher impairment charges and costs. Gains from the sale and leaseback of properties of GBP145m included in operating expenses were largely offset by GBP114m of incremental investment expenditure undertaken to accelerate the development of UK Retail Banking.

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

UK Retail Banking

		Half-year ended	
	30.06.06	31.12.05	30.06.05
	GBPm	GBPm	GBPm
Net interest income	1,137	1,158	1,050

Net fee and commission income	608	572	559
Net trading income	-	-	-
Net investment income	-	-	9
Principal transactions	-	-	9
Net premiums from insurance contracts	135	139	141
Other income	-	4	12
Total income	1,880	1,873	1,771
Net claims and benefits on insurance contracts	(26)	(25)	(33)
Total income net of insurance claims	1,854	1,848	1,738
Impairment charges	(98)	(75)	(75)
Net income	1,756	1,773	1,663
Operating expenses	(1,144)	(1,282)	(1,108)
Share of post-tax results of associates and joint ventures	-	1	(7)
Profit before tax	612	492	548
Cost:income ratio	62%	69%	64%
Cost:net income ratio	65%	72%	67%
Risk Tendency	GBP195m	GBP180m	GBP170m
Return on average economic capital	36%	37%	33%
Economic profit	GBP314m	GBP316m	GBP270m

		As at	
	30.06.06	31.12.05	30.06.05
Loans and advances to customers	GBP65.0bn	GBP64.8bn	GBP66.0bn
Customer accounts	GBP81.7bn	GBP78.8bn	GBP75.4bn
Total assets	GBP70.9bn	GBP70.4bn	GBP71.5bn
Risk weighted assets	GBP33.8bn	GBP32.8bn	GBP37.1bn

Key Facts

Personal Customers			
Number of UK current accounts	11.3m	11.1m	10.9m
Number of UK savings accounts	10.9m	10.8m	10.7m
Total UK mortgage balances (residential)	GBP59.3bn	GBP59.6bn	GBP61.0bn
Number of household insurance policies	727,000	616,000	590,000
Local Business and UK Premier			
Number of Local Business customers	641,000	630,000	617,000
Number of UK Premier customers	293,000	286,000	280,000

UK Retail Banking profit before tax increased 12% (GBP64m) to GBP612m (2005: GBP548m).

Total income net of insurance claims increased 7% (GBP116m) to GBP1,854m (2005: GBP1,738m), demonstrating continued momentum. The improvement was broadly based across business segments and income categories. There was strong growth in Local

Business, UK Premier and Personal Customers retail savings.

Net interest income increased 8% (GBP87m) to GBP1,137m (2005: GBP1,050m). Growth was driven by higher contributions from Local Business, UK Premier and Personal Customers retail savings.

UK residential mortgage balances ended the period at GBP59.3bn (31st December 2005: GBP59.6bn). Gross advances were 43% higher at GBP7.3bn (31st December 2005: GBP5.1bn), which represented a market share of 5% (2005: 4%) but this was offset by redemptions. Mortgage applications, by value, were 67% higher than last year and reflected the launch of new competitive products in a stronger market, supported by greater promotion, as well as improved capacity and servicing. Mortgage servicing was brought back in-house with the termination of an outsourcing arrangement taking effect in February 2006. Significant progress has been made since then in improving processing efficiency. The average loan to value ratio within the mortgage book on a current valuation basis was 34% (2005: 34%).

In non-mortgage loans, Local Business average loans and advances balances increased 15%, and UK Premier average loans and advances balances increased 34%. The assets margin improved slightly to 0.86% (2005: 0.83%) reflecting a broadly stable mortgage margin, despite the impact of new product launches and a higher contribution from non-mortgage assets.

Total average customer deposit balances increased 8% to GBP77.6bn (2005: GBP72.1bn). Good growth was achieved in Local Business and in UK Premier where average balances increased 8% and 9% respectively. Within Personal Customers, retail savings average balance growth was 8% and current account average balances increased 5%. The liabilities margin was broadly stable at 1.98% (2005: 2.01%).

Net fee and commission income increased 9% (GBP49m) to GBP608m (2005: GBP559m). There was strong growth in current account and debit card fees. Local Business delivered strong growth, driven by increased income from current accounts. There was also strong growth from UK Premier, reflecting higher income from investment advice and banking services.

Net premiums from insurance underwriting activities decreased to GBP135m (2005: GBP141m), reflecting lower consumer loan volumes and reduced take-up of insurance on these loans.

Impairment charges increased 31% (GBP23m) to GBP98m (2005: GBP75m). The increase was driven by strong volume growth and some deterioration in delinquency rates in the Local Business loan portfolio. Losses from the mortgage portfolio remained negligible, with arrears at low levels and broadly stable compared with the year-end 2005 position.

Operating expenses increased 3% (GBP36m) to GBP1,144m (2005: GBP1,108m). Gains from the sale and leaseback of property of GBP116m were largely offset by incremental investment expenditure to bring forward planned improvements in operating efficiency and customer service. This included the costs associated with enhancing the Woolwich brand, improving the branch network and streamlining and re-engineering back office processes, as recently announced, as well as additional investment in technology deployed in branches and restructuring costs. The cost:income ratio improved two percentage points to 62% (2005: 64%).

UK Business Banking

	Half-year ended		
	30.06.06	31.12.05	30.06.05
	GBPm	GBPm	GBPm
Net interest income	822	802	734

Net fee and commission income	311	307	282
Net trading income	2	2	(2)
Net investment income	17	9	8
Principal transactions	19	11	6
Other income	2	9	8
Total income	1,154	1,129	1,030
Impairment charges	(100)	(113)	(64)
Net income	1,054	1,016	966
Operating expenses excluding amortisation of intangible assets	(402)	(446)	(376)
Amortisation of intangible assets	(1)	(2)	(1)
Operating expenses	(403)	(448)	(377)
Share of post-tax results of associates and joint ventures	2	2	1
Profit before tax	653	570	590
Cost:income ratio	35%	40%	37%
Cost:net income ratio	38%	44%	39%
Risk Tendency	GBP275m	GBP250m	GBP230m
Return on average economic capital	35%	30%	33%
Economic profit	GBP327m	GBP261m	GBP283m

		As at	
	30.06.06	31.12.05	30.06.05
Loans and advances to customers	GBP55.6bn	GBP53.4bn	GBP51.1bn
Customer accounts	GBP54.3bn	GBP50.9bn	GBP51.4bn
Total assets	GBP63.5bn	GBP59.9bn	GBP57.6bn
Risk weighted assets	GBP50.8bn	GBP47.1bn	GBP46.5bn

Key Facts

Total number of Business Banking customers	147,000	144,000	144,000

UK Business Banking profit before tax increased 11% (GBP63m) to GBP653m (2005: GBP590m), driven by strong income growth. Performance was particularly strong in Larger Business. The first half of 2006 included an GBP11m contribution for a full six months from Iveco Finance, in which a 51% stake was acquired on 1st June 2005. Iveco Finance is performing in line with the acquisition business plan.

Total income increased 12% (GBP124m) to GBP1,154m (2005: GBP1,030m), with the increase being broadly based and driven by strong balance sheet growth.

Net interest income increased 12% (GBP88m) to GBP822m (2005: GBP734m) largely driven by growth in the loan portfolio.

Average lending balances increased 21% to GBP51.1bn (2005: GBP42.1bn), with good contributions from all business areas and a stable lending margin. Iveco Finance contributed GBP1.6bn of the growth in average lending balances. Average deposit balances increased 11% to GBP43.7bn (2005: GBP39.2bn) with good growth from both Larger Business and Medium Business. The deposit margin experienced some compression, although it improved relative to the second half of 2005.

Net fee and commission income increased 10% (GBP29m) to GBP311m (2005: GBP282m), principally from foreign exchange and derivative business transacted through Barclays Capital on behalf of a number of business customers.

Income from principal transactions was GBP19m (2005: GBP6m), relating principally to profit realised on the sale of three equity investments.

Impairment charges increased 56% (GBP36m) to GBP100m (2005: GBP64m). The increase in impairment reflected the growth in lending balances and the inclusion of Iveco Finance.

Operating expenses increased 7% (GBP26m) to GBP403m (2005: GBP377m) reflecting volume growth, increased expenditure on front line staff, higher revenue related costs and the inclusion of Iveco Finance. Operating expenses include a credit of GBP29m on the sale and leaseback of property. The cost:income ratio improved two percentage points to 35% (2005: 37%).

Barclaycard

		Half-year ended	
	30.06.06	31.12.05	30.06.05
	GBPm	GBPm	GBPm
Net interest income	914	896	830
Net fee and commission income	533	518	454
Net investment income	15	-	-
Net premiums from insurance contracts	15	14	10
Total income	1,477	1,428	1,294
Net claims and benefits on insurance contracts	(6)	(5)	(2)
Total income net of insurance claims	1,471	1,423	1,292
Impairment charges	(696)	(590)	(508)
Net income	775	833	784
Operating expenses excluding amortisation of intangible assets	(471)	(531)	(430)
Amortisation of intangible assets	(8)	(8)	(9)
Operating expenses	(479)	(539)	(439)
Share of post-tax results of associates and joint ventures	1	-	1
Profit before tax	297	294	346
Cost:income ratio	33%	38%	34%
Cost:net income ratio	62%	65%	56%
Risk Tendency	GBP1,340m	GBP1,100m	GBP980m
Return on average economic capital	13%	14%	18%

Economic profit	GBP55m	GBP68m	GBP115m

	As at		
	30.06.06	31.12.05	30.06.05
Loans and advances to customers	GBP24.8bn	GBP24.0bn	GBP23.1bn
Total assets	GBP26.6bn	GBP25.8bn	GBP24.2bn
Risk weighted assets	GBP24.0bn	GBP21.8bn	GBP21.3bn

Key Facts

Number of Barclaycard UK customers	11.2m	11.2m	11.2m
Number of retailer relationships	95,000	93,000	92,000
UK credit cards - average outstanding balances	GBP9.6bn	GBP10.1bn	GBP10.2bn
UK credit cards - average extended credit balances	GBP8.2bn	GBP8.6bn	GBP8.8bn
UK loans - average consumer lending balances	GBP11.6bn	GBP10.3bn	GBP9.9bn
International - average extended credit balances	GBP2.3bn	GBP1.8bn	GBP1.7bn
International - cards in issue	5.3m	4.3m	3.7m

Barclaycard profit before tax decreased 14% (GBP49m) to GBP297m (2005: GBP346m) as strong income growth was more than offset by higher impairment charges and increased costs from the continued development of the International businesses.

Total income net of insurance claims increased 14% (GBP179m) to GBP1,471m (2005: GBP1,292m) driven by good performances across the diversified UK cards and consumer loans businesses and Barclaycard Business, and by very strong momentum in international cards.

Net interest income increased 10% (GBP84m) to GBP914m (2005: GBP830m). UK average extended credit card balances fell 7% to GBP8.2bn (2005: GBP8.8bn), reflecting lower promotional rate balances and tighter lending criteria. UK average consumer lending balances increased 17% to GBP11.6bn (2005: GBP9.9bn). International average extended credit card balances rose 35% to GBP2.3bn (2005: GBP1.7bn). Margins in credit cards improved in the first half of 2006 to 8.78% (2005: 7.56%), due to the impact of increased card rates and a reduced proportion of promotional rate balances in the UK. Margins in consumer lending fell to 4.34% (2005: 5.15%), due to continued competitive pressures and a change in the product mix, with a higher weighting to secured lending in FirstPlus.

Net fee and commission income increased 17% (GBP79m) to GBP533m (2005: GBP454m) as a result of increased contributions from SkyCard, FirstPlus, Barclaycard Business and Barclaycard International.

Investment income of GBP15m represents the proceeds arising from the sale of part of the stake in MasterCard Inc, as part of its flotation.

Impairment charges increased 37% (GBP188m) to GBP696m (2005: GBP508m). Relative to the second half of 2005, impairment charges increased 18%. The increase was driven by a rise in delinquent balances, increased numbers of bankruptcies and lower rates of recovery from customers in the UK cards and loans businesses. The rise in delinquent balances is reflected in a significant increase in non-performing loans.

Operating expenses increased 9% (GBP40m) to GBP479m (2005: GBP439m), which included a gain from the sale and leaseback property of GBP38m. Excluding this gain, underlying operating expenses increased 18% (GBP78m) to GBP517m largely as a result of the continued investment in Barclaycard US and the development of the UK Partnerships business.

