

BARCLAYS PLC  
Form 6-K  
October 10, 2003

Table of Contents

**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**

10 October 2003

**Barclays PLC and  
Barclays Bank PLC**

(Names of Registrants)

**54 Lombard Street  
London EC3P 3AH  
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):

---

## Edgar Filing: BARCLAYS PLC - Form 6-K

### **Table of Contents**

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.

---

**TABLE OF CONTENTS**

SIGNATURES

Interim Results Announcement

---

**Table of Contents**

**TABLE OF CONTENTS**

Signatures

Interim Results - US GAAP Reconciliation

---

**Table of Contents**

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.

Date: October 10, 2003

BARCLAYS PLC  
(Registrant)

By: /s/ Simon Pordage

\_\_\_\_\_  
Simon Pordage  
Head of Board Support

Date: October 10, 2003

BARCLAYS BANK PLC  
(Registrant)

By: /s/ Simon Pordage

\_\_\_\_\_  
Simon Pordage  
Head of Board Support

---

**Table of Contents**

**Barclays PLC**  
**30th June 2003**

**Interim**  
**Results**  
**Announcement**

**6-K**

---

**Table of Contents**

Barclays PLC

Interim Results Announcement 2003

This document consists of the previously published results announcement of Barclays PLC for the six months ended June 30, 2003 with the addition of data relating to Barclays Bank PLC and a reconciliation of the attributable profit and shareholders' funds for both Groups prepared in accordance with UK generally accepted accounting principles to net income and shareholders' equity prepared in accordance with US generally accepted accounting principles. The purpose of this document is to include such reconciliations, consistent with Barclays' past practice, as of, and for the period ended, June 30, 2003, and does not update or otherwise supplement the information contained in the results announcement, which speaks only as of its date.

---



**Table of Contents****BARCLAYS PLC****INTERIM ANNOUNCEMENT OF RESULTS FOR 2003**

The statutory consolidated Profit and Loss account and consolidated Balance Sheet are set out on pages 13 and 14 in the format used in the Group's 2002 Annual Report. Barclays believes that the Further Analysis of the Profit and Loss account shown on page 15 assists in the understanding of profit trends in the results.

In this document the profit and loss analysis compares, unless stated otherwise, the half-year to 30th June 2003 to the corresponding period of 2002. Balance sheet comparisons, unless stated otherwise, relate to the corresponding position at 31st December 2002. Average balance sheet comparisons relate the half-year to 30th June 2003 to the corresponding period of 2002. The prior period presentation has, where appropriate, been restated to conform with current year classification and the changes in accounting policies as described in the 2002 Annual Report.

	<b>PAGE</b>
Summary	1
Financial highlights (unaudited)	4
Half-year review	5
Key facts (unaudited)	8
Group performance management	9
Summary of results (unaudited)	12
Consolidated profit and loss account (unaudited)	13
Consolidated balance sheet (unaudited)	14
Further analysis of profit and loss account (unaudited)	15
Financial review	16
Additional information	50
Notes (unaudited)	52
Consolidated statement of changes in shareholders' funds (unaudited)	62
Statement of total recognised gains and losses (unaudited)	63
Average balance sheet and net interest income (unaudited)	64
Summary consolidated cashflow statement (unaudited)	66
US GAAP data (unaudited)	67
<b>Barclays Bank PLC data</b>	
Consolidated profit and loss account (unaudited)	78
Consolidated balance sheet (unaudited)	79
Consolidated statement of changes in shareholders' funds (unaudited)	80
Statement of total recognised gains and losses (unaudited)	81
Summary consolidated cashflow statement (unaudited)	82
Financial summary - US GAAP (unaudited)	83
Other information	85

BARCLAYS PLC, 54 LOMBARD STREET, LONDON EC3P 3AH, TELEPHONE 020 7699 5000, COMPANY NO. 48839.

**Table of Contents**

**BARCLAYS PLC**

**INTERIM ANNOUNCEMENT OF RESULTS FOR 2003**

The information in this announcement, which was approved by the Board of Directors on 6th August 2003, 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 2002 including the Group's Annual Report on Form 20-F to the US Securities and Exchange Commission, which contained an unqualified audit report under Section 235 of the Act and 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.

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 "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", or other words of similar meaning. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances, including, but not limited to, UK domestic and global economic and business conditions, market related risks such as changes in interest rates and exchange rates, the policies and actions of governmental and regulatory authorities, changes in legislation and the impact of competition, a number of which 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 further disclosures that Barclays has made or may make in documents it has filed or may file with the US Securities and Exchange Commission.