Barclaycard International continued its growth strategy, with the continental

European businesses delivering excellent results and the Swedbank joint venture performing in line with its business plan. Barclaycard International loss before tax increased to GBP4m (2005: loss GBP3m). The loss before tax for Barclaycard US was GBP21m (2005: loss GBP13m). The performance and integration of Barclaycard US proceeded in line with expectations, with continued strong growth in balances and customer numbers and the creation of a number of new partnerships.

International Retail and Commercial Banking

	Half-year ended		
	30.06.06	31.12.05	30.06.05
	GBPm	GBPm	GBPm
Net interest income	847	776	274
Net fee and commission income	669	534	171
Net trading income	3	(3)	6
Net investment income	47	76	67
Principal transactions	50	73	73
Net premiums from insurance contracts	174	167	60
Other income	34	46	14
Total income	1,774	1,596	592
Net claims and benefits on insurance contracts	(119)	(120)	(85)
Total income net of insurance claims	1,655	1,476	507
Impairment charges	(68)	(24)	(8)
Net income	1,587	1,452	499
Operating expenses excluding amortisation of intangible assets	(1,030)	(974)	(343)
Amortisation of intangible assets	(45)	(45)	(2)
Operating expenses	(1,075)	(1,019)	(345)
Share of post-tax results of associates and joint ventures	27	26	20
Profit before tax	539	459	174
Cost:income ratio	65%	69%	68%
Cost:net income ratio	68%	70%	69%
Risk Tendency	GBP195m	GBP175m	GBP75m
Return on average economic capital	30%	24%	22%
Economic profit	GBP187m	GBP135m	GBP70m

	As at		
	30.06.06	31.12.05	30.06.05
Loans and advances to customers	GBP50.4bn	GBP49.3bn	GBP21.7bn
Customer accounts	GBP23.0bn	GBP22.6bn	GBP9.6bn
Total assets	GBP65.1bn	GBP63.6bn	GBP30.0bn
Risk weighted assets	GBP42.1bn	GBP41.2bn	GBP18.9bn

Key Facts

Number of international branches	1,542	1,516	799

International Retail and Commercial Banking profit before tax increased GBP365m to GBP539m (2005: GBP174m). The increase reflected the inclusion of International Retail and Commercial Banking - Absa profit before tax of GBP317m for 2006 and strong underlying organic growth in Europe.

International Retail and Commercial Banking - excluding Absa

	Half-year ended		
	30.06.06	31.12.05	30.06.05
	GBPm	GBPm	GBPm
Net interest income	296	288	274
Net fee and commission income	226	206	171
Net trading income	12	25	6
Net investment income	29	21	67
Principal transactions	41	46	73
Net premiums from insurance contracts	50	69	60
Other income	14	9	14
Total income	627	618	592
Net claims and benefits on insurance contracts	(65)	(76)	(85)
Total income net of insurance claims	562	542	507
Impairment charges	(16)	(5)	(8)
Net income	546	537	499
Operating expenses excluding amortisation of intangible assets	(341)	(391)	(343)
Amortisation of intangible assets	(4)	(4)	(2)
Operating expenses	(345)	(395)	(345)
Share of post-tax results of associates and joint ventures	21	19	20
Profit before tax	222	161	174
Cost:income ratio	61%	73%	68%
Cost:net income ratio	63%	74%	69%
Risk Tendency	GBP70m	GBP75m	GBP75m
Return on average economic capital	26%	17%	22%
Economic profit	GBP94m	GBP45m	GBP70m

	As at		
	30.06.06	31.12.05	30.06.05
Loans and advances to customers	GBP27.0bn	GBP25.4bn	GBP21.7bn
Customer accounts	GBP10.9bn	GBP10.4bn	GBP9.6bn
Total assets	GBP35.8bn	GBP34.2bn	GBP30.0bn
Risk weighted assets	GBP21.4bn	GBP20.4bn	GBP18.9bn

Key Facts

Number of international branches	815	798	799
Number of Barclays Africa and Middle East customer accounts	1.3m	1.3m	1.3m
Number of Barclays Europe customers	801,000	800,000	760,000
Number of European mortgage customers	232,000	221,000	206,000
European mortgages - average balances (Euros)	EUR24.9bn	EUR21.2bn	EUR19.9bn
European assets under management (Euros)	EUR23.8bn	EUR22.6bn	EUR19.5bn

International Retail and Commercial Banking - excluding Absa performed well, with profit before tax increasing 28% (GBP48m) to GBP222m (2005: GBP174m). The performance was broad based, with stronger underlying profits in all geographies. Underlying profit before tax, excluding gains from asset sales in 2006 and 2005 increased 17% (GBP24m) to GBP167m (2005: GBP143m).

Total income net of insurance claims increased 11% (GBP55m) to GBP562m (2005: GBP507m). Underlying income increased 18% (GBP86m) to GBP562m (2005: GBP476m).

Net interest income increased 8% (GBP22m) to GBP296m (2005: GBP274m), reflecting strong balance sheet growth in continental Europe, Africa and the Middle East, and the development of the corporate business in Spain.

Total average customer loans increased 25% to GBP26.2bn (2005: GBP20.9bn). Mortgage balance growth in continental Europe was particularly strong, with average Euro balances up 25%. Growth in European mortgages as a proportion of total balances and competitive pressures in key European markets contributed to lower lending margins. Average customer deposits increased 12% to GBP10.2bn (2005: GBP9.1bn), with deposit margins rising modestly.

Net fee and commission income increased 32% (GBP55m) to GBP226m (2005: GBP171m). This reflected a strong performance from the Spanish funds business, where average assets under management increased 14%, together with good growth in France, including the contribution of the ING Ferri business which was acquired on 1st July 2005. Net fee and commission income showed solid growth in Africa and the Middle East.

Principal transactions reduced to GBP41m (2005: GBP73m), which in 2005 included GBP23m from the redemption of preference shares in FirstCaribbean InternationalBank.

Impairment charges increased to GBP16m (2005: GBP8m), principally as a result of the absence in 2006 of one-off recoveries which arose in 2005 in Africa and the Middle East.

Operating expenses were flat at GBP345m, including gains from the sale and leaseback of property in Spain of GBP55m. Excluding these gains, underlying operating expenses increased 16% to GBP400m (2005: GBP345m). The increase was below the growth in underlying income, and reflected the continued expansion of the business in Africa and the Middle East, investments in the European distribution network, particularly in Portugal and Italy, and the acquisition of the ING Ferri business in France.

Barclays Spain continued to perform strongly. Profit before tax increased 25% (GBP17m) to GBP86m (2005: GBP69m), excluding one off gains on asset sales of GBP55m (2005: GBP8m) and integration costs of GBP16m (2005: GBP28m). This was driven by the continued realisation of benefits from the integration of Banco Zaragozano, together with good growth in mortgages and assets under management. Profit before tax also increased strongly in Portugal reflecting good flows of new customers and increased business volumes. France performed well as a result of good organic growth and the acquisition of ING Ferri.

Africa and the Middle East profit before tax was in line with prior year at GBP62m (2005: GBP62m). This reflected balance sheet growth across the businesses offset by continued investment and higher impairment charges as a result of the absence of one off recoveries that arose in 2005.

The share of post tax profits from associates increased GBP1m to GBP21m (2005: GBP20m) reflecting an increased contribution from FirstCaribbean.

International Retail and Commercial Banking - Absa

	Half-year ended 30.06.06 GBPm	Period from 27.07.05 until 31.12.05(1) GBPm
Net interest income	551	488
Net fee and commission income	443	328
Net trading income	(9)	(28)
Net investment income	18	55
Principal transactions	9	27
Net premiums from insurance contracts	124	98
Other income	20	37
Total income	1,147	978
Net claims and benefits on insurance contracts	(54)	(44)
Total income net of insurance claims	1,093	934
Impairment charges	(52)	(19)
Net income	1,041	915
Operating expenses excluding amortisation of intangible assets	(689)	(583)
Amortisation of intangible assets	(41)	(41)
Operating expenses	(730)	(624)
Share of post-tax results of associates and joint ventures	6	7
Profit before tax	317	298
Cost:income ratio	67%	67%
Cost:net income ratio	70%	68%
Risk Tendency	GBP125m	GBP100m
Return on average economic capital	37%	36%
Economic profit	GBP93m	GBP90m

	As at 30.06.06	As at 31.12.05
Loans and advances to customers	GBP23.4bn	GBP23.9bn
Customer accounts	GBP12.1bn	GBP12.2bn
Total assets	GBP29.3bn	GBP29.4bn
Risk weighted assets	GBP20.7bn	GBP20.8bn

Key Facts

Number of branches	727	718

Number of ATMs	6,256	5,835
Number of retail customers	8.0m	7.6m
Number of corporate customers	80,000	79,000

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

The comparable period referred to below, for illustrative purposes only, is the six months to 30th June 2005. Barclays acquired a controlling stake in Absa Group Limited on 27th July 2005. A summary of Absa Group Limited's results for the six months to 30th June 2006 is included in the Appendix on page 92(1).

Absa Group Limited's profit before tax increased 16% reflecting very good performances from banking operations which were well spread across all business segments. Absa's bancassurance offering was negatively affected by increased equity market volatility.

Net interest income grew strongly as credit demand remained strong. Growth in loans and advances to customers was driven by mortgages and credit cards. Margins contracted modestly reflecting an increased reliance on wholesale funding as well as increased competition.

Growth in non-interest income reflected increased retail transaction volumes, partially offset by the closure of the Absa Group's international operations outside Africa and lower fair value gains in respect of the listed equity portfolio.

Impairment charges grew, largely within Absa Home Loans and Retail Banking Services. The ratio of non-performing loans to total advances continued to improve.

Operating expenses increased, principally due to the further expansion of the Absa branch and ATM network and regulatory and compliance expenditure.

We are making good progress with integration and the realisation of synergy benefits.

(1) Absa Group's interim reporting period has changed from the six months ended 30th September to the six months ended 30th June. This change was necessitated by the need to align Absa's financial reporting with that of Barclays. To facilitate evaluation and interpretation, these results are compared with unaudited proforma results for the six months ended 30th June 2005.

Barclays Capital

	Half-year ended		
	30.06.06	31.12.05	30.06.05
	GBPm	GBPm	GBPm
Net interest income	495	540	525
Net fee and commission income	516	403	373
Net trading income	2,139	1,116	1,115
Net investment income	277	253	160
Principal transactions	2,416	1,369	1,275
Other income	10	12	8
Total income	3,437	2,324	2,181
Impairment charges	(70)	(59)	(52)

Net income	3,367	2,265	2,129
Operating expenses excluding amortisation of intangible assets	(2,120)	(1,583)	(1,378)
Amortisation of intangible assets	(1)	(1)	(1)
Operating expenses	(2,121)	(1,584)	(1,379)
Profit before tax	1,246	681	750
Cost:income ratio	62%	68%	63%
Cost:net income ratio	63%	70%	65%
Risk Tendency	GBP125m	GBP110m	GBP80m
Return on average economic capital	47%	30%	38%
Average net income generated per member of staff ('000)	GBP330	GBP242	GBP259
Economic profit	GBP671m	GBP323m	GBP383m

		As at	
	30.06.06	31.12.05	30.06.05
Total assets	GBP659.3bn	GBP601.2bn	GBP573.1bn
Risk weighted assets	GBP130.5bn	GBP116.7bn	GBP107.2bn

Key Facts(1)	30.06.06		30.06.05	
	League table position	Issuance value	League table position	Issuance value
All international bonds (all currencies)	2nd	$111.0bn	4th	$96.0bn
Sterling bonds	2nd	GBP10.9bn	2nd	GBP8.3bn
International securitisations	4th	$16.5bn	9th	$10.7bn
US investment grade bonds	7th	$3.2bn	4th	$5.1bn

(1) League tables compiled by Barclays Capital from external sources including Dealogic and Thomson Financial.

Barclays Capital delivered record profit before tax and net income. Profit before tax increased 66% (GBP496m) to GBP1,246m (2005: GBP750m). This was the result of the very strong income performance which was driven by higher business volumes and client activity levels. Net income increased 58% (GBP1,238m) to GBP3,367m (2005: GBP2,129m). Profit before tax for Absa Capital was GBP45m. Excluding Absa Capital, profit before tax increased by 60%.

Total income increased 58% (GBP1,256m) to GBP3,437m (2005: GBP2,181m) as a result of very strong growth across the Rates and Credit businesses. Income grew across all asset classes, in particular interest rate products, equity products, currency products, emerging markets, credit products and commodities. Income by geography was well spread with significant contributions from the US, Europe and Asia. The top line performance reflects returns from past investments and the strength of the client franchise. Average DVaR grew to GBP36m (2005: GBP30m) well below the rate of income growth.

Secondary income, comprising principal transactions (net trading income and net investment income) and net interest income, is mainly generated from providing client financing and risk management solutions. Secondary income increased 62% (GBP1,111m) to GBP2,911m (2005: GBP1,800m).

Net trading income increased 92% (GBP1,024m) to GBP2,139m (2005: GBP1,115m) with very strong contributions across the Rates and Credit businesses, in particular equities, commodities, fixed income and credit derivatives. These results were driven by higher volumes of client led activity and favourable market conditions. Net investment income increased 73% (GBP117m) to GBP277m (2005: GBP160m) driven by investment realisations, primarily in Private Equity and structured capital markets. Net interest income decreased 6% (GBP30m) to GBP495m (2005: GBP525m) driven by lower contributions from money markets.

Primary income, which comprises net fee and commission income from advisory and origination activities, grew 38% (GBP143m) to GBP516m (2005: GBP373m). This reflected higher volumes and continued market share gains in a number of key markets, with strong contributions from bonds, European leveraged loans and convertibles issuances.

Impairment charges of GBP70m relate primarily to impairment charges on available for sale assets of GBP83m, partially offset by recoveries in the loan portfolio. The impairment charge on available for sale assets arose where an intention to sell caused losses in the available for sale portfolio to be treated as other than temporary in nature. The impairment charge arose from interest rate movements rather than credit deterioration. There is a corresponding gain recognised in net trading income.

Operating expenses increased 54% (GBP742m) to GBP2,121m (2005: GBP1,379m), reflecting higher performance related costs due to strong results. The cost:net income ratio improved to 63% (2005: 65%). Staff costs to net income ratio improved to 51% (2005: 52%). Compared with the first half of 2005, performance related pay, discretionary investment spend and short-term contractor resource represented a higher proportion of operating expenses of 54% (2005: 46%).

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

Barclays Global Investors

	Half-year ended		
	30.06.06	31.12.05	30.06.05
	GBPm	GBPm	GBPm
Net interest income	7	9	6
Net fee and commission income	837	727	570
Net trading income	1	-	2
Net investment income	-	-	4
Principal transactions	1	-	6
Total income	845	736	582
Operating expenses excluding amortisation of intangible assets	(479)	(435)	(340)
Amortisation of intangible assets	(2)	(2)	(2)

Operating expenses	(481)	(437)	(342)
Share of post-tax results of associates and joint ventures	-	-	1
Profit before tax	364	299	241
Cost:income ratio	57%	59%	59%
Average net income generated per member of staff ('000)	GBP360	GBP330	GBP298
Return on average economic capital	260%	282%	214%
Economic profit	GBP195m	GBP170m	GBP129m

		As at	
	30.06.06	31.12.05	30.06.05
Total assets	GBP77.3bn	GBP80.9bn	GBP68.9bn
Risk weighted assets	GBP1.4bn	GBP1.5bn	GBP1.4bn

Key Facts

Number of institutional clients	2,800	2,800	2,700
Assets under management:			
-indexed	GBP571bn	GBP586bn	GBP517bn
-active	GBP199bn	GBP198bn	GBP169bn
-managed cash and other	GBP107bn	GBP97bn	GBP95bn
Total assets under management	GBP877bn	GBP881bn	GBP781bn
Total assets under management (US$)	$1,623bn	$1,513bn	$1,401bn
Net new assets in period	GBP17bn	GBP19bn	GBP29bn
Net new assets in period (US$)	$30bn	$27bn	$61bn
Number of iShares products	164	149	135
Total iShares assets under management(1)	GBP124bn	GBP113bn	GBP84bn

(1) Included in indexed assets.

Barclays Global Investors (BGI) delivered excellent growth in profit before tax, increasing 51% (GBP123m) to GBP364m (2005: GBP241m), reflecting exceptionally strong income growth. The performance was broad-based by products, distribution channels and geographies.

Net fee and commission income increased 47% (GBP267m) to GBP837m (2005: GBP570m). The very strong income performance was attributable to increased management and incentive fees, particularly in the iShares and active businesses. Incentive fees increased 41% (GBP31m) to GBP107m (2005: GBP76m). Higher asset values, driven by good net new inflows and higher market levels, and a strong investment performance, contributed to the growth in income.

Operating expenses increased 41% (GBP139m) to GBP481m (2005: GBP342m) as a result of higher performance based expenses, significant investment in key growth initiatives and ongoing investment in product development and infrastructure. The cost:income ratio improved to 57% (2005: 59%).

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

Total assets under management of GBP877bn remained in line with 2005 year-end levels (31st December 2005: GBP881bn). Net new inflows of GBP17bn and positive market move impact of GBP27bn were more than offset by the adverse impact of exchange rate movements of GBP48bn. In US$ terms assets under management increased by US$110bn to US$1,623bn (31st December 2005: US$1,513bn), comprising US$30bn of net new assets, US$43bn of favourable market movements and US$37bn of exchange rate movements.

Wealth Management

	Half-year ended		
	30.06.06	31.12.05	30.06.05
	GBPm	GBPm	GBPm
Net interest income	178	169	160
Net fee and commission income	336	306	283
Net trading income	-	-	-
Net investment income	-	-	5
Principal transactions	-	-	5
Other income	(1)	-	(1)
Total income	513	475	447
Impairment charges	(1)	(1)	(1)
Net income	512	474	446
Operating expenses excluding amortisation of intangible assets	(400)	(391)	(361)
Amortisation of intangible assets	(2)	(1)	(1)
Operating expenses	(402)	(392)	(362)
Profit before tax	110	82	84
Cost:income ratio	78%	83%	81%
Cost:net income ratio	79%	83%	81%
Risk Tendency	GBP10m	GBP5m	GBP5m
Return on average economic capital	52%	42%	35%
Average net income generated per member of staff ('000)	GBP70	GBP66	GBP62
Economic profit	GBP77m	GBP60m	GBP49m

	As at		
	30.06.06	31.12.05	30.06.05
Loans and advances to customers	GBP5.1bn	GBP4.7bn	GBP4.4bn
Customer accounts	GBP25.0bn	GBP23.1bn	GBP22.5bn
Total assets	GBP6.8bn	GBP6.1bn	GBP5.8bn
Risk weighted assets	GBP4.9bn	GBP4.1bn	GBP4.5bn
Key Facts			
Total client assets	GBP84.7bn	GBP78.3bn	GBP74.2bn

Wealth Management profit before tax rose 31% (GBP26m) to GBP110m (2005: GBP84m), driven by broad based income growth and favourable market conditions, partially offset by increased volume related costs and increased investment in people and infrastructure to support future growth.

Total income increased 15% (GBP66m) to GBP513m (2005: GBP447m).

Net interest income increased 11% (GBP18m) to GBP178m (2005: GBP160m) reflecting growth in both customer deposits and customer lending. Average loans to customers grew 16% to GBP4.9bn, driven mainly by increased lending to offshore and private banking clients. Average customer deposits grew 10% (GBP2.3bn) to GBP24.5bn (2005: GBP22.2bn). Asset margins increased to 1.11% (2005: 0.98%) and the deposit margin was stable at 1.08% (2005: 1.06%).

Net fee and commission income increased 19% (GBP53m) to GBP336m (2005: GBP283m). The increase reflected growth in client assets and higher transactional income, including increased sales of investment products to private banking and financial planning clients, and higher stockbroking volumes.

Operating expenses increased 11% (GBP40m) to GBP402m (2005: GBP362m) with greater volume related and investment costs. Investment costs include increased hiring and improvements to infrastructure with the upgrade of technology and operations platforms. The cost:net income ratio improved two percentage points to 79% (2005: 81%).

Total client assets, comprising customer deposits and client investments, increased to GBP84.7bn (31st December 2005: GBP78.3bn) reflecting good net new asset inflows and favourable market conditions.

Wealth Management - closed life assurance activities

	Half-year ended		
	30.06.06	31.12.05	30.06.05
	GBPm	GBPm	GBPm
Net interest income	(4)	2	(16)
Net fee and commission income	25	26	18
Net trading income	1	-	-
Net investment income	24	144	115
Principal transactions	25	144	115
Net premiums from insurance contracts	93	95	100
Other income	6	10	1
Total income	145	277	218
Net claims and benefits on insurance contracts	(82)	(208)	(167)
Total income net of insurance claims	63	69	51
Operating expenses	(54)	(73)	(54)
Profit/(loss) before tax	9	(4)	(3)
Cost:income ratio	86%	106%	106%
Return on average economic capital	22%	11%	(18)%
Economic profit/(loss)	GBP4m	GBP1m	GBP(8m)

	As at		
	30.06.06	31.12.05	30.06.05
Total assets	GBP7.2bn	GBP7.3bn	GBP6.7bn

Wealth Management - closed life assurance activities profit before tax was GBP9m (2005: loss GBP3m) predominantly due to lower funding costs and reduced customer redress costs in 2006.

Profit before tax excluding customer redress costs was GBP43m (2005: GBP37m).

Total income increased to GBP63m (2005: GBP51m) due to reduced funding costs.

Operating expenses remained steady at GBP54m. Costs relating to redress for customers decreased to GBP34m (2005: GBP40m) whilst other operating expenses increased to GBP20m (2005: GBP14m).

Head office functions and other operations

	Half-year ended		
	30.06.06	31.12.05	30.06.05
	GBPm	GBPm	GBPm
Net interest income	8	23	137
Net fee and commission income	(183)	(228)	(170)
Net trading income	55	30	55
Net investment income	(6)	3	5
Principal transactions	49	33	60
Net premiums from insurance contracts	93	86	60
Other income	10	17	7
Total income	(23)	(69)	94
Impairment (charges)/releases	(24)	(3)	2
Net (loss)/income	(47)	(72)	96
Operating expenses excluding amortisation of intangible assets	(106)	(208)	(135)
Amortisation of intangible assets	(4)	(3)	(1)
Operating expenses	(110)	(211)	(136)
Loss before tax	(157)	(283)	(40)
Risk Tendency	GBP25m	GBP25m	GBP35m

	As at		
	30.06.06	31.12.05	30.06.05
Total assets	GBP9.3bn	GBP9.3bn	GBP12.4bn
Risk weighted assets	GBP3.4bn	GBP4.0bn	GBP5.6bn

Head office functions and other operations loss before tax increased GBP117m to GBP157m (2005: loss GBP40m). This reflects the reduced interest income on capital retained within Treasury, following the acquisition of Absa Group Limited, partially offset by lower net impact of asymmetric consolidation adjustments, and lower operating expenses following the head office relocation to Canary Wharf in 2005.

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

The impact of such asymmetric consolidation adjustments reduced by GBP51m to GBP81m (2005: GBP132m). These adjustments related to the timing of the recognition of insurance commissions included in Barclaycard and UK Banking amounting to GBP35m (2005: GBP49m); internal fees for structured capital markets activities of GBP41m (2005: GBP63m); and fees paid to Barclays Capital for capital raising and risk management advice of GBP5m (2005: GBP32m).

Net interest income reduced GBP129m to GBP8m (2005: GBP137m) mainly due to a reduction in net interest income retained in Treasury as 2005 included interest earned on excess capital held in anticipation of the acquisition of Absa Group Limited. Treasury's net interest income also included the hedge ineffectiveness for the period, which together with other related Treasury adjustments, amounted to a loss of GBP3m (2005: GBP35m gain) and the cost of hedging the foreign exchange risk on the Group's investment in Absa, which amounted to GBP39m (2005: GBPnil).

Net trading income of GBP55m (2005: GBP55m) includes GBP59m (2005: GBPnil) in respect of a hedge of the translation exposure arising from Absa's Rand earnings, of which GBP10m was realised at 30th June 2006.

Impairment charges increased GBP26m to GBP24m (2005: recovery GBP2m). The increase was driven by impairment in the transition businesses.