---

**Table of Contents**

7th August 2003

**BARCLAYS PLC - SUMMARY****RESULTS FOR SIX MONTHS TO 30TH JUNE 2003 (UNAUDITED)****Operating Results**

	Half-year ended		% Change
	30.06.03	30.06.02	
	£m	£m	
Operating income	<b>5,993</b>	5,734	5
Operating expenses <sup>1</sup>	<b>(3,166)</b>	(3,046)	4
Provisions for bad and doubtful debts	<b>(652)</b>	(713)	(9)
Operating profit <sup>1</sup>	<b>2,188</b>	1,972	11
Profit before tax	<b>1,963</b>	1,755	12
Economic profit	<b>742</b>	654	13
Earnings per share	<b>21.3p</b>	18.6p	14
Dividend per share	<b>7.05p</b>	6.35p	11
Post-tax return on average shareholders funds	<b>18%</b>	17%	

*Barclays delivered a good first half performance, demonstrating that our strategy to transform the bank is on track and gathering momentum. We have seen good revenue growth, tight cost discipline and prudent risk management. At the same time we are continuing to fund investment for the future.*

**Matthew W. Barrett, Group Chief Executive**

**Financial Summary**

Operating income increased 5% to £5,993m (2002: £5,734m).

Operating expenses<sup>1</sup> rose 4% or £120m to £3,166m (2002: £3,046m), with the majority (£109m) of the increase attributable to the move to a pensions charge (£73m) from a pensions credit (£36m) in the first half of 2002.

The cost:income ratio was maintained at 53% (2002: 53%).

Provisions fell 9% to £652m (2002: £713m). Provisions, excluding the impact of South American Corporate Banking rose 6% to £643m (2002: £609m).

Operating profit<sup>1</sup>, rose 11% to £2,188m (2002: £1,972m).

Profit before tax rose 12% to £1,963m (2002: £1,755m).

Post-tax return on average shareholders funds was 18% (2002: 17%).

Earnings per share rose 14% to 21.3p (2002: 18.6p). The interim dividend per share increased by 11% to 7.05p (2002: 6.35p).

In the first half of 2003, Barclays repurchased shares to the value of £119m and distributed £787m through the final dividend for 2002.

Equity shareholders funds were £16.1bn at 30th June 2003 (31st December 2002: £15.2bn). The tier 1 capital ratio strengthened to 8.4% (31st December 2002: 8.2%). The average economic capital (excluding goodwill) to support the Group's ongoing business requirements was approximately £10.7bn (31st December 2002: £10.3bn).

<sup>1</sup> Based on the consolidated profit and loss account, as defined for statutory purposes and shown on page 13, adjusted for the costs directly associated with the integration of Woolwich plc, goodwill amortisation and the restructuring charge. Additionally operating profit includes the profit/(loss) from joint ventures and associated undertakings prior to the amortisation of related goodwill. A profit and loss account

presentation reflecting these adjustments is on page 15.

**Table of Contents****BARCLAYS PLC - SUMMARY****Business Performance Summary <sup>1</sup>**

**Personal Financial Services** increased operating profit 12% to £534m (2002: £475m). Income was up 6% at £1,524m (2002: £1,436m). Costs rose 5% to £829m (2002: £789m). The cost:income ratio improved to 54% (2002: 55%). Provisions were down 6% at £163m (2002: £173m). Stronger volumes and active margin management helped drive improvements in income. This was broadly based with revenue growth evident across the major business activities: general insurance up 21%; consumer finance up 14%; mortgages up 12%; and, current account and savings up 5%. In mortgages, margins improved relative to the first half of 2002. The share of net new lendings in the UK was 3% (2002: 11%). The number of Openplan customers in the UK grew to 2.4 million. Barclays branded savings maintained a leading market position in new business generation.

**Barclays Private Clients** operating profit, for the ongoing business, decreased 28% to £177m (2002: £246m), with activity impacted by significantly lower equity markets and by lower interest rates than in the first half of 2002. Comparisons year-on-year are impacted by several transactions that affected the structure of the business. Fees and commissions income fell 26%. Costs fell 11% to £430m (2002: £484m). The performance in Spain continued to be strong with income growth of 27% and a 129% increase in Openplan mortgage and deposit balances. The contribution from the closed life assurance activities, reported separately within Barclays Private Clients, was a loss of £46m (2002: loss £26m).

**Barclaycard** increased operating profit 22% to £381m (2002: £312m) with strong business volumes driving income growth of 17% to £878m (2002: £751m). Costs rose 14% to £292m (2002: £256m) reflecting business growth. The cost:income ratio improved to 33% (2002: 34%). Provisions increased 13% to £205m (2002: £181m) in line with growth in the portfolio. Average UK extended credit balances grew 16% to £7.2bn (2002: £6.2bn). Barclaycard International made a profit of £1m (2002: loss £15m) on income growth of 45% and average extended credit balances which were 41% higher. In the first half of 2003, 651,000 customers (2002: 540,000) were recruited. Monument (formerly Providian UK), acquired in April 2002, has been integrated into Barclaycard.