Operating expenses decreased GBP26m to GBP110m (2005: GBP136m), primarily due to the elimination in 2006 of expenses incurred in 2005 relating to the head office relocation to Canary Wharf (2005: GBP52m).

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Results by nature of income and expense

Net interest income

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

Group net interest income increased 19% (GBP704m) to GBP4,404m (2005: GBP3,700m). The inclusion of Absa added net interest income of GBP600m in the first half of 2006. Group net interest income excluding Absa grew 3%.

A component of the benefit of free funds included in Group net interest income is the structural hedge which functions to reduce the impact of the volatility of short-term interest rate movements. The contribution of the structural hedge decreased to GBP47m (2005: GBP58m), largely due to the impact of relatively higher short-term interest rates and lower medium-term rates.

Interest income includes GBP48m (2005: GBP30m) accrued on impaired loans.

Business margins

	Half-year ended		
	30.06.06	31.12.05	30.06.05
	%	%	%
UK Retail Banking assets	0.86	1.01	0.83
UK Retail Banking liabilities	1.98	1.97	2.01
UK Business Banking assets	1.86	1.87	1.87
UK Business Banking liabilities	1.44	1.38	1.54
Barclaycard assets	6.64	6.70	6.48
Barclaycard assets-cards	8.78	8.35	7.56
Barclaycard assets-loans	4.34	4.78	5.15
International Retail and Commercial Banking-ex Absa assets(1)	1.24	1.26	1.47
International Retail and Commercial Banking-ex Absa liabilities(1)	2.12	2.03	2.00
International Retail and Commercial Banking-Absa assets(1), (2)	3.45	3.52	-
International Retail and Commercial Banking-Absa liabilities(1), (2)	2.41	2.39	-
Wealth Management assets	1.11	0.99	0.98
Wealth Management liabilities	1.08	1.02	1.06

Average balances

	Half-year ended		
	30.06.06	31.12.05	30.06.05
	GBPm	GBPm	GBPm
UK Retail Banking assets	64,989	65,689	66,511
UK Retail Banking liabilities	77,566	74,867	72,072
UK Business Banking assets	51,103	45,879	42,059
UK Business Banking liabilities	43,671	41,837	39,234
Barclaycard assets	25,727	24,729	23,759
Barclaycard assets-cards	13,307	13,233	13,126
Barclaycard assets-loans	12,420	11,496	10,633
International Retail and Commercial Banking-ex Absa assets(1)	26,245	24,847	20,931
International Retail and Commercial Banking-ex Absa liabilities(1)	10,174	9,372	9,065
International Retail and Commercial Banking-Absa assets(1)	24,228	20,225	-

International Retail and Commercial Banking-Absa liabilities(1)	13,455	13,338	-
Wealth Management assets	4,891	4,560	4,229
Wealth Management liabilities	24,521	24,257	22,603

(1) International Retail and Commercial Banking business margins, average balances and business net interest income have been restated on a consistent basis to reflect changes in methodology.

(2) For the second half of 2005, this reflects the five month post-acquisition period on an annualised basis.

Business net interest income

	Half-year ended		
	30.06.06	31.12.05	30.06.05
	GBPm	GBPm	GBPm
UK Retail Banking assets	276	336	273
UK Retail Banking liabilities	762	744	718
UK Business Banking assets	471	433	390
UK Business Banking liabilities	312	292	300
Barclaycard assets	846	828	770
Barclaycard assets-cards	579	553	496
Barclaycard assets-loans	267	275	274
International Retail and Commercial Banking-ex Absa assets(1)	162	158	153
International Retail and Commercial Banking-ex Absa liabilities(1)	107	96	90
International Retail and Commercial Banking-Absa assets(1)	414	308	-
International Retail and Commercial Banking-Absa liabilities(1)	161	138	-
Wealth Management assets	27	22	21
Wealth Management liabilities	132	124	120
Business net interest income	3,670	3,479	2,835

Reconciliation of business interest income to Group net interest income

	Half-year ended		
	30.06.06	31.12.05	30.06.05
	GBPm	GBPm	GBPm
Business net interest income	3,670	3,479	2,835
Other:			
- Barclays Capital	495	540	525
- Barclays Global Investors	7	9	6
- Other	232	347	334
Group net interest income	4,404	4,375	3,700

Business net interest income is derived from the interest rate earned on average assets or paid on average liabilities relative to the average Bank of England base rate, local equivalents for international businesses or the rate managed by the bank using derivatives. The margin is expressed as annualised business interest income over the relevant average balance. Asset and liability margins cannot be added together as they are relative to the average Bank of England base rate, local equivalent for international businesses or the rate managed by the bank using derivatives. The benefit of capital attributed to these businesses is excluded from the calculation of business margins and business net interest income.

Average balances are calculated on daily averages for most UK banking operations and monthly averages elsewhere.

Within the reconciliation of Group net interest income, there is an amount captured as Other. This relates to: benefit of capital, excluded from the business margin calculation, Head office functions and other operations; net funding on non-customer assets and liabilities; and Wealth Management - closed life assurance activities.

(1) International Retail and Commercial Banking business margins, average balances and business net interest income have been restated on a consistent basis to reflect changes in methodology.

UK Retail Banking assets margin improved slightly to 0.86% (2005: 0.83%) reflecting a stable mortgage margin, despite the impact of new product launches and a higher contribution from non-mortgage assets. UK Retail Banking liabilities margin was broadly stable at 1.98% (2005: 2.01%).

UK Business Banking assets margin was broadly stable at 1.86% (2005: 1.87%). The UK Business Banking liabilities margin decreased 10 basis points to 1.44% (2005: 1.54%), although it improved relative to the second half of 2005.

Barclaycard cards margin increased 122 basis points to 8.78% (2005: 7.56%). Margins in the cards business improved principally due to the impact of increased card rates in the second half of 2005 and the continued roll-off of promotional rate balances through the first half of 2006. Barclaycard loans margin decreased 81 basis points to 4.34% (2005: 5.15%). Margins in the loans business continued to reduce due to both a change in the product mix, with a higher weighting to secured loans, and competitive pressures.

International Retail and Commercial Banking - excluding Absa assets margin decreased 23 basis points to 1.24% (2005: 1.47%) largely reflecting growth in mortgage assets as a proportion of total assets in Europe, revised competitive pricing strategies aimed at increasing market share, and competitive pressures. International Retail and Commercial Banking - excluding Absa liabilities margin increased 12 basis points to 2.12% (2005: 2.00%) mainly as a consequence of increased margins in Africa and the acquisition of the ING Ferri business in France.

International Retail and Commercial Banking - Absa assets margin of 3.45% (Second half 2005: 3.52%) was broadly stable compared to the margin for the first five months of Barclays ownership. The liabilities margin of 2.41% (Second half 2005: 2.39%) remained consistent.

Wealth Management assets margin increased 13 basis points to 1.11% (2005: 0.98%) principally due to a change in product mix and pricing. Wealth Management liabilities margin was broadly stable at 1.08% (2005: 1.06%).

Net fee and commission income

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

Fee and commission income rose 42% (GBP1,205m) to GBP4,077m (2005: GBP2,872m). The inclusion of Absa increased fee and commission income by GBP479m in the first half of 2006. Excluding Absa, fee and commission income grew 25%, driven by a broad based performance across the Group, particularly within Barclays Global Investors reflecting increases in both management and incentive fees, higher asset values, higher market levels and a strong investment performance.

Fee and commission expense increased 28% (GBP93m) to GBP425m (2005: GBP332m), largely reflecting the inclusion of Absa, which added GBP43m, and increases in Barclaycard.

Net fee and commission income increased 44% (GBP1,112m) to GBP3,652m (2005: GBP2,540m). The inclusion of Absa increased net fee and commission income by GBP436m in the first-half of 2006. Group net fee and commission income excluding Absa grew 27%, reflecting growth across all businesses.

Total foreign exchange income was GBP457m (2005: GBP298m) and consisted of revenues earned from both retail and wholesale activities. Foreign exchange income earned on customer transactions by UK Retail Banking, UK Business Banking, International Retail and Commercial Banking, Barclaycard, Barclays Global Investors and Wealth Management, both externally and with Barclays Capital, is reported in those respective business units within fee and commission income. The foreign exchange income earned in Barclays Capital and in Treasury is reported within trading income.

Principal transactions

	Half-year ended 30.06.06 GBPm	31.12.05 GBPm	30.06.05 GBPm
Rates related business	1,636	873	859
Credit related business	565	272	317
Net trading income	2,201	1,145	1,176
Cumulative gain from disposal of available for sale assets/investment securities	120	33	87
Dividend income	18	9	13

Net income from financial instruments designated at fair value	86	214	175
Other investment income	150	229	98
Net investment income	374	485	373
Principal transactions	2,575	1,630	1,549

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

Net trading income increased 87% (GBP1,025m) to GBP2,201m (2005: GBP1,176m) due to strong performances across Barclays Capital Rates and Credit businesses, in particular in fixed income, equities, commodities and credit derivative products. This was driven by higher volumes of client-led activity across a broad range of products and geographical regions and by the continued return on prior year investments. The inclusion of Absa increased net trading income by GBP31m in the first-half of 2006. Group net trading income excluding Absa grew 85%.

Net investment income remained flat at GBP374m (2005: GBP373m). The inclusion of Absa increased net investment income by GBP32m in the first-half of 2006.

The cumulative gain from disposal of available for sale assets and investment securities increased 38% (GBP33m) to GBP120m (2005: GBP87m) driven by investment realisations primarily in Private Equity.

Fair value movements on certain assets and liabilities have been reported within net trading income or within net investment income depending on the nature of the transaction. Fair value movements on insurance assets included within net investment income contributed GBP46m (2005: GBP149m).

Net premiums from insurance contracts

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

Net premiums from insurance contracts increased 37% (GBP139m) to GBP510m (2005: GBP371m). The inclusion of Absa increased net premiums from insurance contracts by GBP124m in the first half of 2006. Group net premiums from insurance contracts excluding Absa increased 4% reflecting growth in UK consumer lending.

Other income

	Half-year ended		
	30.06.06	31.12.05	30.06.05

	GBPm	GBPm	GBPm
(Decrease)/increase in fair value of assets held in respect of linked liabilities to customers under investment contracts	(2,960)	2,349	6,885
Decrease/(increase) in liabilities held in respect of linked liabilities to customers under investment contracts	2,960	(2,349)	(6,885)
Property rentals	28	29	25
Other	33	69	24
Other income	61	98	49

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

Net claims and benefits paid on insurance contracts

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

Net claims and benefits paid on insurance contracts decreased 19% (GBP54m) to GBP233m (2005: GBP287m). The inclusion of Absa increased net claims and benefits by GBP54m. Net claims and benefits paid on insurance contracts excluding Absa decreased 38%, principally reflecting lower claims and benefits in Wealth Management - closed life assurance activities due to market conditions in the period.

Impairment charges

	Half-year ended		
	30.06.06	31.12.05	30.06.05
Impairment charges on loans and advances	GBPm	GBPm	GBPm
- New and increased impairment allowances	1,257	1,184	945

- Releases	(151)	(199)	(134)
- Recoveries	(125)	(124)	(98)
Impairment charges on loans and advances (see note 5)	981	861	713
Credit provisions			
Charges for the period in respect of provision for undrawn contractually committed facilities and guarantees provided	(7)	-	(7)
Impairment charges on loans and advances and credit provisions	974	861	706
Impairment on available for sale assets	83	4	-
Total impairment charges	1,057	865	706

Total impairment charges increased 50% (GBP351m) to GBP1,057m (2005: GBP706m).

Impairment charges on loans and advances and credit provisions

Impairment charges on loans and advances and credit provisions increased 38% (GBP268m) to GBP974m (2005: GBP706m). Excluding Absa, the increase was 30% and reflected the continued challenging credit environment in UK unsecured retail lending. Steady conditions in the wholesale sector persisted, with a low level of corporate defaults.

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

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

Group impairment charges on loans and advances on an annualised basis amounted to 0.61% (2005: 0.52%), as a percentage of period-end total loans and advances of GBP320,831m (30th June 2005: GBP275,188m).

Retail impairment charges increased to GBP839m (2005: GBP582m), including GBP39m in respect of Absa. Retail impairment charges on loans and advances on an annualised basis amounted to 1.25% (2005: 1.06%) of period end loans and advances of GBP134,534m (30th June 2005: GBP109,566m).

In the wholesale and corporate businesses, impairment charges on loans and advances increased to GBP142m (2005: GBP131m), including GBP13m in respect of Absa. The increase occurred primarily in UK Business Banking and reflected the growth in lending balances and the inclusion of Iveco Finance. The wholesale and corporate impairment charge on an annualised basis amounted to 0.15% (2005: 0.16%) as a percentage of period end total loans and advances of GBP186,297m

(30th June 2005: GBP165,622m).

Impairment on available for sale assets

Impairment charges of GBP83m related to losses on assets in the available for sale portfolio where an intention to sell caused the losses to be treated as other than temporary in nature. This impairment charge arose from interest rate movements rather than credit deterioration. There was a corresponding gain which was recognised in net trading income.

Operating expenses

	Half-year ended		
	30.06.06	31.12.05	30.06.05
	GBPm	GBPm	GBPm
Staff costs (refer to page 52)	4,147	3,464	2,854
Administrative expenses	1,916	2,061	1,382
Depreciation	207	210	152
Impairment loss - property and equipment	6	-	-
- intangible assets	-	9	-
Operating lease rentals	168	179	137
Gains on sale and leaseback of property	(238)	-	-
Amortisation of intangible assets	63	62	17
Operating expenses	6,269	5,985	4,542

Operating expenses increased 38% (GBP1,727m) to GBP6,269m (2005: GBP4,542m). The inclusion of Absa added operating expenses of GBP781m. Group operating expenses excluding Absa grew 21%, reflecting a higher level of business activity and an increase in performance related pay.

Operating expenses were reduced by gains from the sale and leaseback of property of GBP238m (2005: GBPnil) as the Group took advantage of historically low yields on property to realise gains on some of its freehold portfolio. The gains within UK Banking of GBP145m were largely offset by incremental investment.

Administrative expenses increased 39% (GBP534m) to GBP1,916m (2005: GBP1,382m). The inclusion of Absa added administrative expenses of GBP314m in the first half of 2006. Group administrative expenses excluding Absa grew 16% principally as a result of higher business activity in Barclays Global Investors, Barclays Capital and Barclaycard International.

Operating lease rentals increased 23% (GBP31m) to GBP168m (2005: GBP137m). The inclusion of Absa added operating lease rentals of GBP43m in the first half of 2006 which more than offset the absence of double occupancy costs incurred in 2005, associated with the head office relocation to Canary Wharf.

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

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

Staff costs

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

Staff costs increased 45% (GBP1,293m) to GBP4,147m (2005: GBP2,854m). The inclusion of Absa added staff costs of GBP347m. Excluding the impact of Absa, staff costs increased 33%.

Salaries and accrued incentive payments rose 49% (GBP1,108m) to GBP3,364m (2005: GBP2,256m). The inclusion of Absa added GBP316m. Excluding Absa, salaries and accrued incentive payments rose 35%, principally due to performance related payments in Barclays Capital and Barclays Global Investors.

Pension costs comprise all UK and international pension schemes. Included in pension costs is a charge of GBP147m (2005: GBP155m) in respect of the Group's main UK pension schemes.

Staff numbers

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

contract staff worldwide	118,300	113,300	78,800
Agency staff worldwide	8,700	7,000	4,300
Total including agency staff	127,000	120,300	83,100

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

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

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

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

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

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

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

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

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

Share of post-tax results of associates and joint ventures

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

The share of post-tax results of associates and joint ventures increased 88% (GBP14m) to GBP30m (2005: GBP16m). The increase in profit from associates primarily reflects the addition of the Absa associates.

Tax

The charge for the period is based upon a UK corporation tax rate of 30% for the calendar year 2006 (full-year 2005: 30%). The effective rate of tax for the first half of 2006, based on profit before tax, was 29.2% (2005: 26.6%). The effective tax rate differs from 30% as it takes account of the different tax rates which are applied to the profits earned outside the UK, disallowable expenditure, tax-free income and adjustments to prior year tax provisions. The effective tax rate for 2006 is higher than in the prior period principally due to the higher tax rates applicable to international operations. The tax charge for the first half of the year includes GBP640m (2005: GBP477m) arising in the UK and GBP432m (2005: GBP238m) arising overseas.

Profit attributable to minority interests

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

Profit attributable to minority interests increased GBP160m to GBP294m (2005: GBP134m) largely reflecting the acquisition of Absa Group Limited on 27th July 2005 and the associated preference share funding.

Earnings per share

	Half-year ended		
	30.06.06	31.12.05	30.06.05
Profit attributable to equity holders of the parent	GBP2,307m	GBP1,606m	GBP1,841m
Dilutive impact of convertible options	(GBP17m)	(GBP29m)	-
Profit attributable to equity holders of the parent including dilutive impact of convertible options	GBP2,290m	GBP1,577m	GBP1,841m
Basic weighted average number of shares in issue	6,353m	6,335m	6,337m

Number of potential ordinary shares(1)	177m	156m	141m
Diluted weighted average number of shares	6,530m	6,491m	6,478m
Basic earnings per ordinary share	36.3p	25.4p	29.1p
Diluted earnings per ordinary share	35.1p	24.3p	28.4p

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

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

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

Dividends on ordinary shares

The Board has decided to pay, on 2nd October 2006, an interim dividend for the year ended 31st December 2006 of 10.5p per ordinary share for shares registered in the books of the Company at the close of business on 18th August 2006. The interim dividend of 9.2p per ordinary share for the year ended 31st December 2005 was paid on 3rd October 2005 and the final dividend for the year ended 31st December 2005 of 17.4p per ordinary share was paid on 28th April 2006. Shareholders who have their dividends paid direct to their bank or building society account will receive a consolidated tax voucher detailing the dividends paid in the 2006-2007 tax year in mid-October 2006.

The amount payable for the 2006 interim dividend is GBP667m (half-year ended 31st December 2005: GBP1,105m; half-year ended 30th June 2005: GBP582m). This amount excludes GBP16m payable on Barclays shares held by employee benefit trusts (half year ended 31st December 2005: GBP24m; half year ended 30th June 2005: GBP12m).

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

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

Shareholders may have their dividends reinvested in Barclays PLC shares by participating in the Barclays Dividend Reinvestment Plan. The plan is available to all shareholders, including members of Barclays Sharestore, provided that they do not live in or are subject to the jurisdiction of any country where their participation in the plan would require Barclays or The Plan Administrator to take action to comply with local government or regulatory procedures or any similar formalities. Any shareholder wishing to obtain details and a form to join the plan should contact The Plan Administrator by writing to: The Plan Administrator to Barclays, Share Dividend Team, The Causeway, Worthing, West Sussex, BN99 6DA; or, by telephoning 0870 609 4535. The completed form should be returned to The Plan Administrator on or before 8th September 2006 for it to be effective in time for the payment of the interim dividend on 2nd October 2006. Shareholders who are already in the plan need take no action unless they wish to change their instructions in which case they should write to The Plan Administrator.

Analysis of amounts included in the balance sheet

Capital resources

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

The authorised share capital of Barclays PLC is GBP2,500m (31st December 2005: GBP2,500m) comprising 9,996 million (31st December 2005: 9,996 million) ordinary shares of 25p shares and 1 million (31st December 2005: 1 million) staff shares of GBP1 each. Called up share capital comprises 6,509 million (31st December 2005: 6,490 million) ordinary shares of 25p each and 1 million (31st December 2005: 1 million) staff shares of GBP1 each.

Total capital resources increased GBP2,275m to GBP39,168m since 31st December 2005.

Shareholders' equity, excluding minority interests, increased GBP562m since 31st December 2005. The current period increase reflects profits attributable to equity holders of the parent of GBP2,307m, increases in share capital and share premium of GBP75m and other increases in retained reserves of GBP120m. Offsetting these movements were dividends paid of GBP1,105m, decreases in the available for sale and cash flow hedging reserves of GBP216m and GBP242m respectively, a GBP332m decrease in the translation reserve and a GBP45m decrease due to changes in treasury and ESOP shares.

Subordinated liabilities rose GBP1,166m since 31st December 2005 reflecting capital raisings of GBP1,926m and accrued interest of GBP15m; offset by exchange rate movements of GBP352m, redemptions of GBP129m, fair value adjustments of GBP280m and amortisation of issue expenses of GBP14m.

Minority interests increased GBP547m since 31st December 2005. The increase primarily reflected the issue, during April 2006, of 30,000,000 preference shares of US$25 each (US$750m; GBP419m) with a 6.625% dividend.

Capital ratios

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

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

Other deductions	(998)	(961)	(713)
	(1,944)	(1,743)	(1,409)
Total net capital resources	33,715	30,502	29,421
Tier 1 ratio	7.2%	7.0%	7.6%
Risk asset ratio	11.6%	11.3%	12.1%

(1) Includes reserve capital instruments of GBP2,158m (31st December 2005: GBP1,735m; 30th June 2005: GBP1,679m). Minority interests include an issue of GBP500m of reserve capital instruments raised during the first half of 2006 which is eligible for inclusion in tier 1 capital. This issue is classified within subordinated liabilities on the balance sheet.

(2) Tier one notes are included in subordinated liabilities in the consolidated balance sheet.

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

At 30th June 2006, the Tier 1 capital ratio was 7.2% and the risk asset ratio was 11.6%. From 31st December 2005, net total capital resources rose GBP3.2bn and risk weighted assets increased GBP21.8bn.

Tier 1 capital rose GBP2.1bn, including GBP1.2bn arising from profits attributable to equity holders net of dividends paid. Minority interests within Tier 1 capital increased GBP1.0bn primarily due to the issuance of GBP0.5bn of Reserve Capital Instruments and GBP0.6bn of preference shares. Tier 2 capital increased GBP1.3bn mainly as a result of the issuance of GBP1.4bn of loan capital.

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

Reconciliation of regulatory capital

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

		As at	
	30.06.06	31.12.05	30.06.05
	GBPm	GBPm	GBPm
Shareholders' equity excluding minority interests	17,988	17,426	16,099
Available for sale reserve	(9)	(225)	(374)
Cash flow hedging reserve	172	(70)	(328)
Retained earnings			
Defined benefit pension scheme	1,302	1,215	1,401
Additional companies in regulatory consolidation and non-consolidated companies	(101)	(145)	5
Foreign exchange on RCIs and upper tier 2 loan stock	398	289	390

Other adjustments	(61)	(30)	(33)
Called up share capital and eligible reserves for regulatory purposes	19,689	18,460	17,160

Total assets and risk weighted assets

Total assets increased 7% to GBP986.1bn (31st December 2005: GBP924.4bn). Risk weighted assets increased 8% to GBP290.9bn (31st December 2005: GBP269.1bn).

UK Retail Banking total assets increased 1% to GBP70.9bn (31st December 2005: GBP70.4bn). Risk weighted assets increased 3% to GBP33.8bn (31st December 2005: GBP32.8bn), due to asset growth, small changes in the asset weighting mix and a reduced benefit from credit mitigation transactions in mortgages.

UK Business Banking total assets increased 6% to GBP63.5bn (31st December 2005: GBP59.9bn), reflecting strong growth in loans and advances to customers. Risk weighted assets increased 8% to GBP50.8bn (31st December 2005: GBP47.1bn), broadly in line with total asset growth.

Barclaycard total assets increased 3% to GBP26.6bn (31st December 2005: GBP25.8bn) driven by growth in lending balances. Risk weighted assets increased by 10% to GBP24.0bn (31st December 2005: GBP21.8bn) primarily due to balance sheet growth and a reduction in securitised balances.

International Retail and Commercial Banking - excluding Absa total assets increased 5% to GBP35.8bn (31st December 2005: GBP34.2bn) primarily reflected strong volume growth in continental European mortgages. Risk weighted assets increased 5% to GBP21.4bn (31st December 2005: GBP20.4bn), reflecting the balance sheet growth.

International Retail and Commercial Banking - Absa total assets were GBP29.3bn (31st December 2005: GBP29.4bn) and risk weighted assets GBP20.7bn (31st December 2005: GBP20.8bn). In Rand terms assets grew 21% to R386bn (31st December 2005: R319bn) and risk weighted assets grew 20% to R273bn (31st December 2005: R226bn). Growth in Rand terms was more than offset by the depreciation in the Rand exchange rate against Sterling.