**Business Banking** increased operating profit 5% to £674m (2002: £643m) reflecting volume growth and the benefits of tight cost management. Income grew 5% to £1,287m (2002: £1,224m), notwithstanding the impact of the implementation of the Competition Commission Inquiry transitional pricing remedy. Costs grew 1%, to £504m (2002: £498m). The cost:income ratio improved to 39% (2002: 41%). Provisions rose 38% to £110m (2002: £80m), the increase being substantially attributable to provisions in respect of a small number of larger companies, with no particular industry concentration. The quality of the portfolio by risk grade remained stable. Average lending balances increased 11% to £46.1bn and average deposit balances increased 4% to £45.3bn.

**Barclays Africa** operating profit rose 31% to £63m (2002: £48m). The acquisition of BNPI Mauritius, completed in November 2002, made a positive contribution.

<sup>1</sup> The Business Performance Summary is based on statutory definitions but with costs adjusted for those directly associated with the integration into the Barclays Group of Woolwich plc, goodwill amortisation and the restructuring charge. Additionally, operating profit includes the profit/(loss) from joint ventures and associated undertakings prior to amortisation of related goodwill. Further business analysis on this basis appears on pages 32-44.

**Table of Contents**

**BARCLAYS PLC - SUMMARY**

**Business Performance Summary (continued)**

**Barclays Capital** operating profit increased 14% to £420m (2002: £370m). Operating income grew 7% to a record £1,308m (2002: £1,224m). Market risk was maintained at a level similar to the prior period, with an average Daily Value at Risk (DVaR) of £23m (2002: £22m). Costs rose 8% as revenue related costs increased consequent on strong performance. Provisions declined 14% reflecting improvements in the credit environment, particularly in the US. Barclays Capital improved market share, progressing to 4th in the global all debt league table with over \$100bn of debt issued for clients in the first half of 2003.

**Barclays Global Investors** operating profit increased 52% to £91m (2002: £60m). Income increased 8% to £311m (2002: £289m) reflecting asset growth, investment performance and higher margin product sales. Costs were down 4% at £220m (2002: £229m). Total assets in the Global iShares (Exchange Traded Funds) business grew 27% to £28bn (31st December 2002: £22bn). Total assets under management were £543bn (31st December 2002: £462bn) inclusive of £34bn of new funds acquired during the first half of the year.

**Progress against goals**

Barclays continued to meet its primary goal, of top quartile total shareholder return relative to its peer group, for the three and a half years ended 30th June 2003.

Cumulative economic profit for the three and a half years ended 30th June 2003 was £4.6bn relative to the goal of £5.1bn. The cumulative goal for the period 2000 to 2003 inclusive is £6.1bn.

Cumulative annual cost savings for the three and a half years ended 30th June 2003 were £1,070m and have exceeded the £1bn targeted cost savings set for the end of 2003.

For the half-year ended 30th June 2003, ongoing Woolwich integration synergies of £159m were achieved relative to a target of £330m for 2003. Barclays remains on track to achieve the target synergies of £400m per annum by the end of 2004.

**Table of Contents****BARCLAYS PLC****FINANCIAL HIGHLIGHTS (UNAUDITED)**

	30.06.03	Half-year ended 31.12.02	30.06.02
<b>RESULTS<sup>1</sup></b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Net interest income	3,236	3,072	3,133
Non-interest income	2,757	2,521	2,601
Operating income	5,993	5,593	5,734
Operating expenses	(3,166)	(3,057)	(3,046)
Provisions for bad and doubtful debts	(652)	(771)	(713)
Provisions for contingent liabilities and commitments		(2)	1
Profit/(loss) from joint ventures and associated undertakings	13	(6)	(4)
Operating profit	2,188	1,757	1,972
Restructuring charge	(74)	(132)	(55)
Woolwich integration costs	(22)	(48)	(32)
Goodwill amortisation	(128)	(124)	(130)
Exceptional items	(1)	(3)	
Profit before tax	1,963	1,450	1,755
Profit attributable to shareholders	1,383	993	1,237
Economic profit	742	583	654
<b>BALANCE SHEET</b>			
Shareholders funds	16,064	15,205	15,091
Loan capital	12,553	11,537	10,985
Total capital resources	28,810	26,898	26,200
Total assets	446,731	403,066	389,708
Weighted risk assets	181,414	172,748	165,168
<b>PER ORDINARY SHARE</b>	<b>p</b>	<b>p</b>	<b>p</b>
Earnings (on a statutory basis)	21.3	15.1	18.6
Earnings (on an operating profit basis) <sup>1</sup>	24.3	18.9	21.4
Dividend	7.05	12.00	6.35
Net asset value	245.4	231.2	227.5
<b>PERFORMANCE RATIOS</b>	<b>%</b>	<b>%</b>	<b>%</b>
Post-tax return on average shareholders funds (on a statutory basis)	17.6	13.0	16.5
Post-tax return on average shareholders funds (on an operating profit basis)	20.0	16.1	18.9
<b>CAPITAL RATIOS</b>	<b>%</b>	<b>%</b>	<b>%</b>
Tier 1 ratio	8.4	8.2	7.9
Risk asset ratio	13.2	12.8	12.9
<b>GROUP YIELDS, SPREADS &amp; MARGINS</b>	<b>%</b>	<b>%</b>	<b>%</b>
Gross yield	5.00	5.22	5.48
Interest spread	2.37	2.32	2.52
Interest margin	2.66	2.66	2.84
<b>ECONOMIC DATA</b>			
Period end - US\$/£	1.65	1.61	1.52
Average - US\$/£	1.61	1.50	1.44
Period end - ¥/£	1.44	1.54	1.55
Average - ¥/£	1.46	1.59	1.61
FTSE 100 period end	4,031	3,940	4,656
Average FTSE 100 in period	3,844	4,085	5,126

<sup>1</sup> Based on the Further Analysis of the Profit and Loss account as set out on page 15.