Barclays Capital total assets increased 10% to GBP659.3bn (31st December 2005: GBP601.2bn). This was mainly attributable to increases in debt and equity securities held in the trading portfolio and in reverse repurchase agreements, as the business continued to grow in Europe, the US and Asia. Settlement balances were also higher compared to December as a result of seasonal fluctuations in trading related activity. Risk weighted assets increased 12% to GBP130.5bn (31st December 2005: GBP116.7bn). This increase reflected the growth in the business.

Barclays Global Investors total assets decreased 4% to GBP77.3bn (31st December 2005: GBP80.9bn). The substantial majority of total assets related to asset management products where equal and offsetting balances are reflected within liabilities to customers. Risk weighted assets decreased 5% to GBP1.4bn (31st December 2005: GBP1.5bn).

Wealth Management total assets increased 12% to GBP6.8bn (31st December 2005: GBP6.1bn) principally reflecting good growth in lending balances. Risk weighted assets increased 21% to GBP4.9bn (31st December 2005: GBP4.1bn).

Head office functions and other operations total assets remained flat at GBP9.3bn (31st December 2005: GBP9.3bn). Risk weighted assets decreased 15% to GBP3.4bn (31st December 2005: GBP4.0bn).

Economic capital

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

The Group regularly enhances its economic capital methodology and benchmarks outputs to external reference points. The framework has been enhanced to reflect default probabilities during average credit conditions, rather than those prevailing at the balance sheet date, thus seeking to remove cyclicality from the economic capital calculation. The framework also adjusts economic capital to reflect time horizon, correlation of risks and risk concentrations.

Economic capital is allocated on a consistent basis across all of Barclays businesses and risk activities. A single cost of equity is applied to calculate the cost of risk. Economic capital allocations reflect varying levels of risk.

The total average economic capital required by the Group, as determined by risk assessment models and after considering the Group's estimated portfolio effects, is compared with the supply of economic capital to evaluate economic capital utilisation. Supply of economic capital is calculated as the average available shareholders' equity after adjustment and including preference shares.

The economic capital methodology will form the basis of the Group's submission for the Basel II Internal Capital Adequacy Assessment Process (ICAAP).

Economic capital demand(1)

	Half-year ended		
	30.06.06	31.12.05	30.06.05
	GBPm	GBPm	GBPm
UK Banking	5,000	4,900	4,800
UK Retail Banking	2,400	2,400	2,300
UK Business Banking	2,600	2,500	2,500
Barclaycard	3,000	2,950	2,650
International Retail and Commercial Banking	1,850	1,700	1,100
International Retail and Commercial Banking-ex Absa	1,150	1,150	1,100
International Retail and Commercial Banking-Absa(2)	700	550	-
Barclays Capital	3,600	3,100	2,700
Barclays Global Investors	150	150	150
Wealth Management	350	400	400
Wealth Management - closed life assurance activities	50	50	50
Head office functions and other operations(3)	250	300	250
Business unit economic capital	14,250	13,550	12,100
Capital held at Group centre(4)	900	950	1,600

Economic capital requirement (excluding goodwill)	15,150	14,500	13,700
Average historic goodwill and intangible assets(5)	7,900	7,150	5,800
Total economic capital requirement(6)	23,050	21,650	19,500

UK Retail Banking economic capital allocation remained unchanged at GBP2,400m. UK Business Banking economic capital allocation increased GBP100m to GBP2,600m as asset growth was offset by changes to estimates of risk correlation.

Barclaycard economic capital allocation increased GBP50m to GBP3,000m, reflecting portfolio growth in the UK and Barclaycard US.

International Retail and Commercial Banking - excluding Absa economic capital remained unchanged at GBP1,150m as portfolio growth in primarily in Africa, Italy and Spain was offset by changes to estimates of risk correlation.

International Retail and Commercial Banking - Absa economic capital increased GBP150m to GBP700m, after excluding the risk borne by the minority interest. The allocation reflects six months of ownership, compared to the five months held in the second half of 2005.

(1) Calculated using a five point average over the year. For the half-year a three point average is used.

(2) For the second half of 2005 average economic capital demand for Absa relates to 5 months.

(3) Includes Transition Businesses and capital for central function risks.

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

(5) Average goodwill relates to purchased goodwill and intangible assets from business acquisitions and (with effect from 2006) capitalised software. Absa goodwill is included for 5 months of the second-half of 2005. As at 30th June 2006 Absa goodwill and intangibles amounted to GBP1,800m and total goodwill and intangibles was GBP8,100m.

(6) Total period-end economic capital requirement as at 30th June 2006 stood at GBP24,100m (31st December 2005: GBP21,850m; 30th June 2005: GBP20,750m).

Barclays Capital economic capital allocation increased GBP500m to GBP3,600m, reflecting underlying growth in derivative and loan portfolios and a methodology enhancement to include specific market risk not previously measured in DVaR and growth in Private Equity investments.

Wealth Management economic capital allocation decreased GBP50m to GBP350m following changes in estimates of risk correlation.

Capital held at the Group centre decreased GBP50m to GBP900m as a result of growth in the businesses being partially offset by an increase in available funds to support economic capital (see Economic capital supply on page 65).

Economic capital supply

The capital resources to support economic capital comprise adjusted shareholders' equity including preference shares but excluding other minority interests. Preference shares have been issued to optimise the long-term capital base of the Group.

The capital resources to support economic capital are impacted by a number of factors arising from the application of IFRS and are modified in calculating available funds for economic capital. This applies specifically to:

- Cashflow hedging reserve - to the extent that the Group undertakes the hedging of future cash flows, shareholders' equity will include gains and losses which will be offset against the gain or loss on the hedged item when it is recognised in the income statement at the conclusion of the future hedged transaction. Given the future offset of such gains and losses, they are excluded from shareholders' equity when calculating economic capital.

- Available for sale reserve - unrealised gains and losses on such securities are included in shareholders' equity until disposal or impairment. Such gains and losses are excluded from shareholders' equity for the purposes of calculating economic capital. Realised gains and losses, foreign exchange translation differences and any impairment charges recorded in the income statement will impact economic profit.

- Retirement benefits liability - the Group has recorded a deficit with a consequent reduction in shareholders' equity. This represents a non-cash reduction in shareholders' equity. For the purposes of calculating economic capital, the Group will not deduct the pension deficit from shareholders' equity.

The average supply of capital to support the economic capital framework is set out below(1):

	Half-year ended		
	30.06.06	31.12.05	30.06.05
	GBPm	GBPm	GBPm
Shareholders' equity excluding minority interests less goodwill(2)	10,750	10,650	11,000
Retirement benefits liability	1,300	1,350	1,500
Cashflow hedging reserve	50	(200)	(250)
Available for sale reserve	(50)	(250)	(300)
Preference shares	3,100	2,950	1,750
Available funds for economic capital excluding goodwill	15,150	14,500	13,700
Average historic goodwill and intangible assets(2)	7,900	7,150	5,800
Available funds for economic capital(3)	23,050	21,650	19,500

(1) Averages for the period will not correspond to period-end balances disclosed in the balance sheet. Numbers are rounded to the nearest GBP50m for presentational purposes only.

(2) Average goodwill relates to purchased goodwill and intangible assets from

business acquisitions, and (with effect from 2006) capitalised software.

(3) Available funds for economic capital as at 30th June 2006 stood at GBP24,100m (31st December 2005: GBP21,850m; 30th June 2005: GBP20,750m).

Economic profit

Economic profit comprises:

- Profit after tax and minority interests; less

- Capital charge (average shareholders' equity excluding minority interests multiplied by the Group cost of capital).

The Group cost of capital has been applied at a uniform rate of 9.5%(1). The costs of servicing preference shares are included in minority interests.

The economic profit performance in 2006 and 2005 is shown below:

	Half-year ended		
	30.06.06	31.12.05	30.06.05
	GBPm	GBPm	GBPm
Profit after tax and minority interests	2,307	1,606	1,841
Addback of amortisation charged on acquired intangible assets(2)	23	22	7
Profit for economic profit purposes	2,330	1,628	1,848
Average shareholders' equity excluding minority interests (3), (4)	10,750	10,650	11,000
Adjust for unrealised loss/(gains) on cashflow hedge reserve(4)	50	(200)	(250)
Adjust for unrealised gains on available for sale financial instruments (4)	(50)	(250)	(300)
Add: retirements benefits liability	1,300	1,350	1,500
Goodwill and intangible assets arising on acquisitions (4),(5)	7,900	7,150	5,800
Average shareholders' equity for economic profit purposes (3),(4)	19,950	18,700	17,750
Capital charge at 9.5%	(945)	(880)	(844)
Economic profit	1,385	748	1,004

(1) The Group's cost of capital for 2006 is unchanged from 2005 at 9.5%.

(2) Amortisation charged for purchased intangibles only, adjusted for tax and minority interests.

(3) Average ordinary shareholders' equity for Group economic profit calculation is the sum of adjusted equity and reserves plus goodwill and intangible assets arising on acquisition, but excludes preference shares.

(4) Averages for the period will not correspond exactly to period end balances disclosed in the balance sheet. Numbers are rounded to the nearest GBP50m for presentation purposes only.

(5) Absa goodwill is included for 5 months for the second half of 2005. As at 30th June 2006 Absa goodwill and intangibles amounted to GBP1,800m (31st December 2005: GBP1,800m).

Economic profit generated by business

	Half-year ended		
	30.06.06	31.12.05	30.06.05
	GBPm	GBPm	GBPm
UK Banking	641	577	553
UK Retail Banking	314	316	270
UK Business Banking	327	261	283
Barclaycard	55	68	115
International Retail and Commercial Banking	187	135	70
International Retail and Commercial Banking-ex Absa	94	45	70
International Retail and Commercial Banking-Absa	93	90	-
Barclays Capital	671	323	383
Barclays Global Investors	195	170	129
Wealth Management	77	60	49
Wealth Management - closed life assurance activities	4	1	(8)
Head office functions and other operations	(143)	(323)	(17)
	1,687	1,011	1,274
Historic goodwill and intangibles arising on acquisition	(376)	(340)	(275)
Variance to average shareholders' funds (excluding minority interest)	74	77	5
Economic profit	1,385	748	1,004

Economic profit for the Group increased 38% (GBP381m) to GBP1,385m (2005: GBP1,004m). The rise in economic profit was greater than the increase in both profit before tax and earnings per share. This was due to the efficient use of capital across the Group more than offsetting the increased share of minority interests.

Barclaycard economic profit decreased 52% (GBP60m) to GBP55m (2005: GBP115m), comprising a 14% decrease in profit before tax and a 14% increase in the economic capital charge, arising from the impact of portfolio growth on average economic capital.

International Retail and Commercial Banking - excluding Absa economic profit increased 34% (GBP24m) to GBP94m (2005: GBP70m), comprising a 28% increase in profit before tax and an increase in the economic capital charge of 5%. The increase in economic capital charge reflects the impact of portfolio growth in Africa and Spain on economic capital, partly offset by changes to estimates of risk correlation.

Barclays Capital economic profit increased 75% (GBP288m) to GBP671m (2005: GBP383m), comprising a 66% increase in profit before tax and a 36% increase in the economic capital charge. The increase in economic capital charge reflects the impact of portfolio growth in loan and derivative portfolios on economic capital, partly offset by methodology enhancements.

Wealth Management economic profit increased 57% (GBP28m) to GBP77m (2005: GBP49m), comprising a 31% increase in profit before tax and a decrease in the economic capital charge of 8%, reflecting the benefit of changes to estimates of risk correlation on average economic capital.

Group performance management

Performance relative to the 2004 to 2007 goal period

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

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

At the time of setting the TSR goal, we estimated that achieving top quartile TSR would require the achievement of compound annual growth in economic profit(2) in the range of 10% to 13% per annum (GBP6.5bn to GBP7.0bn of cumulative economic profit) (3) to support top quartile TSR over the 2004-2007 goal period.

Economic Profit for the first half of 2006 was GBP1.4bn, a 38% increase on the first six months of 2005. This, when added to the GBP1.8bn and GBP1.6bn generated in 2005 and 2004 respectively, delivers a cumulative total of GBP4.8bn for the goal period to date which is well ahead of the target range.

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

(2) Economic profit is defined on page 66.

(3) Restated for IFRS.

Risk Tendency

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

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

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

Risk Tendency increased 17% (GBP320m) to GBP2,165m (31st December 2005: GBP1,845m).