**Table of Contents**

**BARCLAYS PLC**

**HALF-YEAR REVIEW**

The environment in 2002 was tough for financial services companies globally. At the start of 2003, there were no clear indications that the geopolitical or macroeconomic climate would become materially easier. However, there has been some progress in several areas; the war with Iraq has been largely resolved and fears of a double dip recession in the US have abated. On the other hand economic growth prospects across Europe remain subdued and, if anything, have deteriorated somewhat.

Against this backdrop, the UK economy has remained relatively robust, with GDP growth forecast to be just under 2% for this year. Notwithstanding moderating house price inflation, customer confidence remains high as a result of historically low levels of interest rates and unemployment.

Overall, whilst the remainder of 2003 still has its uncertainties, the outlook is generally more stable than at the start of the year.

Barclays approach in 2003 is unchanged from 2002: the pursuit of income growth; tight cost management; a prudent approach to risk management; a focus on generating profitable business; and a relentless drive to transform our businesses.

We continue to make progress in executing our strategic agenda and have been rewarded with good momentum in financial performance across most of our businesses.

Profit before tax increased by 12% to £1,963m (2002: £1,755m). Post-tax earnings per share rose 14% to 21.3p (2002: 18.6p). We have increased the interim dividend by 11% to 7.05p (2002: 6.35p).

Our economic profit<sup>1</sup> performance during the first half was sufficient to ensure that we continued to achieve our primary goal, which is to produce top quartile total shareholder return. Economic profit for the half-year was 13% higher at £742m (2002: £654m). On a cumulative basis, economic profit for the three and a half-year period to 30th June 2003 was £4.6bn - the strongest in Barclays history - although our economic goal for 2000-2003 inclusive required a cumulative £5.1bn at this stage.

In the first half of 2003, income increased by 5% to £5,993m (2002: £5,734m). Costs<sup>2</sup> for the first half were £3,166m, an increase of 4%. The increase included the impact of the half-on-half move to a pensions charge of £73m from a pensions credit of £36m in the equivalent period in 2002, which alone accounted for over 3% of the rise in costs.

Provisions fell by 9% to £652m (2002: £713m). Excluding the impact of South American Corporate Banking half-on-half, provisions rose 6%, well below loan growth of 9%.

There are three main themes driving our financial performance: income growth and the associated risk appetite; productivity improvements; and the execution of strategic priorities.

Income growth of 5% was well diversified across the portfolio and was achieved without increasing risk appetite. Net revenue, comprising operating income less provisions, increased 6%.

<sup>1</sup> Economic profit is defined in note 2 on page 9.

<sup>2</sup> Based on the Further Analysis of the Profit and Loss account set out on page 15.

**Table of Contents**

**BARCLAYS PLC**

**HALF-YEAR REVIEW**

At a business level, we have delivered improved income growth in Personal Financial Services, up 6% at £1,524m (2002: £1,436m). This largely reflects the early benefits of increased volumes acquired during 2002. Income increased in general insurance and consumer finance, rising by 21% and 14% respectively, more than offsetting the decline in income from the IFA operation which remained subdued given poor stockmarket conditions. Mortgage income rose 12%. Openplan continued to be a powerful tool in attracting new business and strengthening relationships with existing customers.

Business Banking is experiencing the first year of impact of the Competition Commission Inquiry transitional pricing remedy. Business Banking responded proactively by consulting with the relevant customers and, based on the insights gained, offered them a choice of either interest on current account or a discounted money transmission package. During the first half of the year, we have recruited new customers and transacted more business with existing customers. Income in Business Banking rose 5%.

Our businesses which target global or regional markets, as well as the home UK market, did well. Barclaycard income growth was 17%. This was the seventh consecutive half-year of record income. An important feature of this has been the rapid development of Barclaycard International and we will continue to extend the Barclaycard brand and technologies into new geographies.

Barclays Capital had a record half-year; income rose 7% to £1,308m and operating profit grew 14% to £420m. Barclays Capital market share in core markets also grew as clients continued to respond positively to its integrated risk management and financing business model. Income growth at Barclays Capital was achieved with little change in market risk; average DVaR was £23m, broadly stable relative to 2002. Investment continued, focused on origination and distribution capabilities in the US and continental Europe. Barclays Capital remains one of the international growth engines for Barclays.

In Barclays Private Clients, business performance continued to reflect volatile equity markets, falling interest rates and the on-going challenge of managing the closed life assurance activities. Despite the difficult conditions, wealth management presents attractive opportunities and remains a key strategic priority for us. The continued reshaping of the business, headed by a new leadership team, will position us to tap into the substantial wealth management profit pools and to take advantage of the market turnaround when it occurs. We continued to invest in the business.

Barclays Global Investors income grew 8% (or 19% in dollar terms). Its excellent investment performance record in all asset classes over the short, medium and long term, combined with systematic risk control, is a winning formula.

Barclays Africa has continued to reshape its business around serving its customers in a distinctive way and has been rewarded with a 31% increase in operating profit helped by income growth of 18%. This has been achieved when often both the economic and political environments were difficult.

As we have grown income, we have maintained our focus on improving productivity. We set a goal at the end of 1999 to deliver £1bn of annual run-rate cost savings within four years. We have exceeded this goal within three and a half years, with £1,070m of savings achieved. The cost reduction initiative was not a one-off exercise, but very much part of our transformation programme. We know there are more gains to be captured through on-going productivity management; this continues to be an important agenda item for our business leaders. Each of our businesses is committed to achieving, and then at least maintaining, cost:income ratios in the top quartile of their peer group.

**Table of Contents**

**BARCLAYS PLC**

**HALF-YEAR REVIEW**

Four businesses, Barclaycard, Business Banking, Barclays Africa and Barclays Capital, had top quartile cost:income performances by the end of 2002. Barclays Global Investors achieved top quartile performance for the first time during the first half of 2003. Personal Financial Services is committed to closing the gap between its performance (54%) and top quartile (51%). Barclays Private Clients remains challenged in achieving a top quartile ratio, largely a function of a fall in income rather than productivity.

Overall, we achieved a positive margin of income growth over cost growth of 1% (or 4% if the impact of the move from a pension credit in 2002 to a pension charge in 2003 is excluded). The Group cost:income ratio was maintained at 53%.

Our strategic priorities - remain unchanged and focus on those markets where we can most profitably implement our sources of competitive advantage: UK banking; businesses where we can benefit from global or regional economies of scale (such as cards, investment banking and institutional money management); retail and corporate banking in Europe; and wealth management in the UK and Europe. We also continue to work hard on improving the functional expertise, infrastructure and management disciplines that contribute to delivering good execution.

In addition to the opportunities for growth within each line of business, we believe that there are incremental value opportunities available to the Group by exploiting synergies between different parts of the portfolio. A good example is the synergy potential between Barclays Capital and Barclays Private Clients, where the sharing of product understanding, distribution capability and intellectual capital is already showing real benefits. We are also achieving benefits from working together across our core UK businesses - Personal Financial Services, Business Banking, Barclaycard UK, and UK Premier Banking in Barclays Private Clients.

The corporate development agenda is also an important element in delivering our goals. We completed in July our purchase of Banco Zaragozano in Spain, which we see as an important part of extending our retail and commercial banking activities in Western Europe. In January, we purchased Charles Schwab Europe (now part of Barclays Private Clients) and in May 2003 we bought Clydesdale Financial Services, a point of sale credit provider (now part of Barclaycard). Monument (formerly Providian UK) which was acquired in April 2002, has been integrated into Barclaycard. We regard these acquisitions as attractive ways to accelerate the implementation of our business strategies.

Barclays has delivered a good set of results across its portfolio in the first half of 2003, and demonstrated the benefits of a diverse franchise with most of the businesses firing on all cylinders. Our transformation is giving us the ability to seize growth opportunities and to adjust rapidly to changing conditions. We are confident about our momentum and our ability to sustain it, tempered somewhat by the remaining uncertainties in the environment as well as the traditionally slower second half.

We remain committed to building a portfolio of domestic and international businesses that will deliver long-term sustainable shareholder value.