The principal increase in Risk Tendency occurred in Barclaycard, where Risk Tendency rose GBP240m to GBP1,340m, reflecting the deterioration of credit conditions in the UK credit card and unsecured loan market and enhancements to the methodology. Risk Tendency growth in the other businesses largely reflected credit conditions and loan growth.

(1) Included within head office functions and other operations.

ADDITIONAL INFORMATION

Group reporting changes in 2006

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

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

Group structure changes - effective 1st January 2006

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

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

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

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

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

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

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

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

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

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

Acquisitions and disposals

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

On 29th June 2006, a wholly-owned subsidiary of Barclays Bank PLC acquired a 16% minority equity stake in Greenergy International Limited, a UK based fuels and biofuels company, for a cash consideration of GBP12m.

Basis of Preparation

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

Future accounting developments

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

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

- Interpretation 7 - Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies
- Interpretation 8 - Scope of IFRS 2
- Interpretation 9 - Reassessment of Embedded Derivatives
- Interpretation 10 - Interim Financial Reporting and Impairment.

Share capital

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

Group share schemes

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

Filings with the SEC

The results will be furnished as a Form 6-K to the US Securities and Exchange Commission as soon as practicable following the publication of these results.

Competition and regulatory matters

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

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

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

In relation to UK consumer credit:

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

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

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

Recent developments

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

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

NOTES

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

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

2. Derivative financial instruments

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

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

Total derivative assets/(liabilities) designated in hedge accounting relationships	59,998	993	(676)
Total recognised derivative assets/(liabilities)	20,815,896	136,901	(138,982)

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

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

	As at 30.06.05		
	Contract notional amount	Fair value Assets	Fair value Liabilities
Derivatives designated as held for trading	GBPm	GBPm	GBPm

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

3. Loans and advances to banks

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

Of the total loans and advances to banks, placings with banks were GBP18.1bn (2005: GBP21.1bn).

4. Loans and advances to customers

		As at	
	30.06.06	31.12.05	30.06.05
	GBPm	GBPm	GBPm
Retail business	134,534	144,039	109,566
Wholesale and corporate business	150,963	128,303	130,385
	285,497	272,342	239,951
Less: Allowances for impairment	(3,400)	(3,446)	(2,828)
Total loans and advances to customers	282,097	268,896	237,123

By geographical area			
United Kingdom	164,417	163,759	165,382
Other European Union	43,528	38,923	35,479
United States	26,523	22,925	22,588
Africa	29,694	33,221	3,046
Rest of the World	21,335	13,514	13,456
	285,497	272,342	239,951
Less: Allowance for impairment	(3,400)	(3,446)	(2,828)
Total loans and advances to customers	282,097	268,896	237,123

By industry			
Financial institutions	56,616	43,102	44,791
Agriculture, forestry and fishing	3,449	3,785	2,426
Manufacturing	13,951	13,779	12,717
Construction	4,430	5,020	4,478
Property	16,929	16,325	7,797
Energy and water	5,527	6,891	4,976
Wholesale and retail distribution and leisure	16,902	17,760	13,844
Transport	5,252	5,960	5,169
Postal and communication	1,394	1,313	1,164
Business and other services	29,453	24,247	28,721
Home loans(1)	89,001	89,529	75,435
Other personal	31,865	35,543	30,287
Finance lease receivables	10,728	9,088	8,146
	285,497	272,342	239,951
Less: Allowance for impairment	(3,400)	(3,446)	(2,828)
Total loans and advances to customers	282,097	268,896	237,123

The industry classifications have been prepared at the level of the borrowing entity. This means that a loan to the subsidiary of a major corporation is classified by the industry in which that subsidiary operates even though the parent's predominant business may be a different industry.

Loans and advances grew 5% (GBP13,201m) to GBP282,097m (31st December 2005: GBP268,896m).

(1) Excludes commercial property mortgages.

5. Allowance for impairment on loans and advances

	Half-year ended		
	30.06.06	31.12.05	30.06.05
	GBPm	GBPm	GBPm
At beginning of period	3,450	2,840	2,637
Acquisitions and disposals	(3)	532	23
Exchange and other adjustments	(105)	62	63
Unwind of discount	(48)	(46)	(30)
Amounts written off (see below)	(996)	(923)	(664)

Recoveries (see below)	125	124	98
Amounts charged against profit (see below)	981	861	713
At end of period	3,404	3,450	2,840
Amounts written off			
United Kingdom	(751)	(682)	(620)
Other European Union	(54)	(40)	(16)
United States	(18)	(119)	(24)
Africa	(167)	(77)	(4)
Rest of the World	(6)	(5)	-
	(996)	(923)	(664)
Recoveries			
United Kingdom	80	95	65
Other European Union	10	9	4
United States	13	9	6
Africa	17	15	1
Rest of the World	5	(4)	22
	125	124	98
Impairment charged against profit:			
New and increased impairment allowances			
United Kingdom	1,042	936	827
Other European Union	56	68	45
United States	44	68	37
Africa	102	92	17
Rest of the World	13	20	19
	1,257	1,184	945
Less: Releases of impairment allowance			
United Kingdom	(84)	(124)	(97)
Other European Union	(25)	(15)	(10)
United States	(16)	9	(23)
Africa	(15)	(52)	(4)
Rest of the World	(11)	(17)	-
	(151)	(199)	(134)
Recoveries	(125)	(124)	(98)
Total impairment charges on loans and advances(1)	981	861	713

(1) This excludes other credit provisions and impairment on available for sale assets detailed on page 50.

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

6. Potential credit risk loans

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

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

Rest of the World	-	-	-
Total	618	609	613

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

		As at	
	30.06.06	31.12.05	30.06.05
	GBPm	GBPm	GBPm
Restructured loans			
United Kingdom	2	5	-
Other European Union	10	7	7
United States	17	16	16
Africa	17	23	-
Rest of the World	-	-	-
Total	46	51	23
Total non-performing loans			
United Kingdom	3,694	3,509	3,446
Other European Union	538	405	343
United States	191	246	254
Africa	695	871	127
Rest of the World	176	179	201
Total	5,294	5,210	4,371
Potential problem loans			
United Kingdom	599	640	561
Other European Union	51	26	58
United States	35	12	43
Africa	248	248	66
Rest of the World	2	3	3
Total	935	929	731
Total potential credit risk loans			
United Kingdom	4,293	4,149	4,007
Other European Union	589	431	401
United States	226	258	297
Africa	943	1,119	193
Rest of the World	178	182	204
Total	6,229	6,139	5,102
Allowance coverage of non-performing loans	%	%	%
United Kingdom	65.7	64.6	63.1
Other European Union	48.1	70.1	82.2
United States	67.0	52.8	58.7
Africa	68.2	74.3	59.8
Rest of the World	65.3	68.7	79.1

Total	64.3	66.2	65.0
Allowance coverage of total potential credit risk loans	%	%	%
United Kingdom	56.6	54.6	54.3
Other European Union	44.0	65.9	70.3
United States	56.6	50.4	50.2
Africa	50.3	57.8	39.3
Rest of the World	64.6	67.6	77.9
Total	54.6	56.2	55.7

		As at	
	30.06.06	31.12.05	30.06.05
Allowance coverage of non-performing loans:	%	%	%
Retail	63.2	62.3	64.3
Wholesale and corporate	66.8	74.2	66.3
Total	64.3	66.2	65.0
Allowance coverage of total potential credit risk loans:			
Retail	56.9	57.1	59.2
Wholesale and corporate	50.4	54.4	49.8
Total	54.6	56.2	55.7

In the half year to 30th June 2006, Group non-performing loans (NPLs) increased 2% to GBP5,294m (31st December 2005: GBP5,210m). Retail NPLs increased 3% and wholesale and corporate NPLs were broadly flat.

Potential problem loans (PPLs) were broadly flat at GBP935m (31st December 2005: GBP929m). Retail PPLs increased 25% and wholesale and corporate PPLs declined 12%.

Potential Credit Risk Loans (PCRLs) increased 1% from 31st December 2005 to GBP6,229m (31st December 2005: GBP6,139m). Retail PCRLs increased 5% and wholesale and corporate PCRLs declined 5%.

7. Available for sale financial investments

		As at	
	30.06.06	31.12.05	30.06.05
	GBPm	GBPm	GBPm
Debt securities	49,908	50,024	59,227
Equity securities	1,400	1,258	848
Treasury bills and other eligible bills	2,498	2,223	1,068

	53,806	53,505	61,143
Less: Allowance for impairment	(90)	(8)	-
Available for sale financial investments	53,716	53,497	61,143

8. Other assets

	As at 30.06.06 GBPm	31.12.05 GBPm	30.06.05 GBPm
Sundry debtors	3,980	3,569	2,789
Prepayments	962	722	530
Accrued income	834	329	172
Insurance assets, including unit linked assets	90	114	107
Other assets	5,866	4,734	3,598

9. Other liabilities

	As at 30.06.06 GBPm	31.12.05 GBPm	30.06.05 GBPm
Obligations under finance leases payable	102	289	338
Sundry creditors	5,772	6,131	5,477
Accruals and deferred income	4,893	4,711	3,834
Other liabilities	10,767	11,131	9,649

10. Other provisions for liabilities

	As at 30.06.06 GBPm	31.12.05 GBPm	30.06.05 GBPm
Redundancy and restructuring	90	74	70
Undrawn contractually committed facilities and guarantees	50	55	48
Onerous contracts	44	79	42
Sundry provisions	290	309	226
Other provisions for liabilities	474	517	386

11. Other reserves

	As at 30.06.06 GBPm	31.12.05 GBPm	30.06.05 GBPm
Available for sale reserve	9	225	374
Cash flow hedging reserve	(172)	70	328
Capital redemption reserve	309	309	309
Other capital reserve	617	617	617
Translation reserve	(176)	156	(35)

Other reserves	587	1,377	1,593

Movements in other reserves reflect the relevant amounts recorded in the consolidated statement of recognised income and expense on page 88.

The movements include related tax impacts but exclude amounts attributable to minority interests.

12. Retirement benefit liabilities

The Group's IAS 19 pension deficit across all schemes as at 30th June 2006 was GBP1,843m (31st December 2005: GBP2,879m). This comprises net recognised liabilities of GBP1,893m (31st December 2005: GBP1,737m) and unrecognised actuarial gains of GBP50m (31st December 2005: GBP1,142m unrecognised actuarial loss). The net recognised liabilities comprises retirement benefit liabilities of GBP1,976m (31st December 2005: GBP1,823m) and assets of GBP83m (31st December 2005: GBP86m).

The Group's IAS 19 pension deficit in respect of the main UK scheme as at 30th June 2006 was GBP1,469m (31st December 2005: GBP2,535m). The primary reason for this change was the increase in the discount rate from 4.83% pa at 31st December 2005 to 5.32% pa at 30th June 2006, reflecting the increase in AA corporate bond yields over the period. This change in assumptions had the effect of decreasing the liabilities measured for IAS19 purposes by GBP1,738m and more than offset the effect of an increase in the inflation assumption to 2.9% (31st December 2005: 2.75%).

The actuarial funding position of the main UK pension scheme as at 30th June 2006, estimated from the formal triennial valuation in 2004, was a surplus of GBP1,300m (31st December 2005: surplus of GBP900m).

The Pensions Protection Fund (PPF) solvency ratio(1) for the main UK scheme as at 30th June 2006 was estimated to be 116% (31st December 2005: 110%).

(1) The PPF solvency ratio represents the funds assets as a percentage of pension liabilities calculated using a section 179 valuation model.

13. Legal proceedings

Barclays has for some time been party to proceedings, including a class action, in the United States against a number of defendants following the collapse of Enron; the class action claim is commonly known as the Newby litigation. On 20th July 2006 Barclays received an Order from the United States District Court for the Southern District of Texas Houston Division which dismissed the claims against Barclays PLC, Barclays Bank PLC and Barclays Capital Inc. in the Newby litigation. This Order, unless successfully challenged by the Plaintiffs, ends the Newby litigation for Barclays.

Barclays considers that the remaining Enron claims against it are without merit and is defending them vigorously. It is not possible to estimate Barclays possible loss in relation to these matters, nor the effect that it might have upon operating results in any particular financial period.

Barclays has been in negotiations with the staff of the US Securities and Exchange Commission with respect to a settlement of the Commission's investigation of transactions between Barclays and Enron. Barclays has also been in negotiations in the Enron bankruptcy proceedings. Barclays does not expect that the amount of any settlement with the Commission or in the bankruptcy proceedings would have a significant adverse effect on its financial position or operating results.