**Sir Peter Middleton**  
**Chairman**  
**Executive**

**Matthew W. Barrett**  
**Group Chief**

**Table of Contents****BARCLAYS PLC****KEY FACTS (UNAUDITED)**

	30.06.03	Half-year ended	
		31.12.02	30.06.02
Number of UK branches	2,077	2,080	2,084
Number of overseas branches	499	499	550
Number of UK ATMs	3,900	3,900	3,900
Employees worldwide	73,600	74,700	78,400
Total customers registered for online banking	4.2m	3.9m	3.5m
<b>UK OPENPLAN</b>			
Number of customers with Openplan from Woolwich	1.3m	1.2m	1.1m
Number of customers with Openplan from Barclays	1.1m	0.8m	0.3m
Total UK Openplan savings balances	£ 20.6bn	£ 18.5bn	£ 13.2bn
Total UK Openplan mortgage balances	£ 26.2bn	£ 21.2bn	£ 16.0bn
<b>PERSONAL FINANCIAL SERVICES</b>			
Number of UK current accounts	10.6m	10.5m	10.3m
Number of UK savings accounts	10.7m	10.2m	9.5m
Total UK mortgage balances	£ 59.8bn	£ 58.7bn	£ 55.7bn
<b>BARCLAYS PRIVATE CLIENTS</b>			
Total customer funds	£ 89bn	£ 85bn	£ 91bn
Number of Iberian Openplan customers	26,000	20,000	12,000
Average stockbroking deal volumes per day (excluding Charles Schwab Europe)	5,500	6,200	6,400
<b>BARCLAYCARD</b>			
Number of Barclaycard UK customers	10.1m	9.7m	9.3m
Number of customers registered for online account services	1.3m	1.1m	0.9m
Number of retailer relationships	88,000	85,000	85,000
Number of retailer transactions processed	0.7bn	0.7bn	0.7bn
Number of Barclaycards in issue overseas	1.32m	1.28m	1.24m
<b>BUSINESS BANKING</b>			
Number of Business Banking customers	728,000	727,000	731,000
Number of current accounts	733,000	731,000	738,000
Number of Business Premium deposit accounts	238,000	238,000	242,000
Customers registered for online banking/BusinessMaster	258,000	288,000	273,000
<b>BARCLAYS AFRICA</b>			
Number of customers accounts	1.4m	1.4m	1.4m
<b>BARCLAYS GLOBAL INVESTORS</b>			
Total assets under management	£ 543bn	£ 462bn	£ 500bn
Number of institutional clients	2,400	2,300	2,100

	Half-year ended			
	30.06.03		30.06.02	
	League table position	issuance value	League table position	issuance value
<b>BARCLAYS CAPITAL</b>				
Global all debt	4th	\$103.0bn	6th	\$77.7bn
European all debt	3rd	\$ 68.2bn	2nd	\$56.5bn
All international bonds (all currencies)	5th	\$ 60.6bn	10th	\$43.7bn
All international bonds (Euros)	6th	30.8bn	8th	24.0bn
Sterling bonds	1st	\$ 5.8bn	1st	\$ 8.1bn

**Table of Contents**

US investment grade corporate bonds	9th	\$4.7bn	12th	\$2.1bn
-------------------------------------	-----	---------	------	---------

**BARCLAYS PLC****GROUP PERFORMANCE MANAGEMENT****Value Based Management**

Barclays is focused on delivering superior value to its shareholders. To achieve this, we have adopted the principles of Value Based Management (VBM) to develop strategy, allocate resources and manage performance.

In applying VBM principles, Barclays has developed a disciplined, fact-based approach to strategy development and business planning, which aims to build sustainable competitive advantage. Individual businesses generate alternative business strategies to facilitate the selection of the most appropriate value-maximising option. Our aim is to achieve profitable growth in all our businesses.

In order to set a benchmark for top quartile value creation, we set performance goals designed to stretch the thinking and ambition of our businesses. These goals act as inputs into our strategy development process that in turn generates business performance commitments.

**Performance Goals**

At the end of 1999, Barclays set a series of four year performance goals for the period 2000 to 2003 inclusive. The primary goal is to achieve and sustain top quartile total shareholder return (TSR) relative to a peer group<sup>1</sup> of financial services companies (reviewed annually). TSR is defined as the value created for shareholders through share price appreciation, plus re-invested dividend payments.

In addition, a set of secondary four year goals were established to frame the performance required to meet the primary goal.

The first supporting goal was to double the absolute value of an investment of a hypothetical £100 in Barclays over the four year period from the end of 1999. At the time of setting the goals, analysis of financial services companies who had delivered top TSR performance indicated that this level of value creation would be required for Barclays to be in the top quartile of the peer group.

The second supporting goal was to double economic profit<sup>2</sup> over the period. At the time of setting the goals, we believed that this level of economic profit generation would be required to deliver top quartile TSR performance. This goal requires the delivery of £6.1bn of cumulative economic profit for the period 2000 to 2003 inclusive.

The third supporting goal was specifically focused on improving cost management. This goal was to reduce the annual run rate of Group costs by £1bn over the four year period to the end of 2003 thereby absorbing the impact of inflation and volume related growth during the period. Our belief is that to achieve our shareholder value aspirations we must deliver world-class productivity performance.

<sup>1</sup> Peer group for 2003: Abbey National, ABN Amro, BBVA, BNP Paribas, Citigroup, Deutsche Bank, HBOS, HSBC, Lloyds TSB, Royal Bank of Scotland and Standard Chartered. The peer group is unchanged from 2002.

<sup>2</sup> Economic profit is defined as profit after tax and minority interests plus certain gains (and losses) reported within the statement of total recognised gains and losses where they arise from the Group's business activities and are in respect of transactions with third parties, less a charge for the cost of average shareholders' funds (which includes purchased goodwill). The cost of average shareholders' funds is calculated using the capital asset pricing model. The cost of equity comprises primarily three components: the equity risk premium; the market beta; and the risk free rate. The Group's cost of average shareholders' funds for 2003 is unchanged from 2002 at 9.5%.