Barclays is engaged in various other litigation proceedings both in the United Kingdom and a number of overseas jurisdictions, including the United States, involving claims by and against it, which arise in the ordinary course of business. Barclays does not expect the ultimate resolution of any of the proceedings to which Barclays is party to have a significant adverse effect on the financial position of the Group and Barclays has not disclosed the contingent liabilities associated with these claims either because they cannot reasonably be estimated or because such disclosure could be prejudicial to the conduct of the claims.

14. Contingent liabilities and commitments

	As at		
	30.06.06	31.12.05	30.06.05
Contingent liabilities	GBPm	GBPm	GBPm
Acceptances and endorsements	248	283	271
Guarantees and assets pledged as collateral for security	33,417	38,035	35,703
Other contingent liabilities	8,354	8,825	8,503
	42,019	47,143	44,477
Commitments			
Standby facilities, credit lines and other commitments	204,860	203,785	163,037

Contingent liabilities decreased 11% (GBP5.1bn) to GBP42.0bn (31st December 2005: GBP47.1bn).

Commitments increased 1% (GBP1.1bn) to GBP204.9bn (31st December 2005: GBP203.8bn).

15. Market risk

Market risk is the risk that the Group's earnings, capital, or ability to meet its business objectives, will be adversely affected by changes in the level or volatility of market rates or prices such as interest rates, credit spreads, foreign exchange rates, equity prices and commodity prices.

Barclays Capital's market risk exposure, as measured by average total Daily Value at Risk (DVaR), increased in the first half of 2006 to GBP36.2m. This was mainly due to an increase in non-interest rate trading risk. Total DVaR as at 30th June 2006 was GBP36.4m (31st December 2005: GBP37.6m(1)).

(1) This was previously reported as GBP37.4m. The increase is due to the inclusion of Absa Capital.

Analysis of Barclays Capital's market risk exposures

The daily average, maximum and minimum values of DVaR were calculated as below:

DVaR

	Half-year ended 30th June 2006		
	Average GBPm	High(1) GBPm	Low(1) GBPm
Interest rate risk	20.5	25.2	14.6
Credit spread risk	24.2	27.5	20.9
Foreign exchange risk	4.5	7.7	2.0
Equities risk	7.7	10.0	6.0
Commodities risk	8.4	13.9	5.7
Diversification effect	(29.1)	-	-
Total DVaR	36.2	43.0	31.3

	Half-year ended 31st December 2005		
	Average GBPm	High(1) GBPm	Low(1) GBPm
Interest rate risk	26.2	34.1	18.6
Credit spread risk	22.4	27.6	19.0
Foreign exchange risk	2.7	5.4	1.6
Equities risk	6.8	8.3	3.9
Commodities risk	7.7	11.4	5.4
Diversification effect	(32.2)	-	-
Total DVaR	33.6	40.7	27.2

	Half-year ended 30th June 2005		
	Average GBPm	High(1) GBPm	Low(1) GBPm
Interest rate risk	24.6	44.8	15.4
Credit spread risk	23.6	28.3	19.4
Foreign exchange risk	2.9	5.3	1.6
Equities risk	5.2	7.3	3.9
Commodities risk	5.8	7.6	4.5
Diversification effect	(31.7)	-	-
Total DVaR	30.4	37.4	25.4

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

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE (UNAUDITED)

	Half-year ended		
	30.06.06	31.12.05	30.06.05
	GBPm	GBPm	GBPm
Net movements in available for sale reserve	(313)	(195)	86
Net movements in cash flow hedging reserve	(419)	(147)	28
Currency translation differences arising during the period	(595)	277	23
Tax	267	168	(118)
Other movements	30	(112)	10
Amounts included directly in equity	(1,030)	(9)	29
Profit for the period	2,601	1,866	1,975
Total recognised income and expense for the period	1,571	1,857	2,004
Attributable to:			
Equity holders of the parent	1,561	1,506	1,873
Minority interests	10	351	131
	1,571	1,857	2,004

The consolidated statement of recognised income and expense reflects all items of income and expense for the period, including items taken directly to equity in accordance with IFRS. Movements in individual reserves include amounts which relate to minority interests; the impact of such amounts is then reflected in the amount attributable to such interests. Income and expense recognised directly in equity is recorded on a gross basis with any related tax recorded on the separate tax line.

The available for sale reserve reflects gains or losses arising from the change in fair value of available for sale financial assets except for impairment losses and foreign exchange gains or losses on monetary items such as debt securities, which are recognised in the income statement. When an available for sale asset is impaired or derecognised, the cumulative gain or loss previously recognised in the available for sale reserve is transferred to income. The movement in the first half of 2006 reflects net unrealised losses from changes in fair value and the transfer of net realised gains to the income statement on disposal of assets.

Cash flow hedging aims to minimise exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect profit or loss. The portion of the gain or loss on the hedging instrument that is deemed to be an effective hedge is recognised in the cash flow hedging reserve. The movement in the first half of 2006 primarily reflects net unrealised losses from changes in the fair value of the hedging instruments. The gains and losses deferred in this reserve will be transferred to the income statement in the same period or periods during which the hedged item is recognised in the income statement.

Exchange differences arising on the net investments in foreign operations and effective hedges of net investments are recognised in the translation reserve and transferred to income on the disposal of the net investment. The movement in the period primarily reflects the impact of changes in the value of the Rand on the minority interest in Absa Group Limited and changes in the value of the US Dollar on net investments which are economically hedged through dollar-denominated preference share capital, but where the hedging item is not revalued for accounting purposes.

Other movements primarily reflect the change in insurance liabilities taken directly to reserves.

SUMMARY CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

	Half-year ended		
	30.06.06	31.12.05	30.06.05
	GBPm	GBPm	GBPm
Net cash inflow/(outflow) from operating activities	8,280	(28,082)	17,584
Net cash (outflow)/inflow from investing activities	(1,159)	6,213	(11,394)
Net cash inflow from financing activities	1,837	12,593	2,526
Net (gain)/loss on exchange rate changes on cash and cash equivalents	(386)	301	(539)
Net increase/(decrease) in cash and cash equivalents	8,572	(8,975)	8,177
Cash and cash equivalents at beginning of period	20,805	29,780	21,603
Cash and cash equivalents at end of period	29,377	20,805	29,780

OTHER INFORMATION

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Company number: 48839.

Website

www.barclays.com

Registrar

The Registrar to Barclays PLC, The Causeway, Worthing, West Sussex, BN99 6DA, England, United Kingdom. Tel: + 44 (0) 870 609 4535.

Listing

The principal trading market for Barclays PLC ordinary shares is the London Stock Exchange. Ordinary shares are also listed on the New York Stock Exchange and the Tokyo Stock Exchange. Trading on the New York Stock Exchange is in the form of ADSs under the ticker symbol 'BCS'. Each ADS represents four ordinary shares of 25p each and is evidenced by an ADR. The ADR depositary is The Bank of New York whose international telephone number is +1-212-815-3700, whose domestic telephone number is 1-888-BNY-ADRS and whose address is The Bank of New York, Investor Relations, PO Box 11258, Church Street Station, New York, NY 10286-1258.

Filings with the SEC

Statutory accounts for the year ended 31st December 2005, which also include certain information required for the joint Annual Report on Form 20-F of Barclays PLC and Barclays Bank PLC to the US Securities and Exchange Commission (SEC), can be obtained from Corporate Communications, Barclays Bank PLC, 200 Park Avenue, New York, NY 10166, United States of America or from the Director, Investor Relations at Barclays registered office address, shown above. Copies of the Form 20-F are also available from the Barclays Investor Relations' website (details below) and from the SEC's website (www.sec.gov).

Results timetable

Ex-dividend date	Wednesday, 16th August 2006
Dividend Record Date	Friday, 18th August 2006
Dividend Payment Date	Monday, 2nd October 2006
Full Year Trading Update*	Tuesday, 28th November 2006
2006 Preliminary Results*	Tuesday, 20th February 2006

*Note that these announcement dates are provisional and subject to change.

Economic data

	30.06.06	31.12.05	30.06.05
Period end - US$/GBP	1.85	1.72	1.79
Average - US$/GBP	1.79	1.82	1.88
Period end - EUR/GBP	1.45	1.46	1.48
Average - EUR/GBP	1.46	1.46	1.46
Period end - ZAR/GBP	13.19	10.87	11.96
Average - ZAR/GBP	11.31	11.57	11.63

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APPENDIX

Absa Group Limited results(1)

This appendix summarises the Rand results of Absa Group Limited for the half year to 30th June 2006, as reported to the Johannesburg Stock Exchange, and their impact in Sterling on the consolidated interim results of Barclays.

Absa Group Limited's profit before tax increased 16% (R688m) to R4,881m (2005: R4,193m), reflecting very good performances from banking operations which were well spread across all business segments. Absa's bancassurance offering was negatively affected by increased equity market volatility.

Net interest income grew strongly by 28% (R1,575) to R7,163m (2005: R5,588m) as credit demand remained strong. Loans and advances to customers increased by 14% to R367bn (31st December 2005: R322bn). Mortgages and credit cards remained the core drivers of this growth. Margins contracted modestly reflecting an increased reliance on wholesale funding as well as increased competition.

Non-interest income increased 3% (R183m) to R6,600m (2005: R6,417m). Increased retail transaction volumes were partially offset by the closure of Absa Group's international operations outside Africa, and lower fair value gains in respect of the listed equity portfolio.

Impairment charges increased 5% (R26m) to R594m (2005: R568m). The increase largely arose in Absa Home Loans and Retail Banking Services. The ratio of non-performing loans to total advances continued its downward trend and improved to 1.3% (2005: 2.0%).

Operating expenses increased 15% (R1,091m) to R8,357m (2005: R7,266m), principally due to the further expansion of the Group's branch and ATM network and regulatory and compliance expenditure.

Absa Capital has demonstrated very strong growth in profit after tax for the six months under review of 22% (R111m) to R617m (2005: R506m). Total income increased by 90% compared with the comparable period.

Absa Group has made good progress with integration and the realisation of synergy benefits. Included in Absa Group Limited's results for 2006 are R262m (GBP23m) of integration costs and R197m (GBP17m) of sustainable pre-tax synergy benefits. Total revenue and cost synergies identified to date are expected to improve Absa Group Limited's pre-tax profits by approximately R1.4bn per annum four years after the completion of the transaction. Implementation costs totalling R1.8bn are expected to be incurred over the first three years.

Absa Group Limited's profit before tax of R4,881m is translated into the Barclays results at an average exchange rate for the period of R11.31/GBP. Consolidation adjustments reflect amortisation of intangible assets of GBP42m and internal funding costs and other adjustments of GBP28m. The resulting profit before tax of GBP362m is represented within International Retail and Commercial Banking - Absa (GBP317m) and Barclays Capital (GBP45m).

(1) Absa Group's interim reporting period has changed from the six months ended 30th September to the six months ended 30th June. This change was necessitated by the need to align Absa's financial reporting with that of Barclays. To facilitate evaluation and interpretation, these results are compared with unaudited proforma results for the six months ended 30th June 2005.

	Half-year ended 30.06.06	30.06.05 Proforma
	Rm	Rm
Interest and similar income	17,977	13,977
Interest expense and similar charges	(10,814)	(8,389)
Net interest income	7,163	5,588
Impairment losses on loans and advances	(594)	(568)
	6,569	5,020
Fee and commission income	5,113	4,881
Fee and commission expense	(272)	(224)
Net fee and commission income	4,841	4,657
Insurance premium revenue	1,549	1,243
Premiums ceded to reinsurers	(141)	(169)
Net insurance premium income	1,408	1,074
Gross claims and benefits paid on insurance contracts	(622)	(508)
Reinsurance recoveries	15	21
Net claims and benefits paid	(607)	(487)
Changes in insurance and investment liabilities	(564)	(257)
Gains and losses from banking and trading activities	461	264
Gains and losses from investment activities	629	663
Other operating income	432	503
Net operating income	13,169	11,437
Operating expenses	(8,357)	(7,266)
Share of profit of associated and joint venture companies	69	22
Operating profit before income tax	4,881	4,193
Cost:income ratio	61%	61%
Cost:net income ratio	63%	64%

Index of Main Reference Points