**Table of Contents****BARCLAYS PLC****GROUP PERFORMANCE MANAGEMENT****Performance relative to goals**

At the end of June 2003, Barclays had met its primary goal of top quartile TSR performance relative to its peer group and also delivered the cost goal ahead of schedule. However, Barclays is behind the cumulative economic profit goal and is significantly behind the absolute value goal as a result of the fall in the stock markets during the period.

**Total Shareholder Return**

For the three and a half years from 31st December 1999 to 30th June 2003, Barclays was positioned third within its peer group, thereby achieving its primary top quartile TSR performance goal.

**Absolute Value**

In order to be on track to meet this goal, the hypothetical £100 investment should have been worth £183 on 30th June 2003. The hypothetical £100 investment would actually have been worth £117.

This performance has been achieved in an environment of widespread declines in stock market values. A corresponding hypothetical investment in a basket of shares made up of the Barclays peer group would have been worth £104 on 30th June 2003, while an investment in the FTSE 100 Index would have been worth £64.

**Economic Profit**

This goal required the generation of £5.1bn of cumulative economic profit by 30th June 2003, as the contribution of the first three and a half years in the four year (2000-2003 inclusive) cumulative goal of £6.1bn. Economic profit for the first half of 2003 was £0.7bn, which combined with the cumulative £3.9bn generated between 2000 and 2002 inclusive, delivered £4.6bn of cumulative economic profit at 30th June 2003.

The breakdown of economic profit performance is shown below:

	Half-year ended	
	30.06.03	30.06.02
	£m	£m
Profit after tax and minority interests (excluding goodwill amortisation)	1,508	1,374
Average shareholders funds	16,566	15,682
Post-tax cost of equity	9.5%	9.5%
Cost of average shareholders funds	(766)	(720)
Economic profit	742	654

<sup>1</sup> The difference between the average shareholders funds (excluding minority interests) of £15,703m and that reported above represents cumulative goodwill amortisation charged and goodwill previously written off to reserves.

<sup>2</sup> The cost includes a charge for purchased goodwill of £201m (2002: £199m). A post-tax cost of equity of 8.5% has been used for goodwill associated with the acquisition of Woolwich plc.

**Table of Contents****BARCLAYS PLC****GROUP PERFORMANCE MANAGEMENT****Economic Profit (continued)**

The table below shows the economic profit generated by each business area. Further information on the economic capital methodology and the allocation of economic capital by business can be found on pages 46 and 47.

	Economic profit Half-year ended	
	30.06.03 £m	30.06.02 £m
Personal Financial Services	246	200
Barclays Private Clients - ongoing business	96	145
- closed life assurance activities	(46)	(34)
Barclaycard	174	143
Business Banking	315	293
Barclays Africa	19	10
Barclays Capital	167	143
Barclays Global Investors	52	28
Other operations <sup>1</sup>	(14)	(54)
Head office functions	(31)	5
Goodwill <sup>2</sup>	(201)	(199)
Cost of variance to average shareholders funds	(35)	(26)
	<b>742</b>	<b>654</b>

**Cost goal**

Between 2000 and 2002 inclusive, £910m of savings were achieved. In the first half of 2003, a further £160m of savings were achieved, creating a cumulative total of £1,070m. Therefore with three and a half years of the four year period elapsed, the goal had been achieved ahead of schedule.

We continue to benchmark each of our businesses against the appropriate peer group in financial services to establish top quartile efficiency ratio targets.

Barclays cost:income ratio was maintained at 53% (2002: 53%).

<sup>1</sup> Includes Transition Businesses, see page 50.

<sup>2</sup> Cost of equity charge on purchased goodwill.

**Table of Contents****BARCLAYS PLC****SUMMARY OF RESULTS (UNAUDITED)****PROFIT BEFORE TAX**

	30.06.03	Half-year ended 31.12.02	30.06.02
	£m	£m	£m
Personal Financial Services	534	508	475
Barclays Private Clients			
- ongoing business	177	165	246
- closed life assurance activities	(46)	(61)	(26)
Barclaycard	381	312	312
Business Banking	674	625	643
Barclays Africa	63	57	48
Barclays Capital	420	223	370
Barclays Global Investors	91	50	60
Other operations <sup>1</sup>	(46)	(52)	(117)
Head office functions	(60)	(70)	(39)
	<b>2,188</b>	<b>1,757</b>	<b>1,972</b>
Restructuring charge	(74)	(132)	(55)
Woolwich integration costs	(22)	(48)	(32)
Goodwill amortisation	(128)	(124)	(130)
Exceptional items	(1)	(3)	
	<b>1,963</b>	<b>1,450</b>	<b>1,755</b>

**TOTAL ASSETS AND WEIGHTED RISK ASSETS**

	30.06.03	Total assets 31.12.02	30.06.02	30.06.03	Weighted risk assets 31.12.02	30.06.02
	£m	£m	£m	£m	£m	£m
Personal Financial Services	73,584	71,871	67,877	41,879	41,100	38,673
Barclays Private Clients						
- ongoing business	15,392	13,087	13,859	12,668	11,713	9,856
- closed life assurance activities	862	929	950			
Barclaycard	11,412	10,669	10,278	11,464	10,647	10,009
Business Banking	51,182	47,315	44,509	53,640	50,449	47,159
Barclays Africa	2,776	2,632	2,366	1,980	1,892	1,672
Barclays Capital	274,566	236,472	230,511	58,067	53,496	53,974
Barclays Global Investors	607	494	389	1,083	666	636
Other operations <sup>1</sup> and Head office functions	4,841	8,379	7,035	633	2,785	3,189
Goodwill	3,867	3,934	4,055			
Retail life-fund assets	7,642	7,284	7,879			
	<b>446,731</b>	<b>403,066</b>	<b>389,708</b>	<b>181,414</b>	<b>172,748</b>	<b>165,168</b>

<sup>1</sup> Includes Transition Businesses, see page 50.





**Table of Contents****BARCLAYS PLC****CONSOLIDATED PROFIT AND LOSS ACCOUNT (UNAUDITED)**

	<b>30.06.03</b>	<b>Half-year ended 31.12.02</b>	<b>30.06.02</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Interest receivable	<b>6,093</b>	6,007	6,037
Interest payable	<b>(2,857)</b>	(2,935)	(2,904)
Net interest income	<b>3,236</b>	3,072	3,133
Net fees and commissions receivable	<b>2,030</b>	1,961	1,964
Dealing profits	<b>530</b>	320	513
Other operating income	<b>197</b>	240	124
Total non-interest income	<b>2,757</b>	2,521	2,601
Operating income	<b>5,993</b>	5,593	5,734
Administration expenses - staff costs	<b>(2,026)</b>	(1,877)	(1,878)
Administration expenses - other	<b>(1,092)</b>	(1,213)	(1,099)
Depreciation and amortisation	<b>(269)</b>	(271)	(286)
Operating expenses	<b>(3,387)</b>	(3,361)	(3,263)
Operating profit before provisions	<b>2,606</b>	2,232	2,471
Provisions for bad and doubtful debts	<b>(652)</b>	(771)	(713)
Provisions for contingent liabilities and commitments		(2)	1
Operating profit	<b>1,954</b>	1,459	1,759
Profit/(loss) from joint ventures and associated undertakings	<b>10</b>	(6)	(4)
Exceptional items	<b>(1)</b>	(3)	
Profit on ordinary activities before tax	<b>1,963</b>	1,450	1,755
Tax on profit on ordinary activities	<b>(567)</b>	(446)	(509)
Profit on ordinary activities after tax	<b>1,396</b>	1,004	1,246
Minority interests - equity and non-equity	<b>(13)</b>	(11)	(9)
Profit for the financial period attributable to the members of Barclays PLC	<b>1,383</b>	993	1,237
Dividends	<b>(457)</b>	(787)	(419)
Profit retained for the financial period	<b>926</b>	206	818
Earnings per ordinary share	<b>21.3p</b>	15.1p	18.6p
Dividend per ordinary share			
Interim	<b>7.05p</b>		6.35p
Final		12.00p	

**Table of Contents****BARCLAYS PLC****CONSOLIDATED BALANCE SHEET (UNAUDITED)**

		<b>30.06.03</b>	<b>31.12.02</b>	<b>30.06.02</b>
		<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Assets:</b>				
Cash and balances at central banks		<b>1,717</b>	2,032	1,414
Items in course of collection from other banks		<b>3,155</b>	2,335	3,077
Treasury bills and other eligible bills		<b>7,842</b>	7,645	8,768
		<b>14,937</b>	15,369	16,889
Loans and advances to banks	- banking	<b>14,937</b>	15,369	16,889
	- trading	<b>52,534</b>	42,805	40,951
		<b>67,471</b>	58,174	57,840
		<b>164,912</b>	157,222	151,815
Loans and advances to customers	- banking	<b>164,912</b>	157,222	151,815
	- trading	<b>59,447</b>	45,176	47,211
		<b>224,359</b>	202,398	199,026
Debt securities		<b>100,122</b>	94,229	80,744
Equity shares		<b>5,164</b>	3,133	4,661
Interests in joint ventures and associated undertakings		<b>454</b>	455	89
Intangible fixed assets - goodwill		<b>3,867</b>	3,934	4,055
Tangible fixed assets		<b>1,572</b>	1,626	1,831
Other assets		<b>23,366</b>	19,821	20,324
		<b>439,089</b>	395,782	381,829
Retail life-fund assets attributable to policyholders		<b>7,642</b>	7,284	7,879
<b>Total assets</b>		<b>446,731</b>	403,066	389,708
<b>Liabilities:</b>				
Deposits by banks	- banking	<b>51,357</b>	48,751	39,052
	- trading	<b>41,844</b>		